

One restaurant, nine MBAs

Former students have pooled their business school know-how to start a venture in Shanghai, writes Fergus Ryan

For an intrepid entrepreneur holding down two jobs, Jeff Wei wakes at a leisurely 9am. In his defence, however, he only finishes his second job as a senior project manager for a multinational company after 1am.

By midday he is at the Shanghai restaurant, Cheers, which he and eight classmates from his MBA programme opened in July.

"It's a place where everyone knows your name," laughs Mr Wei, 34, who grew up in Taiwan. "Of course not many Chinese people have seen the TV show but they like the atmosphere here anyway."

So, it seems, do the westerners who make up half the restaurant's clientele. "Expats like a taste of home," explains Mr Wei, the restaurant's chief executive.

The expats' mere presence, according to Mr Wei, attracts Shanghai's growing middle classes, who are eager to sample a western lifestyle.

The nine restaurateurs, eight men and a woman, were all members of the class of 2009 international MBA programme run at the Sauder School of Business at the University of British Columbia and Jiao Tong University in Shanghai. Six of the nine were placed in an original team at the start of the programme to work on various projects and they poached the remaining trio after graduating.

"Initially, we didn't even talk the same language," says Mr Wei, who speaks English, Mandarin and Japanese. "Some of us are Chinese, others grew up in Canada or the US and another comes from Thailand. By the end of the course though we all communicated effectively in both English and Chinese."

Mr Wei enrolled in the MBA partly to make contact with like-minded students. "Jiao Tong is a prestigious school and going there allows you to meet some of the brightest people in Shanghai. It helps you build connections, which are very important if you're trying to start a business in China. Even if you already have a basic plan for your venture, the MBA allows you to network with people who will be of incredible value to that plan in the future."

Networking aside, Mr Wei believes the MBA course work is crucial to

running a successful business. Financial management, accounting and marketing courses have proved useful, but it is the case studies and projects that have been most beneficial.

"One particular project we worked together on stands out. It was a marketing case study on Starbucks. We found it fascinating how they successfully started out their business from a small coffee shop in Seattle and maintained that success and managed to grow the operation in China. During that project, we exchanged many ideas on how to start a successful business in Shanghai.

"By working together so closely we discovered each other's strengths... It was probably during that project that we decided to form our partnership to open a business."

Shanghai has an exploding middle class with plenty of money to spend, says Mr Wei and once they had settled on Cheers they knew they needed something different to attract the crowds. "We felt that there was no similar business model in the city and that if we could get it right, we'd be quite successful," he adds.

They contributed Rmb2m (\$299,000)

to set up the business. All nine stakeholders have an equal partnership, but an executive board runs the business.

Mr Wei relies heavily on his MBA colleagues Ivan Sun, the chief financial officer, and Perry Shen, who uses his knowledge as a Shanghai native to get the best deals as the procurement manager. Initially it was difficult to secure the right permits, says Mr Wei, "Which was where Ivan proved very helpful".

The executive board has set a target of Rmb1m turnover for the first six months and wants to grow the business by 20 to 30 per cent in the next two years. The board has also been in contact with venture capitalists.

"We plan to open another Cheers by the end of the year. We've also spoken to the school's alumni. They haven't put up any money yet but some of the alumni are interested in opportunities in Shanghai," says Mr Wei.

After overseeing the restaurant's operations, Mr Wei heads out at 6pm to begin work as a project manager. "It's exhausting, but it's also very exciting. Shanghai is the best place in the world to do business."

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Cheers: Jeff Wei (third right) with some of his fellow MBA restaurateurs

Zhou Junxiang

