

Tricycle Model  
To Create an Entrepreneurial Society

*Learning from Helping*

The role of education in promoting local  
industries and SMEs

-Entrepreneurship Education Projects-

September 22, 2006

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# Waseda Venture Kids Program

## Waseda University



- Established in 1882
- Third largest university in Japan
- Motto: Independence of Learning
- Waseda Business School
  - MBA and MOT Programs
  - NTU-Waseda Double MBA
- <http://www.waseda.ntu.edu.sg/>
- Prof. Ohe teaches
  - **Corporate Venture**
  - **Entrepreneurship**

## Entrepreneurship is an instinctive skill set

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- Education & home discipline prevent the use of this skill set
- Kids have limited opportunity to use the entrepreneurship skill set
- It is essential to provide opportunities to use the entrepreneurship skill set



## Entrepreneurs have their own practice when they are young on entrepreneurship

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Bill Gates, Microsoft

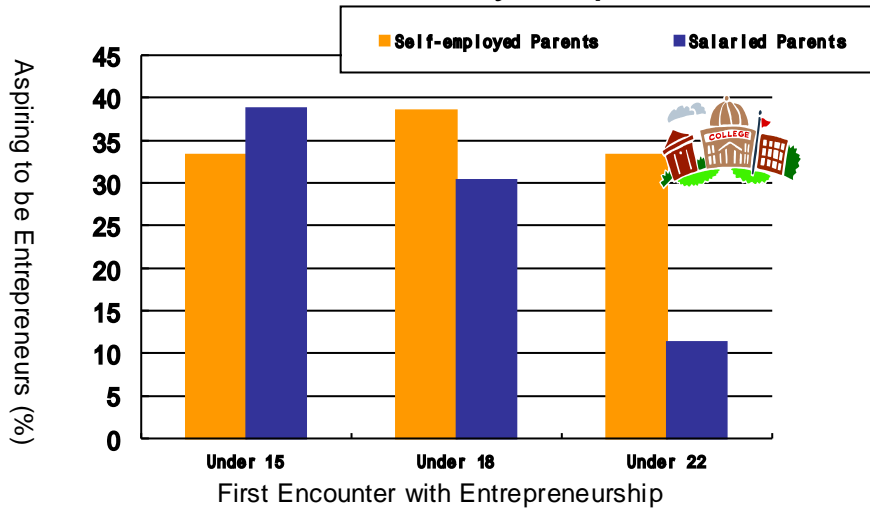
Established a software company at 15

Dell, Dell Computer

Established a mail-order stamp  
service at 12



## Entrepreneurship training & practice should start as early as possible



## Education Required for 21st Century Information Age

### Industrial Age

#### Long Term

- Right answer
- Study the right answer
- Improve the answer

Knowledge based education

### Information Age

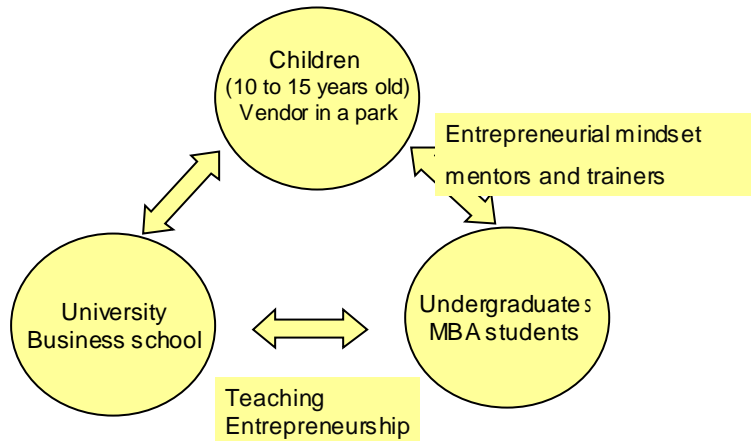
#### Short Term

- No right answer
- Trial and error
- Entrepreneurship
- Learning from failure

Assumptions based education



## Waseda Venture Kids Program Entrepreneurship education for children to create future entrepreneurs



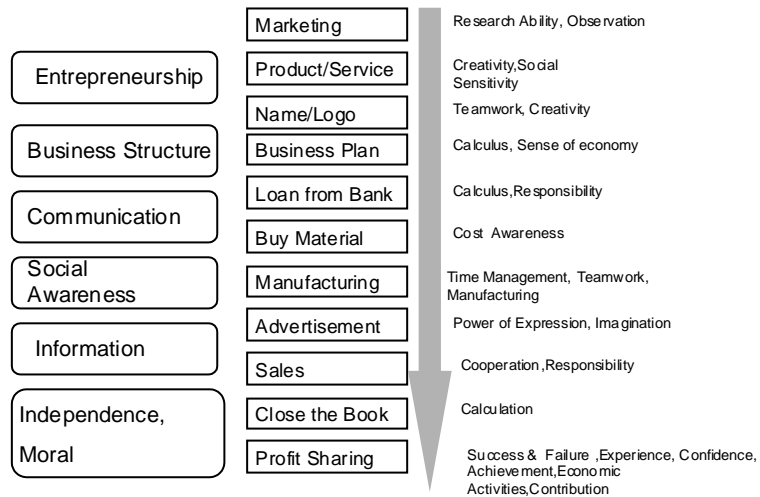
## Selfwing, Inc.



- Selfwing, Inc. is a venture established by MBAs from Waseda Business School.
- Selfwing, Inc. provides its unique educational programs for children, such as V-kids Camp including the following programs;
  1. Entrepreneurship
  2. Business
  3. Traditional craft
  4. Foreign language
  5. Career planning
- V-kids programs are provided in the forms of summer camps or regular class room for children, collaboration with local communities.

## Basic Activities of Venture Kids Program

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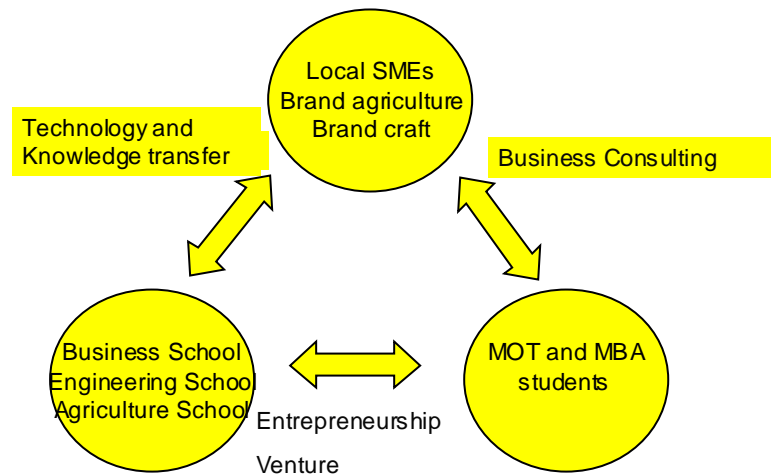
(c)Takeru Ohe & SelfWing Inc.

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## Entrepreneurship Course at Waseda Business School

Learning from Helping

## Consulting for Local SME as a MBA course project



## Entrepreneurship Course at Waseda Business School Objectives of the Course

- Turn a breakeven company into a profitable company within a short time
- Develop a vision and a growth scenario for micro-company to make a public company
- Learning from helping

## Comprehensive Agreement between Waseda University and Sumida-ward, Tokyo



## Definition of SME in Japan

- SME
  - Manufacturing company: less than 300 employees, or less than capital 300 Million yen
  - Retailing company: less than 50 employees, capital 50 million yen
- Micro Business (unofficially)
  - Less than 20 employees

## **Hamano Products, K.K.**

20 employees company

Currently a 250 million yen breakeven operation

Sheet metal works as a subcontractor



## **Sample Work of Hamano Products K.K.**



## **Problems Related to The Metal Processing Industry in Japan**

- The industry consists mainly of SME companies
- Experienced decline in both numbers and sales during the last ten years
  - Customers have shifted to overseas operations
  - Competition with lower-priced overseas companies

## **Observations at Hamano Products K.K**

- Orders received by fax, mail, direct
- Small repeat orders
- Short-notice orders
- Limited employees can input data into CAD
- Limited employees can do quotations and slow quotations
- High turnover of employees: no technology accumulation
- High defective fraction: 2% to 10%
- No cause analysis of failure to receive an order
- No standard Job Work Instructions
- No standard delivery method
- Very unorganized workplace
- No profit management
- A six-day work week
- Overtime payment is almost equal to monthly salary

## **Five Growth Strategies**

	<b>Lens</b>	<b>Strategy</b>	<b>Strategic Tool</b>
<b>1</b>	Customers	Improve the customer's experience	Consumption chain analysis
<b>2</b>	Products and offerings	Improve the offerings	Attribute mapping
<b>3</b>	Key metrics	Redefine profit drivers	Unit of business analysis
<b>4</b>	Industry shifts	Exploit industry shifts	Industry shift framework
<b>5</b>	Emerging opportunities	Enter new markets	Tectonic triggers framework

MarketBusters HBSP 2005 Rita McGrath and Ian MacMillan

### **Strategy 1**

Improving Customer Experience  
with Offerings

- The website was designed to help the large company design engineers complete the order-purchase transaction – including researching, price negotiation, and delivery – online.

## Strategy 2 Improving Product Offering

Main customers: Large manufacturers directly		
Nonnegotiable	Differentiator	Exciter
Fast and accurate delivery. Accurate delivery and high quality. Obtain ISO14000	Introducing the solutions for the difficult questions	Fast and standardized estimation.
Tolerable	Dissatisfier	Enrager
High price	Limited technology	
So What	Parallel	
Pictures and hobbies of employees	ISO 9000	

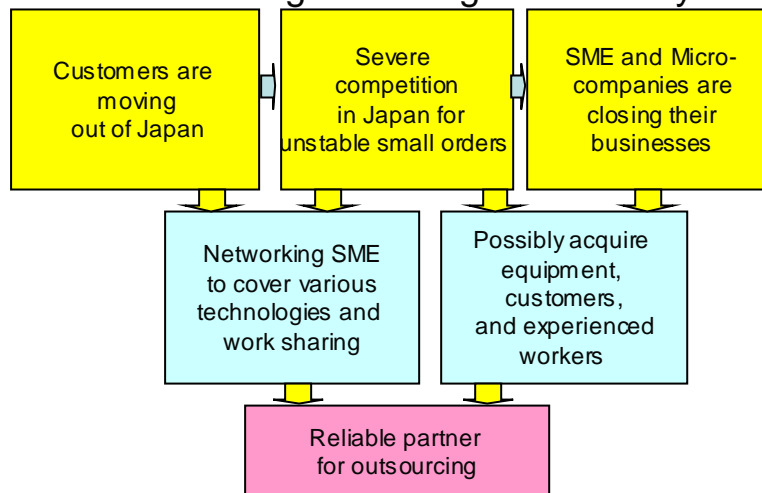
## Strategy 3

### Modifying the Business Unit

- From the sales of metal processing work to the sales of assembled finished products and consulting fees from consulting work.
- Change of a very low profit rate of metal processing work to higher profit rate of consulting and assembly work.

## **Strategy 4**

### Taking Advantage of Industry Shifts



## **Strategy 5**

### New Business Opportunity

- New materials such as titan, magnesium, and ceramic through academic-industrial alliance
- New mold technology through academic-industrial alliance

## **Fall 2005**

### **Hamano Products K.K.**

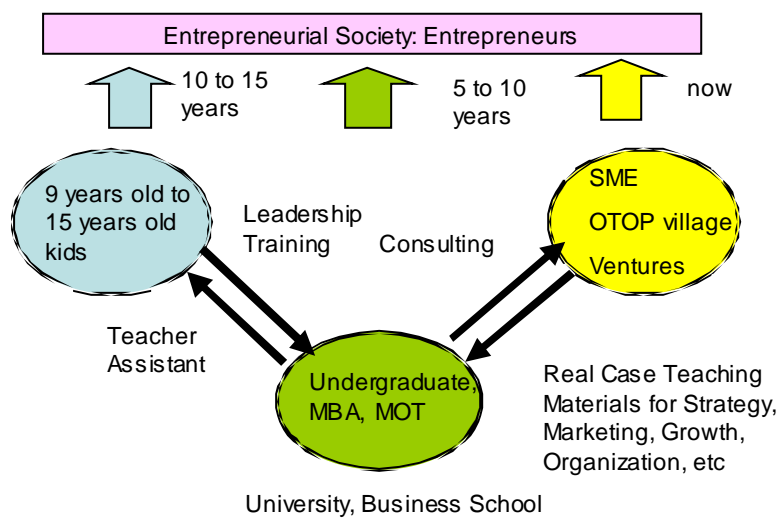
- Implemented Strategy 1 and Strategy 2 for the last two years
- \$4.0M with 15% ROS (September, 2005)
  - Cut overtime substantially
  - Cut damaged works
  - Started monthly closing
  - Began small group meetings
  - Established job estimate standard
  - Gained new large-company customers
- Preparing Strategy 3 and Strategy 4
  - Networking
  - M&A

## **MOT/MBAs Upon Graduation**

- MOT/MBA graduates created two consulting firms to support SME and Micro companies
  - Waseda Business Partners, K.K.
  - Waseda Re-vital Partners, K.K.
- Their business models are to receive both a consulting fee as well as a success fee.

# Programs in Asia Tricycle Model to Create Entrepreneurial Society

## Creation of Entrepreneurial Society A Tricycle Model



## Entrepreneurship in Asia

- Entrepreneurship education projects in
  - 2003 Thailand: Mae Fah Luang University
  - 2004 Cambodia: National University of Management
  - 2005 Malaysia: UKM (University Kebangsaan Malaysia)
- => An effective, novel approach to promote local business involving a local intellectual center (university) as the core participant, therefore at the same time:
  - Educate students & enhance their entrepreneurial mind and spirit
  - Promote local industries

## New challenges:

making a text book for kid-entrepreneurs

- The Ministry of Education, Culture, Sports, Science and Technology is funding a project to create a *text book* on entrepreneurship for the Asian region to develop “kid-entrepreneurs”
- Text book would help education institutes to develop a program for the young, flexible generation to learn an entrepreneur's creative and practical way of thinking
- Implementation schedule:
  - 2006 Thailand
  - 2007 Vietnam

Thank you!

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