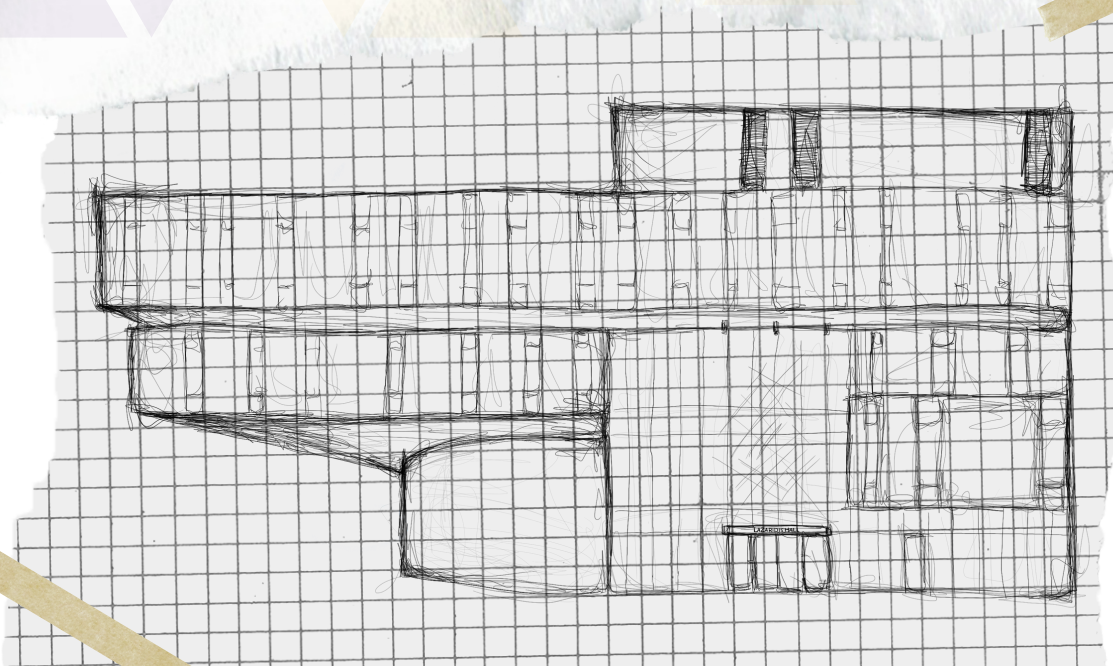


Uncharted Territory

LazSoc Business and Economics Review



LAZSOC BUSINESSES AND ECONOMICS REVIEW
WINTER 2021

Table of Contents

Meet the Team	03
Industry Interview: Anthony Viel	05
INNOVATION	08
Amazon's Empire: How small businesses can avoid being Amazoned	
Industry Interview: Sinead Bovell	12
BUSINESS	16
Tiktok Tops the Charts: A glimpse into the success of this new business innovation	
Industry Interview: Manny Satija	20
Exploring Economics: Wealth Tax	23
COVID-19	26
The Show Must Go On: Entertainment and the post-pandemic consumer landscape	
Alumni Advice: Terry Gillis	30
Student Startup: Building a Business with Enactus	35
Laurier	
FINANCE	38
Banking on Recovery: How COVID-19 has impacted the banking industry	
Exploring Economics: The Growing Wave of Student Debt	42
Faculty Focus: Karin Schnarr	44

MEET THE TEAM

To our Readers,

This year has been unpredictable, to say the least. This aside, the team behind The Lazsoc Business and Economics Review has worked hard to put together an issue without having met in person a single time. From the virtual interviews to creating friendships nationwide, our team has been resilient, adaptable, and creative as ever. Through Zoom, Facetime, Google Hangouts, and many other platforms, the third issue of The Lazsoc Business and Economics Review has come to life. As Co-Editors in Chief, we are extremely proud to lead this team of passionate individuals who have helped this publication scale new heights.

In this issue, we have analyzed current situations while looking forward to a bright future. We have discussed the success of TikTok, the impact of a global pandemic on financial institutions, what movie theatres might look like in the future, Amazon's impact on the shopping experience, as well as the economics of student debt and wealth taxes. Throughout this review, you will also find interviews we conducted with CEOs, VPs, Faculty, and Founders, to discuss their experiences and provide us with noteworthy insights and advice.

We hope this issue brings you hope and excitement for what the future holds, as well as inspires you to follow your passions and set goals that go beyond anything you had ever imagined. From the interviews and articles in this issue, we have learned how important it is to create your own version of success – we hope this review inspires you to do the same. Thank you for reading.

Sincerely,

Your Editors-in-Chief

Tanvi & Maya



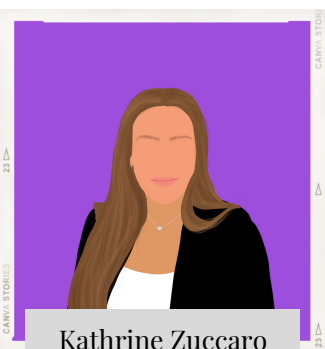
Mayajeet Arora
Editor-in-Chief



Tanvi Sachdeva
Editor-in-Chief



Nikki Purba
Head of PubDev



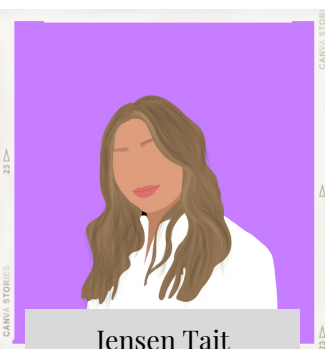
Kathrine Zuccaro
Director of Internal Affairs



Sufie Lohan
Marketing Manager



Viveka Jadeja
Marketing Manager



Jensen Tait
Head Designer



Chloe Higgs
Designer



Rija Jawad
Designer

Strategic Article: INNOVATION

Amazon's Impact: How one organization is changing the business landscape



Bella Brodeur
Subject Matter Specialist



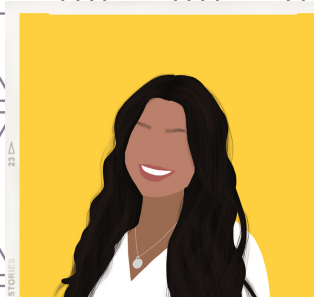
Madison Francone
Author



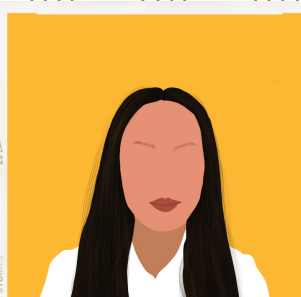
Aakanksha Bavadekar
General Researcher

Strategic Article: BUSINESS

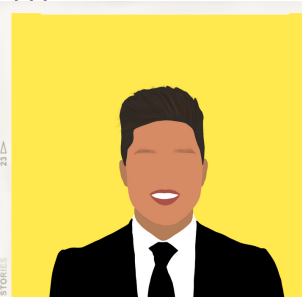
TikTok Tops the Charts: A glimpse into the success of this new business innovation



Samantha Fedele
Subject Matter Specialist



Crystal Xue
Author



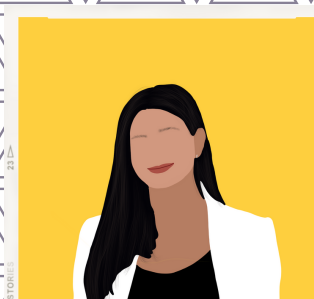
Patrick Daigle
General Researcher



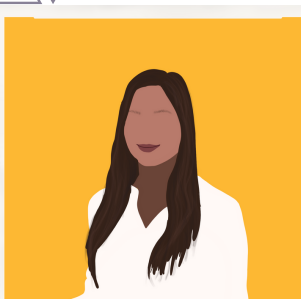
Arshdeep Jawanda
General Researcher

Strategic Article: COVID-19

The Show Must Go On: Entertainment and the post-pandemic consumer landscape



Suchet Gill
Subject Matter Specialist



Rachel Petersen
Author



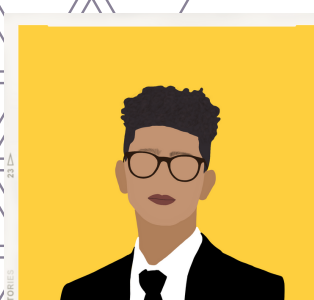
Regan Smith
General Researcher



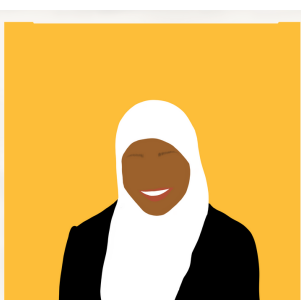
Tahmeed Hassan
General Researcher

Strategic Article: Finance

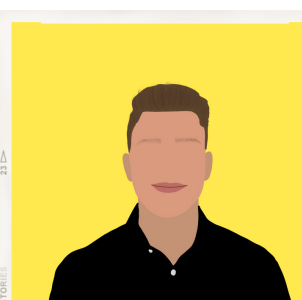
Banking on Recovery: How COVID-19 has impacted the banking industry



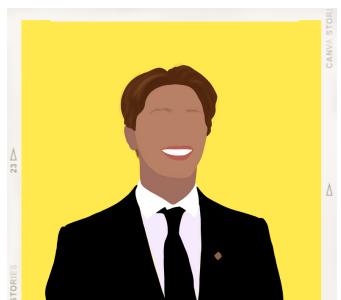
Najib Guiti
Subject Matter Specialist



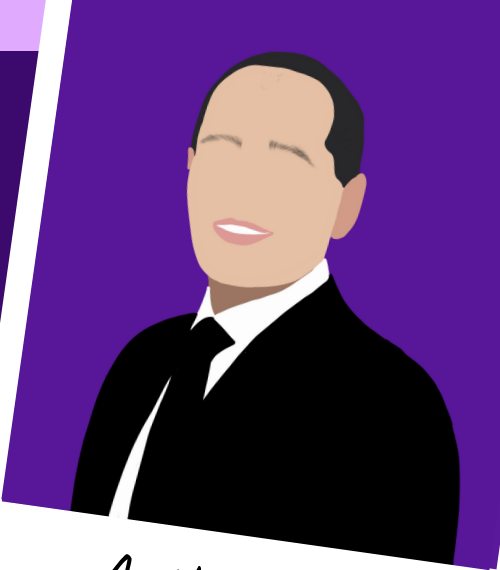
Maryam Elnaggar
Author



Alexander Chaves
General Researcher



Arthur Segalin
General Researcher



Industry Interview

ANTHONY VIEL

Anthony Viel is the CEO of Deloitte Canada ; with an educational background in Actuarial Sciences and Law, Viel has put in 25 years with the company

Anthony Viel

Is there anyone you look up to? Who would you like to interview?

I look up to a lot of people! I admire all people that are able to produce outcomes and become successful irrespective of the cards they are dealt. I'm sure you're experiencing that while going through university right now. I respect the folk who do extraordinarily well with the cards that they were given, even if those cards weren't the greatest cards in the world. Just for context, I was an immigrant out of a family from Australia and, we didn't come with much, so I really have a lot of respect for people that don't allow their circumstances to hinder them. In terms of someone I'd like to interview, if he was still alive, Nelson Mandela. A big theme at Deloitte is unity and looking after each other. Look at what Mandela did for that country and South Africa and imagine what he would've done if he had an extra decade, rather than spending his time imprisoned. That would be a person I wouldn't mind inviting around for dinner.

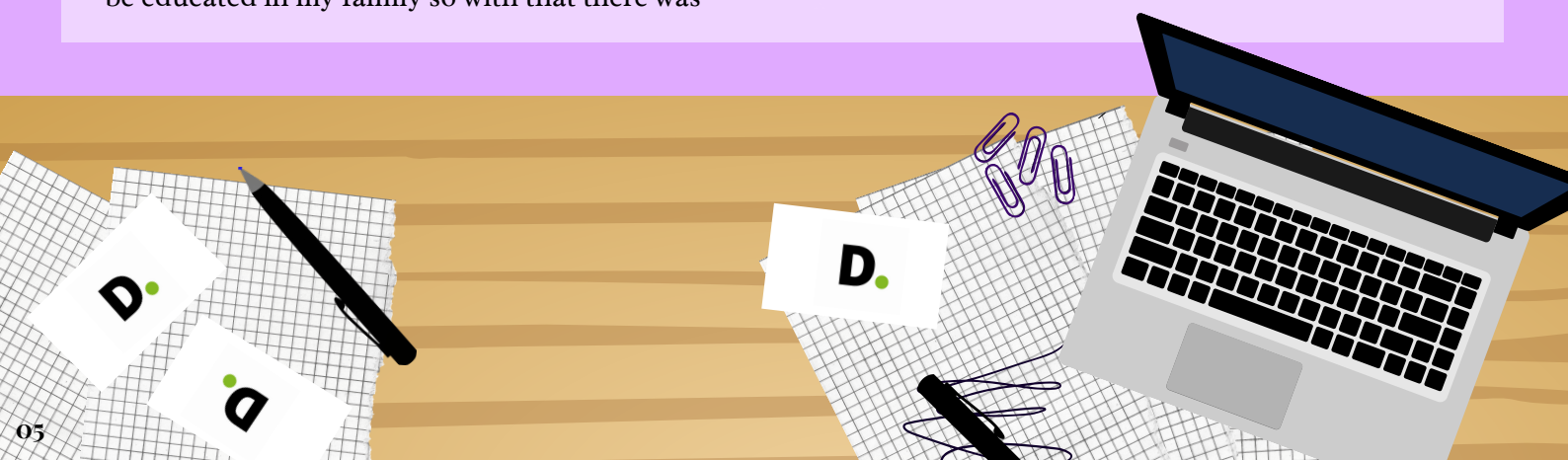
How would you define success for yourself?

It's interesting because it's evolved. I was the first to be educated in my family so with that there was

some responsibility to be successful; years ago, I probably would've defined it around those parameters. But today, sitting in front of you both, I define my success as uplifting those around me. In my role as managing partner and CEO, I can reach and influence a lot more people - I really take that privilege to heart. When it comes to crystallizing our purpose as a firm, it's no fluke that our purpose is to help and inspire others to thrive. We do that through accelerating access to knowledge and opportunities for people, more specifically, all Canadians. How I define success these days is by looking at how much impact I make on those around me, through support, mentorship, sponsoring, coaching etc.

How do you manage work-life balance? Are there certain hobbies or activities that you enjoy as stress relief?

I struggled like everyone, as you could imagine. In the initial shutdown that was implemented, in particular. It was happening to me and rather than recognizing it myself, my wife pointed out "you seem to be 'on' all the time". For her to say that, I must have been an extra level of "on"; I must've been at volume 11 out of 10 if you know what I mean. I got very conscious about introducing rules and rituals that could help me divide my time between Deloitte and other things. I originally started with going back into the office as restrictions lifted at the start of summer - this gave



me a break. One of the rituals for me was putting the laptop down at the end of the day. That was the sort of signal to say, done! Finished! This is harder to do when working from home because the computer's still on my desk. Because of this, I've introduced new rules and rituals. In terms of fun or what I do in my down time, like everybody that likes food as much as me, you get into cooking in a different way. My latest experiment was getting a sourdough starter to make my own bread. There's nothing more pleasant than the smell of this house when we're baking bread. Anything like that to take your mind off day-to-day, take your head away from what's been a pretty difficult personal and professional situation. Cooking would be my outlet.

What is something that you've made an effort to do since the pandemic started?

One of the biggest changes that I've been trying to rectify, like all of us, is that we're online all the time. It's adding to our days. You think it's efficient, but it's not. If you're not careful, your agenda can just turn into back-to-back meetings. Then you start your work at the end of the day and that's just so wrong. I've also tried to put meetings with no agenda into my calendar. This is how I try to simulate that personal time to catch-up or casual chat over coffee, that you'd have if you were in the hallway or bumped your shoulder after a meeting to say "oh I haven't seen you, let's have a chat about that." I'm trying to do a bit more of that.

Meetings have become so mechanical, it's not human. If you study human chemicals, which some of you might, we know that if we don't establish a connection then we don't feel good. Talking about the next agenda item on the business topic doesn't really connect anybody, it's like handing out more tasks. I think what we have to try in this virtual world is facilitate interactions that build connections.

Deloitte is largely a professional services firm, what do your day-to-day activities look like and how have they changed because of Covid-19?

Deloitte was fortunate, like several organizations, we were able to flip a switch. I think it started on a Friday just at the start of March break and by Tuesday afternoon, 99% of our people were up and running digitally. So, that was big change number one. I think the second thing we tried to do is figure

"I admire your generation coming through today, and if you're not confused at this point in time then I applaud you."

- Anthony Viel

out how to emulate experiences for our clients such that the services we provide are differentiated from our competitors. We felt that we had that well in hand when we had our physical offices – so the second thing we had to do is try to emulate that experience for our clients and our employees in a virtual world. Some of our talent/people specialists started designing that experience in a virtual way. The third thing we had to do was do business differently – and part of that was deciphering how we use the virtual world to make us even more efficient. But those are the three things that we had to really pivot and drive forward in a new, differentiated way.

What is the best advice you have for young professionals entering the workforce?

I admire your generation coming through today, and if you're not confused at this point in time then I applaud you. Coming out of university in the early 90s there was Path A and Path B, but now you're coming out of university and there are a thousand paths. My first piece of advice is don't over-plan because not only will you most likely be wrong, but you will also waste your time and frustrate yourself. If you study change management, there's a rule of thumb: if you want to stop people from doing something or making a decision, then present them with a lot of options because if you've got a lot of options, you don't move forward. If you've got one option then, well you've got one option. So don't over-plan your career. A directional plan is fine, but seek out and say yes to new opportunities. One of the best things that happened to me, even in the 90s, was that my sponsor, mentor, coach, and friend pushed me in the direction of analytics before the market even called it analytics. But now, that has defined my career for the last 20 years. That's why I'm an Australian running a Canadian organization, because of a door that was opened up for me which I didn't even realize was there in the first place.



My second piece of advice is when you see an opportunity, take it. My third piece of advice is don't fixate on roles and titles, fixate on contributions that you like making and that you're passionate about. I know it sounds cliché, but you're going to be working for a long time so you might as well be doing something that you like. Go do what you're passionate about, things will figure themselves out. Don't go for the title or the extra \$5000 today because it'll all end up meaning nothing, especially when you're at the end of your career. A lot of people have roles where they dread going to work on Monday morning and it sucks the life out of them. Go where your heart is, where your passion is, and make sure you're getting energy out of it.

How has your passion for sustainability driven Deloitte and how do you think your experience working for Australia's largest energy company made an impact on that?

What's interesting is that Australia and Canada are not listed as the luminaries for sustainability given that we dig so much stuff out of the ground. In the late 90s we were talking about sustainability – that's 20 years ago in a corporate energy company. When I was a math and economics student, you didn't really talk a lot about sustainability, but when I went to go work for the energy company, it was on the agenda. At that time, we were talking about renewable energy, talking about wind farms, talking about microgeneration of biofuels, talking about hydro etc. That sort of started me on a journey to sustainability. I found purpose when I read a book by a fellow in Australia called *The Weather Makers*. It was very impactful to me, basically saying that humans are making the weather. When I read that book, I made it my goal to pass that book around to others so that they would read it. Pushed it out to my friends, people who would be influenced by me. I wanted them to have the same reaction I had.

How does Deloitte position itself to succeed in the same ecosystem as its competitors?

What we try to do is create a point of differentiation from our competitors in our specific activities. It's not about making money. What we're trying to do is bring purpose to somebody's day. We're helping the government roll out the COVID-19 vaccine across

the country, that's purposeful. We're publishing papers on how to be better when it comes to diversity, equity, and inclusion – purposeful. We also made a commitment to the Indigenous peoples of Canada. It's those sorts of things we do: making an impact by helping others thrive. We want to accelerate and enhance access to knowledge and opportunities. When you come to work for Deloitte, that's what we're doing. Guess what, if you do that well, it leads to a better society, better economy, better business. So that's how we try to differentiate and that's the secret to the right organization. You can find your personal purpose in the purpose of the firm in which you're working.

What are some podcasts or books you would recommend to students?

I like Angela Duckworth's book called *Grit*, which talks about perseverance and persistence. I actually bought it for my daughter who has yet to read it. It basically says that if you keep at something, things will happen, and it's easy to keep at something if you're passionate about it. The second book that's touched me over the last 12 months is David Epstein's *Range*. It's basically the antithesis to the theory of the 10,000 hours book. You know you do one thing for 10,000 hours, you'll become an expert at it. I've been full circle on this as a person. I was a generalist back in the analytics days that I mentioned. I started giving advice to people that would listen to me, 10 to 15 years ago, to specialize in something, to stand for something. Now I'm going back the other way to generalize. David's book is that sort of thinking for me, which is basically saying that it's good to have other experiences and then find your point of passion. Another one that's given me purpose is a book by Simon Sinek called *The Infinite Game*. It's a very interesting take on what you should do as an organization to stay alive in what he calls the "infinite game". If I was a business student, I would be looking at that. It speaks a lot to what we were talking about today, about purpose, having values as an organization that is going to sustain you, not for the next quarterly statement to the stock market, but it's going to sustain you for the next millennia. Deloitte is 165 years old, we don't just think of the next quarter as much as making sure we're around for another 165 years.



INNOVATION

Amazon's Empire



INNOVATION

Amazon's Empire

How small businesses can avoid being Amazoned

Competing Against Amazon

In an increasingly digital era, businesses are left with two options: innovate or terminate; and heading the charge of the retail apocalypse is Amazon. What was once an online marketplace for books, nestled in a compact Washington garage, has now spanned into a massive and globalized conglomerate.¹ With dozens of subsidiaries in their pocket and an online repertoire of everything from grocery to streaming services to pharmaceuticals, Amazon is hedging monopoly status and disrupting the entire business landscape as we know it in the process. But what does this mean for its competitors? And perhaps more importantly, what does this mean for less established small businesses? Can we break through the barriers of the Bezos behemoth or is getting 'Amazoned' inevitable?



Living in Amazon's World

Amazon has experienced exponential growth over the past few years, reporting potential net sales for the first quarter of 2021 to be between \$100 billion and \$106.0 billion, leading Amazon to experience a growth rate between 33% and 40% compared to the first quarter of 2020, marking the e-commerce giant as one of the most powerful companies of the decade.² Amazon's astronomical success can be attributed to a combination of ruthless acquisition and expansion strategies, as well as a progressive mindset that challenges even the most rigid of status quo. As of December 2020, Amazon has made 96 investments and acquired 87 organizations.³ Some notable acquisitions include: Ring, Whole Foods, Twitch, Evi (whose technology is most recognized in the Amazon Alexa assistant), Alexa Internet, and Audible.³ Amazon competes in over a dozen major industries, dominating everything from cloud computing to retail referrals and entertainment content, making it not only the largest online retailer, but one of the most diversified as well.⁴ In

light of the recent COVID-19 pandemic, Amazon has increased its already ample offerings by adding online pharmacy services in the United States, allowing consumers to purchase prescription medications from the safety of their home, while offering free shipping and savings to those without health insurance.⁴

With Amazon's growing domination in almost every industry, they have the power, capacity, and scale to keep up with new trends and fast fashion, conveniently providing consumers with a cost-effective way to stay on top of trends, while also offering products from a wide array of companies. Their diverse portfolio is amplified by their customer service practices that strive to satisfy the potential needs of their consumers by offering benefits like a hassle-free return policy and a catered compendium of recommended products.⁵ Distinctively, Amazon's broad consumer base of 310 million users has also led to a renowned customer review feature, a huge competitive advantage over small retailers who may not have as many perusable customer testimonials to influence buyer decision-making.⁶

1. Jr., T. H. (2019, February 18). Jeff Bezos steps down as Amazon CEO — look inside the Seattle house where he started the company. Retrieved from CNBC make it : <https://www.cnbc.com/2019/02/15/photos-inside-seattle-house-where-jeff-bezos-started-amazon.html>

2. Amazon.com Announces Financial Results and CEO Transition. (2021, February 2). Retrieved from amazon: <https://ir.aboutamazon.com/news-release/news-release-details/2021/Amazon.com-Announces-Fourth-Quarter-Results/>

How Big is too Big?

By redefining consumer expectations, Amazon's practices set the bar for e-commerce standards across the board. Their instant gratification business model coupled with the "Amazon Effect"—the disruption of traditional brick and mortar platforms—poses many barriers for their competitors.⁷ The ease by which customers can click, buy, and receive products—frequently on the same day as purchase thanks to Prime Same-Day Delivery—has nurtured an increasingly impatient culture of consumers, leading 41% of consumers willing to pay an additional fee for same-day delivery.⁸ This quick turnaround time coupled with the growth of e-commerce, has led to a decline of traditional physical retail platforms, moving consumer preferences away from conventional brick and mortar shopping, and towards the more convenient option of online shopping.⁹

How Small Businesses can Avoid "Getting Lost in the Crowd"

As Amazon is a company that largely dominates the ecommerce world, consistently striving for growth and innovation, it has become increasingly difficult for small businesses to compete. Amazon provides a solution to these small businesses by allowing them to become Amazon sellers themselves. Essentially, businesses can sell merchandise through Amazon's online platform in one of two ways. They can choose to ship to customers directly, effectively using the conglomerate's website as an intermediary for receiving orders only; They can also take advantage of the "Fulfillment by Amazon" option, where Amazon handles all aspects of shipping and customer fulfillment.¹⁰



The greatest draw to selling through Amazon is the exposure to its already broad and established consumer base. It is also worth noting the probable impact Amazon's reputability and intermediary purchase portal has on a customer's sense of cybersecurity. Trust in an organization is essential to customers and by selling through a big name like Amazon, regardless of the product, businesses benefit from Amazon's reputation and consumer confidence by extension. Nonetheless, businesses who pursue the Amazon selling route must take into consideration the miscellaneous costs associated with using an intermediary and weigh the decision.¹⁰ Although selling through Amazon could benefit some, there are other routes that may be more beneficial to small businesses. Also taking into consideration that one of Amazon's major downsides is its lack of traditional brick and mortar presence, businesses can use this to their advantage by selling their products through a physical retail location. According to Forbes, "55% of individuals who shop online prefer to buy from retailers that have a physical store presence, instead of only being online".¹¹ This will provide small businesses with the opportunity to build long-term relationships with their customers, through a welcoming atmosphere and by servicing a need that remains largely unfulfilled by Amazon's current structure.

3. Amazon. (n.d.). Retrieved from Crunchbase: <https://www.crunchbase.com/organization/amazon>

4. Williams, C. (2017, July 21). A Dozen Disruptions: Amazon's Pursuit Of Massive Market Share In 12 Major Industries. Retrieved from Forbes: <https://www.forbes.com/sites/bisnow/2017/07/21/a-dozen-disruptions-amazons-pursuit-of-massive-market-share-in-12-major-industries/?sh=717ee8b11e8e>

5. Amazon.com Inc. (2021, January 7). Retrieved from MarketLine: https://advantage-marketline-com.libproxy.wlu.ca/Company/Summary/amazoncom_inc

6. Amazon's Social Media Marketing Strategy To Inspire Buyers. (n.d.). Retrieved from eTail: <https://etaileast.wbresearch.com/blog/amazons-engaged-buyers-drive-social-media-revenue>

7. Mitchell, C. (2020, December 3). Amazon Effect. Retrieved from Investopedia: <https://www.investopedia.com/terms/a/amazon-effect.asp#:~:text=The%20Amazon%20Effect%20is%20the,the%20increase%20in%20online%20shopping.&text=Online%20shopping%20provides%20convenience%20and,touching%20a%20product%20before%20buying>

In addition, small businesses make up 98% of retail and those who are currently selling their products in physical retail outlets could also create an online and accessible platform to expand the reach of their brand.¹¹ To respond to challenges that have come to surface in response to the COVID-19 pandemic, creating a strong online presence will offer a huge benefit to smaller businesses who still want the control and autonomy of selling their own merchandise. Contrariwise, the COVID-19 pandemic may also unexpectedly amplify the importance of the traditional retail model. Clinical psychologist, Dr. Ilyse Dobrow DiMarco, says "We humans thrive on predictability and routine. Even things like taking the same route to work or seeing the same people at our weekly Zumba class provides us with a sense of comfort. We know what to expect, and that helps us feel in control."¹² In today's unprecedented times, people are craving normalcy to ease their feelings of social disconnect and the perceived loss of personal freedom as a result of government restrictions. It is very plausible that a post-lockdown landscape will involve a resurgence of the brick-and-mortar model, as individuals attempt to regain a sense of choice and cling to the everyday normalities they now see as having been taken for granted.¹²



In addition to selling limited merchandise through brick-and-mortar stores, Amazon faces many other challenges when it comes to important aspects of a business, such as brand recognition; ensuring consistent product quality; and offering correct product descriptions when it comes to attributes like colour, size, and feel. These are important characteristics that consumers consider when purchasing a product, therefore offering small businesses with an opportunity to capitalize on Amazon's digital shortcomings. Selling through a physical retail location will allow consumers to be able to touch and feel the product, while interacting with sellers to receive an accurate and insightful product description to ensure satisfaction before making a purchase.



In a marketplace reigned by the Amazon empire, future business prospects may seem discouraging and impenetrable. But Amazon's greatest asset is dually its greatest point of weakness. Small businesses should capitalize on the opportunity to individualize customer service experiences, push consistency of quality—which is sometimes lost to mass production means, keep the “enemy” close by taking advantage of Amazon partnerships, and prepare for a resurgence in the brick-and-mortar model post lockdown restrictions. It is essential that small businesses maximize these distinct advantages in order to build trust and loyalty with their current and future customers. Only then do they truly stand a chance at contesting the Bezos behemoth.

8. Romaine, E. (2020, November 17). 15 Statistics that Show the Importance of Same-Day Delivery. Retrieved from ConveyCo: <https://www.conveyco.com/delivery-statistics/>

9. Rosoff, M. (2019, December 13). Amazon will be the most important company of the 2020s. Retrieved from CNBC: <https://www.cnbc.com/2019/12/13/amazon-will-be-the-most-important-company-of-the-2020s.html>

10. Fulfilment by Amazon. (n.d.). Retrieved from Amazon: <https://www.amazon.ca/b/?node=13718755011>

11. Morgan, B. (2020, June 18). 50 Retail Stats To Consider For Your Brand's Future. Retrieved from Forbes: <https://www.forbes.com/sites/blakemorgan/2020/06/18/50-retail-stats-to-consider-for-your-brands-future/?sh=69cc06896421>

12. McCarthy, K. (2020, March 27). Everyday things we miss, took for granted and can't wait to have back after coronavirus. Retrieved from abc News: <https://abcnews.go.com/Health/things-miss-coronavirus-normal-feel/story?id=69746289>

INDUSTRY INTERVIEW

Technology and Futurism

Sinead Bovell, a Laurier graduate, has been changing the technology narrative. As the founder of WAYE, an organization that prepares youth for a future with advanced technology, Sinead has educated over 10 000 young entrepreneurs and has spoken at institutions like United Nations, Cornell University, the US Chamber of commerce. She has also served as a tech contributor for Vogue, The Star, and The Globe and Mail.



Sinead Bovell

Seeing as you have been in many different roles (finance, consulting, modelling, and now founder and CEO), would you be able to talk about some strategies that you use to adapt to different settings and positions?

That's a great question and not one that I've gotten before. What I've come to realize is that prior to the latest moves I made in my life, I wasn't my full self in every role. This is because we usually aren't just one thing – we have many different interests and passions and problems that we're looking to solve. If I'm to isolate myself in a specific lane, that wouldn't be all of me.

"When I look at my experiences in entirety, doing fashion, tech, WAYE – I wouldn't consider it pivoting or having different skillsets for each, I consider all of them together just being an extension of who I am and all of the different ways I express myself."

I think fashion leans more into the creative elements and I've found stepping into that lane has been quite freeing – I think my business and traditional roles, as well as my approach to problem solving, have been enlightened by my experience in the fashion world. I think that they all compliment one another and I kind of exist at the intersection of all of them.

Because you speak to mass groups of students who are considered the leaders of tomorrow on a daily basis, do you ever feel a lot of pressure due to this? If so, how do you deal with it?

Sometimes the schedules get busy and the deliverables can feel quite heavy at times. Usually I am excited by the magnitude of them, but you do

feel like you need to deliver at a certain level or at least based on your own standard. For that, I would say, I deal with pressure by practicing and being prepared. That's the same strategy I use to ace an exam, ace an interview, ace a keynote. That has been something I learned really young and I'm glad that found that in university and was able to apply it here. I know I'm not just one of those people who can just "wing it". For some people, that is their skillset or their forte!

For me, I like to be prepared, in fact I'd likely say over-prepared – that's when I feel most confident when stepping into a room. Of course, you might get different questions that might lead you down different routes, but I come to whatever I'm delivering as prepared as possible because for me, that's the best way to ease some of the pressure; to know that I know the material and the rest is just going to be what life brings in the moment.

Could you talk about pathways into the tech industry without necessarily having a tech background? As an example, as a business student I haven't been exposed to the industry or the technology itself!

In technology specifically, a lot of the CEOs of larger tech companies have stated that they look less at schools and more at your skills. For example, if you want to go into coding or machine learning or data science, you can take the traditional computer engineering pathway, or you can also take bootcamp classes. MIT offers some, Google offers some, Coursera offers some – they're like these three or four month bootcamps that some of the biggest tech

giants hire from. Technology makes different pathways for acquiring certain skills accessible in different ways.

"My first recommendation for someone that doesn't necessarily have their foot in the metaphorical tech door but is curious about it would be to start reading up on the industry, whether that's following Bloomberg Technology, or the MIT Tech Review, start following some of these sources to start understanding what's actually out there, what in the world of tech inspires you."

Once you hit that switch that's when you can say "okay, maybe it's time to dig a bit deeper" and see what form of bootcamp or course or book would work for you. Once you have that idea of which area you want to lean into more, know that there are so many different pathways you can take and whether or not you took a traditional pathway to acquire your skills does not define who gets hired in the tech world anymore.

When you spoke at the UN 75th General Assembly, you emphasized the importance of global digital cooperation as it pertains to emerging technologies, online safety, and cybersecurity overseeing. What are the most crucial concrete steps that need to be implemented to achieve this global digital cooperation?

The first is communication between countries. Where are different countries when it comes to research? What are their values and ethics with respect to that research? A good example is facial recognition technology: every country has a different ethical barometer as to where they stand on that. Gene editing is another example: different countries have completely different viewpoints on what's safe and what isn't.

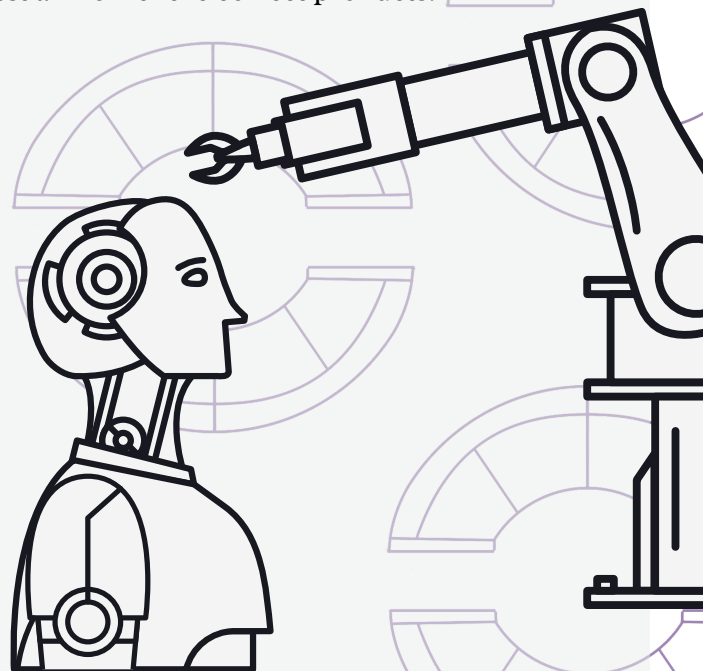
"Before we can cooperate I think that we need to communicate."

I also think it's really important that there are certain aspects around technology that are absolutely off-limits, things universally that we just don't do. An example of this that I mentioned at the General Assembly is putting the utmost care on our healthcare systems, meaning that hospitals cannot be victims of cyber-attacks or cyber-crimes. The same would go for universal standards and protections for children; we decided universally that seatbelts are critical for children and we need to

have that type of vantage point or perspective as we step into AI, technology, and safety online.

It is very common for people to think of AI as robots when in reality we use AI everyday and you mention that the largest technological change will be arising in the next years. In what way will AI be used that you think is the most important?

People often associate robots with AI, which makes sense. But robots aren't necessarily AI, they are physical hardware that sometimes have AI. If you're nervous about robots, just close your door - most robots can't even turn a door handle yet! AI is everywhere. It encompasses the facial recognition software you use to unlock your iPhone, the filters on Instagram, speech recognition, when you're typing an email and Gmail guesses what you are going to say - all of this is artificial intelligence. Where I see it being very disruptive is in writing and speaking. For example, 1/3 of articles written by Bloomberg right now are done by AI, not humans, and I think we'll start to see that type of reporting inch over to the Toronto Star or the New York Times. Soon enough, we may not know if the things we're reading are written by a person or AI. Healthcare is another area where we'll see AI step in and work alongside our doctors, which I think will be really exciting. AI also plays a role in the next frontier of technology: the Internet of things. This is when you have the Internet in your mirror, your toilet, your bed, so your bed can let your mirror know that you didn't sleep very well and your mirror can see that you're vitamin B deficient and then this is all connected to your Amazon account which can suggest and order the correct products.



For example, 1/3 of articles written by Bloomberg right now are done by AI, not humans, and I think we'll start to see that type of reporting inch over to the Toronto Star or the New York Times. Soon enough, we may not know if the things we're reading are written by a person or AI. Healthcare is another area where we'll see AI step in and work alongside our doctors, which I think will be really exciting. AI also plays a role in the next frontier of technology: the Internet of things. This is when you have the Internet in your mirror, your toilet, your bed, so your bed can let your mirror know that you didn't sleep very well and your mirror can see that you're vitamin B deficient and then this is all connected to your Amazon account which can suggest and order the correct products. All of that would change our daily consumption and how we live - personalizing how we consume products, how we shop, how we go to the Doctor's etc. These are just some of the exciting ways that AI will start to step into our world in the next couple years.

How have you seen the business industry change as more young entrepreneurs are bringing forward even more advanced and greater technological tools?

I think it's a combination of both! Young people are digitally native, we were just born with these technologies and then it happens to be those tools that are disruptors in the business world so when you combine that, you have young people at the driving wheel of a lot of these different disruptions.



"If you look at any of the biggest disruptions in the last 10 years whether that's Dropbox, Instagram, Twitter, or Facebook, a lot of that was done by people in their twenties with their technology tools so I do think that right now in particular, youth are disrupting the industries in a way that we haven't previously seen."

I think young people always come into the business world with young and fresh ideas, but maybe not the tools. Now we also have the tools, and it is those specific tools that are responsible for driving the change - so I do think things are getting shaken up quite quickly right now by youth, for the better.

In your refinery article, you mentioned that when you started modeling while completing your MBA you were unsure of what you wanted to, what is a piece of advice you would give students who are unsure of the path they want to go down?

There are a few things I can think of. One question I wish I would have asked my younger self sooner is how I define success for myself, as opposed to relying on what other people have defined it as. I would also tell my younger self to loosen the reins on what is possible for a career path. I always thought that what I could do with my future had to already exist, I never thought 'maybe what's out there for me is something that I actually have to create myself' because my specific version of success looks like this, or makes an impact here. Had I taken time to define success for myself and learn that you're not limited to what you see, that you can go and Create the version of life that you want, I think it would have taken some of the pressure off.

I would also say lean less into what you want to do and more into who you want to be. If you were to define yourself in 10 years from now, who is that person? Your career path should more so be a set of steps to becoming the person that's making the type of impact you want in the world and less-so about what you're actually doing.

"Something else that I think is really important, especially while you're in school, is to know that whatever you do next isn't the be-all end-all. I think we put a lot of pressure on this specific co-op or a specific job - when you step back and look at the long-term picture or that ten-year version of yourself, you'll realize that all of those other things are just steps to that person."

What you do next year, what you decide to specialize in, or the school you decide to go to doesn't define what you have to do for the rest of your life. You can rewrite your resume as many times as you need to, it should grow with you!

Considering the fact that you have spoken to large and important forums such as the United Nations General Assembly and the US Chamber of Commerce, is there any tip you would give about confidence building and presentation?

What's been helpful for me is practicing to people! I practice to family members, for example, as many

times as I need to to get it right or until they say 'that really resonated with me'.

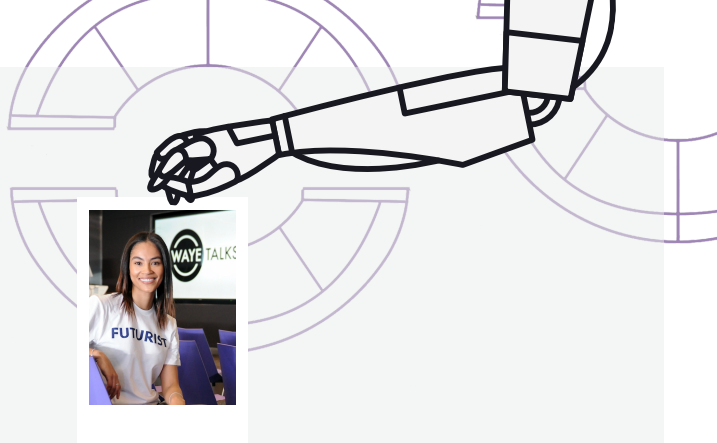
As I'm writing keynotes, I say them out loud as I go and try to imagine being that audience member. I ask myself 'did that make an impact?' 'what type of value is this bringing to the audience?'. I take my time in building these types of presentations and I practice them to as many people will listen. I also start well in advance. This kind of ties into what I mentioned before, but being prepared is a secret superpower. Nothing can go too wrong if you're as prepared as possible! Especially if I'm delivering something to a very important group of people, like the UN for example, I like to prepare well in advance, practice as many times as possible and I make sure everything I'm writing on the page brings value or some form of an insight.

In your refinery article, as a woman of color you mentioned that it can be difficult to find a mentor. As a woman and model, do you feel that you/your opinion has ever been undermined and what advice would you give to young women who might find themselves in similar scenarios?

I would say at every career step in my life I experienced situations, along with many other women and people of colour, where I was being judged based on how I look, what I did, or how I identified.

"Statistically, as a woman or as a person of colour, it's more challenging to get into these male-dominated spaces because doors haven't been opened for you, there isn't mentorship in your lane, and you can't really look up and see people that can relate to you."

Getting past those obstacles demonstrates how hard you've worked and how prepared you are to be in those rooms. That, to me, is an absolute superpower. If you know exactly how much you've done to prepare for that moment, some small comment or microaggression doesn't stand a chance at tearing you down. To also know that when you've gone through some adversity, whether that is because you're a woman or a person of colour, it is an absolute superpower when it comes to decision-making - when you can relate to more experiences in the world, you're going to make better decisions! That's another advantage of all of it so I try to look at the silver linings and I try to look at what I



learned from those experiences because every challenge provides an opportunity to lead, even if it's just yourself. I look at it as an experience that's going to be helpful in everything else I could do.

What was one of the most challenging decisions/sacrifices you have faced in order to get to where you are today?

I would definitely say quitting my consulting life at a point in time where corporate business was all I really knew. I left the corporate business world to step into the world of modelling, which was a world of the unknown for me - the creative world was nothing I had ever even thought of before. That trade-off and that decision was probably the biggest one that I've ever made and I hope I don't have to make one with that much stress again! I think for me, it really came down to this: on one side there is a path in life that is certain and safe, but one that I don't necessarily find inspiring, and on the other side there's this door to the unknown that would require me to go bet on myself. Different people weigh their values differently and for some people, security and safety is really important to them and it's a privilege to even have access to that. For me, it was really important that I was inspired by the problems that I was solving and I knew, at the time, in consulting I wouldn't be. Giving that up to create an opportunity where I could go be inspired was stressful, but it started to really become the only option.

"I'd say look forward to that 10-year version of yourself. When you fast-forward the clock and people are giving a cheers in your name for something you've done in this world, what are the steps that get you to that person? When I close my eyes and think of that tomorrow I realize I've got to go do this my own way."

BUSINESS

Tiktok Tops the Charts



TikTok Tops the Charts

A glimpse into the success of this new business innovation

A mention of the phrase “Tik Tok” up until late 2016 would have sparked memories of singer-songwriter Kesha’s career-defining hit with the same name that memorialized itself in pop culture as one of the decade’s best-selling singles.¹ This all changed, however, with the launch of video-sharing and creation platform TikTok in September 2016 and its accumulation of over 33 million users at a rate of 1.5 billion downloads.² This rising star went on to become the most downloaded software in iOS systems and third most popular social media app in the world.²

Founded by Chinese company ByteDance, TikTok was not released internationally until 2017.³ Its climb to fame can be traced back to the demise of video hosting service Vine and the subsequent social media craze Musical.ly, a massively adored app on which users shared lip-syncing clips.⁴ It was ByteDance’s acquisition of Musical.ly that prompted the migration of users onto TikTok, which offered a comparatively wider range of in-app functions.⁵ The app’s original audience of both former Vine and Musical.ly users allowed for its immediate success. This article intends to look closely at the way TikTok functions, competition in the social media industry, success gathered from influencer marketing, and the expansive growth experienced in the music industry.

The customized, non-stop algorithm of TikTok

TikTok’s standout attribute is its aptly named “For You” page, which is an infinite scroll of videos uniquely curated for each user. Media on this one-of-a-kind recommendation feed is personalized to keep audiences engaged with users suggesting that the app knows them better than they know themselves.⁶

While the mechanisms behind this tailoring have long remained a mystery, TikTok has recently given the public a glimpse into the system. Videos that appear on a user’s ForYou page are chosen based on a careful blend of factors. Most prominent are: interactions, the content liked or shared by a user, device settings, the language and country preferences on a user’s phone, and video information; along with the hashtags, captions, and songs featured in a TikTok.⁷ Signs of interest in videos are ranked based on a hierarchy, with more weight assigned to indicators such as watch time, and less to things such as geographical location.⁸ This means that not only does the app’s methodical approach ensure no detail is missed, it also uses said details to generate recommendation feeds optimized for user engrossment.

#FOR YOU

What further sets TikTok’s algorithm apart from competitors is its complete dismissal of past performance and profile status when circulating videos.⁸ The employment of individual video statistics and engagement to decide who makes the “For You” page provides any user with a chance of going viral.⁸ While this is true of all social media platforms, TikTokers have more leverage when it comes to virality. What ensues is a flurry of content, some motivated by virality and others mere enjoyment, resulting in the emergence of dance and comedy trends that craft a secret language between its users.

Running out of content to show users is a foreign concept for the app, which searches tirelessly for the next video.⁹ It finds TikToks made by friends of the creator the moment a user has finished watching a video. Thanks to its algorithm, TikTok’s role in its users’ lives resembles that of a close friend, one that, for better or worse, demands attention.

1. Trust, G. (2018, January 02). This week in Billboard Chart history: In 2010, Kesha clocked the First No. 1 of a new decade. Retrieved February 03, 2021, from <https://www.billboard.com/articles/columns/chart-beat/8491680/kesha-tik-tok-this-week-in-billboard-chart-history-2010>

2. Sid, M. (2021, January 19). Is TikTok the future of Influencer marketing? Afluencer talks About TikTok. Retrieved February 03, 2021, from <https://afluencer.com/is-tiktok-really-the-future-of-influencer-marketing/>

3. Fannin, R. (2019, September 13). The strategy behind tiktok's global rise. Retrieved February 03, 2021, from <https://hbr.org/2019/09/the-strategy-behind-tiktoks-global-rise>

4. Spanos, B. (2018, June 25). How teen craze musical.ly got too big for pop to ignore. Retrieved February 03, 2021, from <https://www.rollingstone.com/music/music-features/how-teen-craze-musical-ly-got-too-big-for-pop-to-ignore-108941/>

5. Lee, D. (2018, August 02). The popular musical.ly app has been rebranded as TikTok. Retrieved February 03, 2021, from <https://www.theverge.com/2018/8/2/17644260/musically-rebrand-tiktok-bytedance-douyin>

6. Sureshkumar, K. (2020, December 19). How does TikTok's algorithm know me so well? Retrieved February 03, 2021, from <https://towardsdatascience.com/how-does-tiktoks-algorithm-know-me-so-well-459e8dc7e90b>

7. Matsakis, L. (n.d.). How TikTok's 'for You' algorithm actually works. Retrieved February 03, 2021, from <https://www.wired.com/story/tiktok-finally-explains-for-you-algorithm-works/>

8. Hutchinson, A. (2020, June 18). How TikTok's algorithm works - as explained by tiktok. Retrieved February 03, 2021, from <https://www.socialmediatoday.com/news/how-tiktoks-algorithm-works-as-explained-by-tiktok/580153/>

9. Alexander, J. (2020, June 18). TikTok reveals some of the secrets, and blind spots, of its recommendation algorithm. Retrieved February 03, 2021, from <https://www.theverge.com/2020/6/18/21296044/tiktok-for-you-page-algorithm-sides-engagement-data-creators-trends-sounds>

Snapchat's Spotlight is shadowed by TikTok's success

Amidst TikTok's catapult into success, competitors who once enjoyed lead roles in the social media world have been feverishly trying to re-harness the attention of consumers. It is this goal that incited the addition of Snapchat's in app "Spotlight" feature in 11 countries as of November 2020, which encourages Snapchatters to swipe through user-created short video clips reminiscent of TikTok.¹⁰ The main shortcoming of this feature lies in its non-existent comment section, which prevents creators from fostering the intimacy with viewers that is true of TikTok.

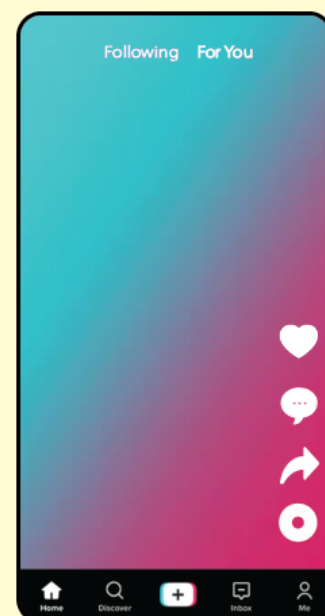


On the whole, Spotlight comes across as an overt attempt to mimic the customization and potential to go viral. It presents Snapchatters with the option to mark certain clips as favourites in order to be shown similar content, thus ensuring that popular videos receive the most attention. The distribution of views on Spotlight is also akin to that of TikTok, as videos made by Snapchatters with public profiles are distributed to at least 100 viewers, with the prospect of being shown to 1,000 viewers if enough interest is garnered, and so on.¹¹ Internet fame is not the only temptation Spotlight entices users with- it also boasts an astounding \$1-million prize per day to be allocated among the most popular creators.¹² This range of incentives reveals an understanding of one reality, that despite Snapchat's prominence with 350 million monthly users,¹³ TikTok's audience cannot be lured away without substantial bait, and perhaps not even then.

Instagram Reels is reeling in little success over TikTok

Patterns of imitation are not limited to Snapchat, with Facebook having launched a similar feature for Instagram named "Reels" in 50 countries as of August 2020.¹³ Free to use on the app's explore page, this feature is overflowing with short video montages that are interchangeable with TikTok in every way except one; Reels are 15 or 30 seconds long, whereas TikTok videos can last up to one minute.¹⁴ Fluent TikTokers were quick to recognize other variations between the

two platforms, including the limited filter choices on Reels and inability to save videos with music. Whether this feature has also mirrored TikTok's algorithm is unknown, but scrolling through the Reels Explore page among Instagram's increasingly marketplace-like atmosphere feels like a less intimate experience.



It may be tempting to presume the close to 1 billion people who have Instagram downloaded¹⁵ have been equally eager to take on Reels, but its official user base has not been quantified. That does not mean this new attraction has been disregarded; after all, its launch caused average time spent on Instagram to grow by 3.5% in India and 4.34% in Brazil.¹³ What notably solidified the popularity of Reels was the amount of powerhouse celebrities, influencers, and brands that have, and continue to, embrace it. From the Houston Rockets drawing in over 11.7 million plays across five videos to companies like Louis Vuitton averaging 7 million views per Reel,¹³ and the influx of branded content created, Instagram's new attraction has certainly been received.

Although Reels has made a scene in the social media landscape, its resemblance to TikTok is not enough to ensure the same immense user base and impact for both apps.

10. Shen, E. (2020, November 27). Snapchat launches spotlight, a tiktok-like short video function. Retrieved February 03, 2021, from <https://www.rcinet.ca/en/2020/11/28/snapchat-launches-spotlight-a-tiktok-like-short-video-function/#:~:text=On%20the%20morning%20of%20Nov.2020,created%20by%20the%20user%20community>

11. Reyes, M. (2020, November 24). Snapchat's TikTok Competitor "Spotlight" is another step it's taking to compete with social MEDIA heavyweights. Retrieved February 03, 2021, from <https://fater.com/blog/instagram-reels-vs-tiktok/#:~:text=On%20TikTok%2C%20users%20can%20record,quick%20to%20point%20in%20out.&text=As%20Instagram%20Reels%20is%20still,video%20option%20in%20the%20future>

12. Price, J. (2020, November 23). Snapchat introduces Spotlight feature that will Award \$1 million a day for most 'Entertaining' Posts. Retrieved February 03, 2021, from <https://www.complex.com/life/2020/11/snapchat-spotlight-feature-award-1-million-dollars-a-day-most-entertaining-posts>

13. 15 Instagram Reels statistics that will blow your mind. (2020, December 14). Retrieved February 03, 2021, from <https://influencermarketinghub.com/instagram-reels-stats/#:~:text=From%20July%2012%20through%20August,in%20Instagram%20downloads%20of%2011.4%25>

14. Worb, J. (2020, November 26). Instagram reels Vs tiktok: What's the difference? Retrieved February 03, 2021, from <https://fater.com/blog/instagram-reels-vs-tiktok/#:~:text=On%20TikTok%2C%20users%20can%20record,quick%20to%20point%20in%20out.&text=As%20Instagram%20Reels%20is%20still,video%20option%20in%20the%20future>

15. Chen, J. (2020, August 28). Important Instagram stats you need to know for 2020. Retrieved February 03, 2021, from <https://sproutsocial.com/insights/instagram-stats/>



How businesses are embracing TikTok trends

Upon the introduction of TikTok's ad network in 2019, small and prosperous businesses have used this feature to attract customers and to engage their target audiences.² Advertisers can use the platform to create a variety of opportunities, such as challenge videos, in-feed native videos, and influencer marketing.²

Challenge videos, in particular, complimented by unique hashtags, have enabled brands to capitalize on TikTok's potential.²

Chipotle's #boorito campaign is one example. Chipotle encouraged TikTokers to upload montages of their Halloween costumes and awarded one year of free burritos to creators of the most-liked videos, boosting sales by 15 per cent in 2019 compared to the previous year.¹⁶

The downside to TikTok challenges as a marketing strategy is that they are short-lived in nature. In-feed native videos, which consist of advertising placed in user feeds to grab attention, are another possible advertising solution.²

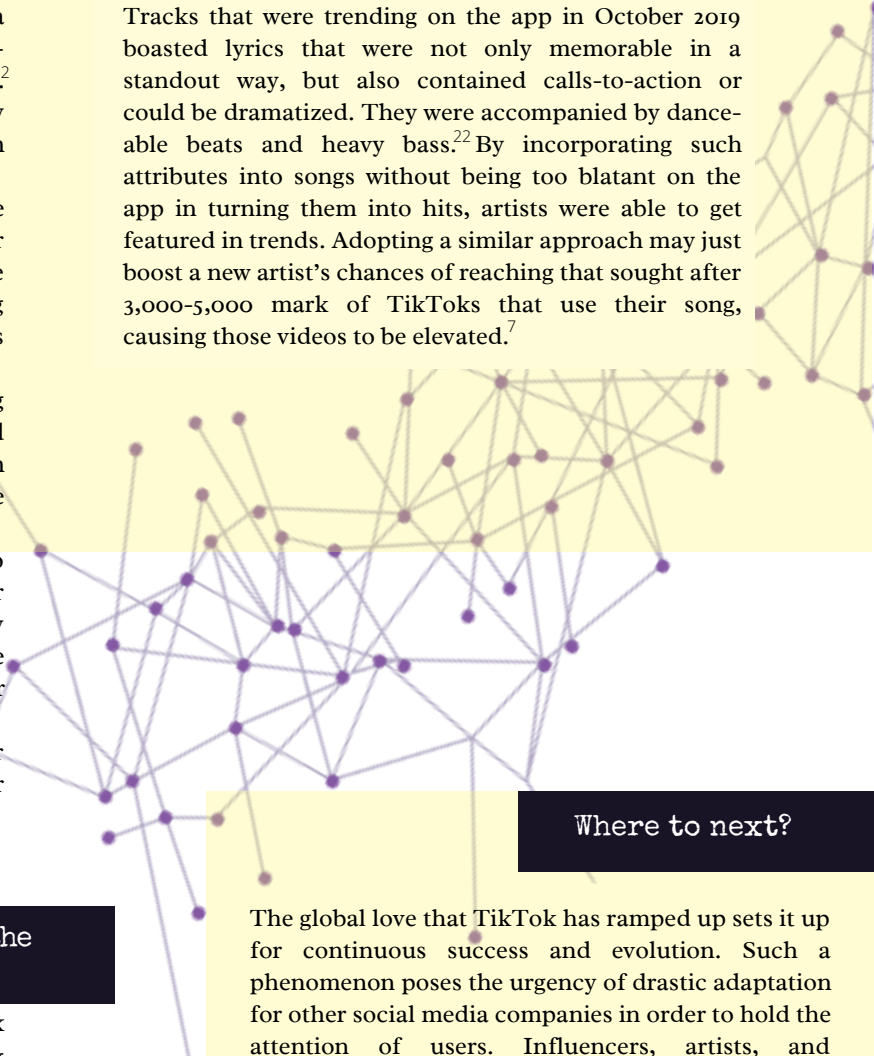
Lastly, companies have hired top TikTok influencers to promote their products or services. Hollister, for instance, relished in sold-out collections co-created by two of the app's biggest stars, Charli and Dixie D'Amelio, who also advertised the products to their combined 130 million TikTok followers.¹⁷

These success stories highlight the opportunity for businesses to use TikTok as yet another method for marketing their brand.

TikTok is a lottery to mainstream success in the music industry

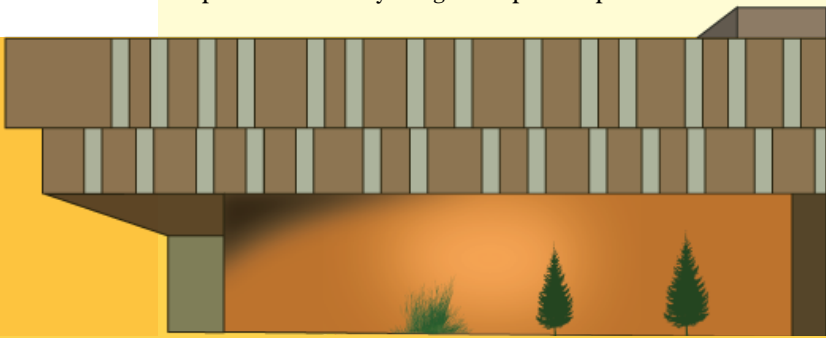
For creators and up-and-coming music artists, TikTok is a sailboat to fame if the wind happens to be blowing in the right direction. Getting a song featured in trending videos was in numerous cases the inciting incident that catapulted underground musicians into the public eye on a massive Billboard 100 charts-topping scale. For example, rapper Lil Nas X, whose song, Old Town Road, went TikTok viral and brought him from running a Nicki Minaj Twitter fanpage to winning two Grammys for his track.¹⁸ His success is not solely accredited to the app; However, he did have online presence prior to his TikTok fame, but the more than three million TikTok videos set to his song are where he gained his traction.¹⁹ A similar narrative applies to rapper Jack Harlow's track, "What's Poppin", which became a TikTok trend with more than 400,000 videos in 2020, as well as his first Billboard Top 100.²⁰

Attempts at harnessing TikTok fame are then inevitable, with even already renowned artist Justin Bieber trying to start a TikTok dance challenge for his song "Yummy".²¹ Tracks that were trending on the app in October 2019 boasted lyrics that were not only memorable in a standout way, but also contained calls-to-action or could be dramatized. They were accompanied by danceable beats and heavy bass.²² By incorporating such attributes into songs without being too blatant on the app in turning them into hits, artists were able to get featured in trends. Adopting a similar approach may just boost a new artist's chances of reaching that sought after 3,000-5,000 mark of TikToks that use their song, causing those videos to be elevated.⁷



Where to next?

The global love that TikTok has ramped up sets it up for continuous success and evolution. Such a phenomenon poses the urgency of drastic adaptation for other social media companies in order to hold the attention of users. Influencers, artists, and businesses of any size would benefit from maximizing the functions of the app to reach audiences in a manner that's much more personal than traditional communication. As long as TikTok continues to be appreciated by its wide user base, it would be arguably impractical for stakeholders to perceive it as anything but a pool of potential.



16. Hale, J. (2020, March 02). Chipotle says its #Boorito TIKTOK campaign GOT 3.9 billion views in 4 Months. but what exactly does Tiktok count as A "VIEW"? Retrieved February 03, 2021, from <https://www.tubefilter.com/2020/03/02/how-does-tiktok-measure-views-chipotle-boorito-campaign-user-data/>

17. Russo, G. (2021, January 15). Dixie and Charli D'AMELIO Launch third collaboration with Hollister. Retrieved February 03, 2021, from <https://www.teenvogue.com/story/dixie-and-charli-damelio-third-collaboration-with-hollister-exclusive>

18. Thompson, D. (2020, April 24). How TikTok BECAME 2020's most important music platform. Retrieved February 03, 2021, from <https://www.intheknow.com/2020/04/22/how-tiktok-became-2020s-most-important-music-platform/>

19. TikTok: Did Dance monkey and Old Town road get big because of the app? - Cbbc newsround. (2020, April 07). Retrieved February 03, 2021, from <https://www.bbc.co.uk/newsround/52164519>

20. Haylock, Z. (2020, July 06). TikTok really might Make Jack Harlow's 'what's poppin' song of the (no) Summer. Retrieved February 03, 2021, from <https://www.vulture.com/2020/07/whats-poppin-by-jack-harlows-tiktok-fame-explained.html>

21. Alexander, J. (2020, February 03). Justin Bieber is increasingly desperate For 'Yummy' to go viral ON TIKTOK. Retrieved February 03, 2021, from <https://www.theverge.com/2020/2/3/21120037/justin-bieber-yummy-tiktok-viral-old-town-road-youtube-david-dobrik>

22. Shotwell, J. (2019, October 30). The music That TIKTOK users want to hear. Retrieved February 04, 2021, from <https://haultdaily.com/2019/10/music-tiktok-popular>



Manny Satija

Industry Interview

Manny Satija

Manny Satija is the Vice President of Strategic Initiatives & Supply Chain at CSA Group

What has been the biggest milestone in your professional life and how has that shaped the person you are today?

You go through all kinds of career milestones. The biggest one for me personally was the ability to lead and inspire teams. When you begin your career, you start in some kind of staff role as an individual contributor. As you grow and take on different roles at an organization, you can choose to be an individual contributor, and there are some great individual contribution leadership roles that exist in any organization, but then there are also people leadership roles. For me, I have been focused on people leadership. I thoroughly enjoy inspiring others and when you can build great high-performance teams, there comes this great momentum of a team-based culture. Getting my first management role was certainly a milestone and a steppingstone that allowed me to get into greater leadership roles. Getting there was not easy. An important part of becoming a people leader involved not only having a high level of business and technical competence, but more importantly having a high level of emotional intelligence (EI). In leadership, you hear a lot about high EI, how people think, how they operate and what motivates them. Balancing both to achieve organizational goals is what good leaders strive to do.

Have you been given any key advice or been mentored by someone that has shifted the path of your career?

I've had a few mentors in my life that I continue to maintain great relationships with. One said to give everyone that you're working with, both vertically and horizontally, the same level of respect. If you

can do this, you will be 10 steps ahead of most people because what you will find in most corporations is that many serve upwards, but they fail to serve downwards. If you can't serve downwards, to those who actually make your team and organization successful, then you have failed as a leader. I have enjoyed many mentorship sessions focused on dealing with human behaviour and the cultural complexity of organizations. If you're adaptable in any environment, you will be more successful.

How did you get into supply chain?

I had no idea what supply chain or procurement was as a first year BBA student and I most certainly didn't know how complex it was. I did my undergrad in corporate finance and I began my career at RBC and then moved to IBM, both in finance roles. When I joined the large finance group at IBM, I realized that it was a large organization with many verticals which managed billions of dollars in revenue between hundreds of countries. While I was spending time in corporate finance, I started realizing that a significant amount of money went to the company's global supply chain. Eventually, I was asked to evaluate some financial modeling and elements of supply chain and in speaking with various leaders in supply chain at the time, it provided me with opportunities to go explore and that's exactly what I did and the rest is history. As I started peeling the layers of the onion, I found out about the function of procurement and supply chain, and many of the competencies and skills I had learned from finance applied to this discipline. That led to one door which then led to another and I slowly started learning more about supply chain and procurement. IBM truly elevated my learning and provided me with the opportunity to dive deep into this discipline.

"What I have learned most through all these experiences is the importance of change management. To be successful in driving change that impacts people, process and technology, we should never underestimate the importance of a strong change management discipline."



What project at the CSA Group has had the largest impact on you and what did you learn from that experience?

I was hired by CSA Group to help transform the supply chain and procurement function and move it from a tactical to a strategic, globally integrated procurement function, as well as to elevate the presence of the procurement function within the organization. My contributions in this transformation led to other transformational initiatives. What I have learned most through all these experiences is the importance of change management. To be successful in driving change that impacts people, process and technology, we should never underestimate the importance of a strong change management discipline. Execution of strategic organizational change is a journey and to be successful on the journey you need the organization to move with you. Never underestimate the importance of a strong change management discipline in such journeys.

Over the years, you have worked at three very different organizations, could you touch on what you have taken away from each of these experiences?

As both a Canadian and someone who has worked in the banking industry, I have the utmost regard for the Canadian banking system. At RBC, I was able to learn not only the strength of the regulatory system in Canada and how financial institutions operate, but also how they take a very customer centric approach in managing their business. I was particularly interested in the world of mutual funds and investments; I think at a base level that set me up for my personal growth and success. It also taught me about how that environment interacts and intersects with different industries.

Moving from a Canadian bank to a global organization was a total game changer for me. When you work for a global company such as IBM, the way you look at the world and the economy changes. To have hundreds of thousands of employees working towards the same goal is a huge undertaking and I think IBM does a phenomenal job of doing that. They have always been driven by the mindset of 'Think global and act local', so for me, working for a global, publicly traded company that has respect for diversity and inclusion gave me a whole new perspective. The other thing that was remarkable about IBM is that it is a company that has been around for over a century. I was actually part of the company when they celebrated their centennial and that was a great achievement.

When I moved to CSA Group, which is a mid-market sized company, there were three things that were very important to me: to work for a company that is global in nature; to work for a company that is embracing digital transformation; and to work for an organization which would give me autonomy to drive change. CSA Group offered me these three things. When you work for a mid-market sized company like CSA Group, you have versatility in the things you do. In my time at CSA Group, I've had the opportunity to not only lead our procurement division, but also lead our real estate and insurance portfolios and I am responsible for leading other strategic initiative. I also believe that the opportunity to work across so many verticals is something that is awarded to you when you work for a mid-sized company. I consider myself fortunate to have had the opportunity to work for two companies while they have hit their centennial, CSA Group hit it in 2019. It gives me a feeling of pride.

The last thing I want to leave you with is, all three companies have had tremendous success in both Canada and globally, and when you work for winning companies, you learn a lot and when you learn a lot, it inspires you to give you back to the company.

What advice would you give to students who are interested in pursuing a career in supply chain?

Supply chain isn't new, it has been around for a long time. When you think about the basic function of a manufacturing company with ten people and then grow that to a company of thousands, the complexity gets greater and greater. Supply chain is something that is here to stay, and it will get more complex in the global world we operate in. This complexity comes with opportunity, and this opportunity will come with technology, so embrace technology. This is a piece of advice I would give for any career. You are the generation that lives and breathes technology. So, embrace it as it will only get more and more progressive, and I think you would set yourself behind if you don't. Learn about the supply chain of not only today, but of the supply chain of tomorrow and keep technology in the center of your learnings. Even today, I continue to learn about process automation, AI and robotics as I think they are key emerging elements of supply chain and procurement.

What trait do you think is important for students to differentiate themselves especially when acting in leadership roles?

I believe that having empathy is a very important trait. Leaders who have empathy serve better over the long term and they gain a lot of respect. I also think it is important to focus on becoming an inspirational leader and a leader who leads by example. Often, I find that leaders who exercise position power will not be as successful as those who can actually inspire. You have to be able to say 'hey, I know I am in the position to lead but the success of my position is very much dependent on team that's with me'. If you're willing to put in the elbow grease at a foundational level, you will get that much more respect and you will be much more successful as a leader.

We've talked a lot about technology and how it is evolving, how do you think technology will impact this industry in the future?

At CSA Group, we have embraced digital transformation. A significant part is internal transformation, which is making sure there is a high level of adoption and integration of technology in our business processes. If you think of marketing as an example, the basis of marketing has not changed but the delivery channels have. We have embraced implementing technology internally and ultimately, to support our customers externally. We have had to pivot with COVID-19 to work remotely and I think technology has been something we have successfully adopted.

Do you see COVID-19 as a hindrance or opportunity for CSA Group?

Our mandate as an organization is to hold the future to a higher standard, and we're dedicated to safety, social good and sustainability. In late 2020, we became the first domestic provider of testing and certification of medical-grade personal protective equipment (PPE). We're also collaborating with stakeholders and government agencies to develop Canadian standards for medical-grade PPE, expected to be finalized in fall 2021.



EXPLORING ECONOMICS:

Wealth Tax:

From an Economic Point of View

Guest Author: Kevin Roche

About the Author

Kevin Roche graduated from Laurier in 2019 with a bachelor's degree in economics. While there, he served as the Executive Vice President of the Laurier Economics Club. The club did not implode under his guidance, an accomplishment of which he is still proud. He later went on to complete a master's degree in economic policy at McMaster, and now works as an Economist at Statistics Canada.

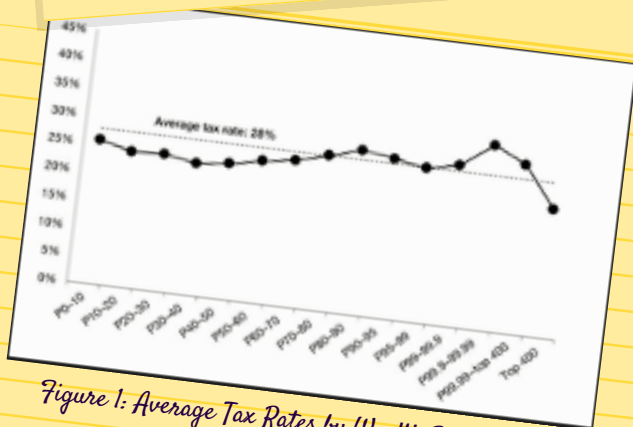


Figure 1: Average Tax Rates by Wealth Percentile

What is the often talked about wealth tax, and what would it look like if implemented? Despite rising levels of inequality, which have only been amplified by the ongoing pandemic, the U.S. tax system has become substantially less progressive over the last several decades. When combining all taxes at all levels of government, the U.S. tax system is essentially flat, as depicted in Figure 1. As a whole, the population pays an average personal tax rate of approximately 28%. The bottom 70% of the wealth distribution starts off below this average, and the tax becomes slightly more progressive up until it peaks at a rate of 33% for the bottom 90% of the top 0.1%. However, there is a significant decline in the tax rate for anyone wealthier than this threshold, with the 400 richest Americans in particular paying a tax rate of approximately 23%.

Part of the reason this is so is because of the way the richest Americans store their wealth. For example, Berkshire Hathaway, which is owned by Warren Buffet, does not pay dividends – so Buffet does not need to disclose his stock ownership as income until he realizes that income by selling the stock. As a result, he reports only tens of millions of income on his tax return, even though his assets are worth tens of billions. The difference in tax rates between labour

income and investment income is a large part of the reason that average tax rates are lower for the richest Americans. Figure 2 shows how wealth in the United States is divided for a number of populations, namely the bottom 90%, the top 5%, and the top 1%.

The chart shows that the top 5% of Americans own approximately two thirds of the wealth in the country, with the top 1% owning about 40% of the wealth themselves. On top of that, the top 5% wealthiest Americans have enjoyed a wealth increase of approximately 12% since the 1980s, while the bottom 90% of Americans have experienced a collective wealth decrease of approximately 12% in the same timeframe. Much of this change has taken place since the mid 2000s alone.

Obviously, the current distribution of wealth in America is not equitable. One possible solution to address wealth inequality is a progressive wealth tax. Often suggested by the likes of Bernie Sanders and Elizabeth Warren, a progressive wealth tax is an annual tax levied on the net wealth that a family owns above some exemption threshold. In the past, Elizabeth Warren has proposed a progressive wealth tax of 2% on families with a net worth above \$50 million and 3% above \$1 billion. Similarly, Bernie Sanders has proposed a wealth tax that builds from a rate of 1% on wealth over \$32 million all the way to a rate of 8% on wealth over \$10 billion, with several increments in between.

The U.S. has never actually implemented a wealth tax before, but there have been many implemented in Europe, most of which have failed. The OECD published a study in 2018 showing that of the 12 European countries that had wealth taxes in 1990, only 4 of them still had one in 2017. This is one of the main arguments used against the implementation of wealth taxes in America.

There are three main reasons why these wealth taxes have failed. First, because efforts to stop offshore tax evasion have been weak, wealthy European families have little trouble avoiding a wealth tax. The U.S., on the other hand, enacted the Fair And Accurate Credit Transactions Act in 2010, which imposes steep penalties on foreign financial institutions that fail to report accounts of US residents to the US tax authorities. Secondly, the EU is designed to foster tax competition in that individual income and wealth taxation depend solely on current residence.

Secondly, the EU is designed to foster tax competition in that individual income and wealth taxation depend solely on current residence. To avoid a wealth tax in their home country, the wealthy typically just need to move a country over. This is contrasted with the U.S., where the only way to escape the US income tax is to renounce US citizenship and even then, the US imposes a substantial exit tax.

Lastly, countries in the EU have historically set the exemption threshold too low – around \$1 million. This leads to a great deal of backlash from people around the threshold who are asset rich but cash poor. Both Sanders and Warren's proposed thresholds are significantly higher than this, which eradicates the problem. In short, the failures of European wealth taxes can be addressed when implementing one in America. Assuming perfect enforcement, the wealth tax base for the top 0.1% in 2019 was approximately \$12 trillion.

Therefore, even a 1% tax on this top 0.1% would raise \$120 billion in revenue, which is approximately 0.7% of national income. Given that both Sanders and Warren would tax at a substantially higher rate than 1%, it is easy to see that there is significant revenue potential in the implementation of a wealth tax - likely to the order of 5-10% of national income, even with some of it likely being lost to evasion.

The strength of enforcement is dependent on the successful implementation of information reporting by employers and financial institutions, as well as strong penalties for evasion and a hefty exit tax for those who wish to expatriate. Specifically, the most crucial extension of the current information reporting system would be to require financial institutions to report year-end wealth balances to the IRS.

The IRS already does these assessments when the wealthiest Americans pass away, so the change would be to have these assessments occur annually. Assuming effective enforcement, the policy question is then one of revenue or equity. A small wealth tax, say 1%, would provide near perpetual revenue, but not much of a change in equity. A larger tax, say 5% or above, would provide a short term burst of substantial revenue and the most immediate change in equity. It would also be met with the strongest opposition. If the goal of the wealth tax is wealth redistribution, then a tax similar to the one proposed by Sanders would be the most effective from a policy standpoint.

The potential benefits of such a policy – redistribution via increased investment into social programs such as housing, childcare, and income security – have only been amplified by the recent pandemic. After a period of increased spending like the one the pandemic has necessitated, increased tax revenue is needed in order to offset the heightened expenditure and fund social programs like the ones mentioned above.

It's important to note that citizens do tend to support the prospect of a wealth tax. A 2019 poll run by the New York Times showed that approximately 2/3 of Americans were behind the implementation of a wealth tax. However, it's not only everyday people throwing their support behind the idea. Bill Gates and Mark Cuban have come out supporting a wealth tax in the past, and in 2019, a group of billionaires including Abigail Disney penned an open letter to the 2020 presidential candidates advocating for a wealth tax to be implemented. Whether or not a wealth tax is implemented remains to be seen, but one thing is certain – it will remain a hot topic in politics in years to come.

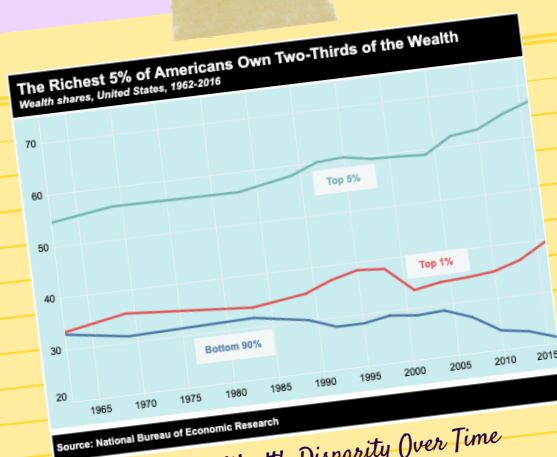


Figure 2: Wealth Disparity Over Time



COVID-19

The Show Must Go On

The Show Must Go On

Entertainment and the Post-Pandemic Consumer Landscape

Industry leaders and small firms alike have gone above and beyond to create a win out of one of the globe's greatest crises: the COVID-19 pandemic. Businesses around the globe are harnessing the power of stay-at-home orders and influxes of leisure time which became drivers of a radical shift in consumer behaviour. In fall of 2020, Statistics Canada reports that Canadian consumers have increased their use of video streaming services by 42% after the onset of the pandemic.¹ While trends such as webinars, online food delivery services, and video streaming platforms were popularized pre-pandemic, COVID-19 has accelerated the move towards an at-home consumer experience.

It is unlikely that this lifestyle shift could be replaced by previous norms going forward, even when the pandemic subsides. The purpose of this article is to demonstrate how businesses are adapting to the evolving shift in consumer behaviour. As one of the hardest-hit industries, entertainment industry leaders have showcased how to capitalize on shifting consumption trends and pivot their business strategies to align with the current climate.

Opportunities Created by COVID-19 for the Entertainment Industry, and how to Capitalize on them

Opportunities created by the COVID-19 pandemic present themselves in the sharp incline of market demand for flexible distribution methods and the innovations that follow. Companies that were pivoting towards at-home consumptions prior to the pandemic have a competitive edge, along with the added benefit of a loss of competition. Competitors who mainly offer in-person experiential services and products are either heavily regulated or banned under illness-prevention policies.

The entertainment industry is a stark example of the shift in the competitive landscape, with streaming services and production companies not currently competing with movie theatres due to their temporary closure. Whether it was due to an emerging consumer behaviour pre-2020 or the limitations posed by COVID-19, many companies have taken advantage of this shift in entertainment consumption. Distributors like Netflix and Hulu got their start in streaming, while production companies like Disney and Apple are adding distribution channels to their portfolios through acquisitions.

In the wake of massive operational losses in its other sectors, Disney announced they would shift their business model to focus primarily on Disney+ and their other streaming platforms.

3

As a result, Disney purchased the final third of Hulu's shares from Comcast, adding to its two-thirds ownership from both ABC and its 2019 acquisition of Fox.⁴ The entertainment giant's level of confidence in this approach is showcased by the \$700-million loss in startup costs associated with launching Disney+, not to mention the operational losses it will absorb from Hulu in the future. Their subscription numbers have more than doubled since March 2020, surpassing 100 million worldwide. Their ability to leverage the opportunities created by COVID-19 has been partially stunted by some necessary trial-and-error when exploring new consumer preferences. Many customers were upset to find they had to pay a fee of \$30 on top of a streaming subscription to watch the much-anticipated adaptation of *Mulan*, Disney's first major film release since the onset of the pandemic – a fee which they have since retracted.⁵ Streaming services such as Hulu, a service focused on distribution, have found greater success in their tiered approach. It is clear that although consumer preferences are pointed towards at-home consumption, consumers would rather look to competitors than pay premiums for at-home entertainment. These factors are important to keep in mind when positioning a company to capitalize on these shifting trends.

1. Statistics Canada, "Canadians spend more money and time online during pandemic and over two-fifths report a cyber incident", 2020, <https://www150.statcan.gc.ca/n1/daily-quotidien/201014/dq201014a-eng.htm>

2. Jon Swartz, "Disney+ was the only plus for Disney as coronavirus slammed other businesses", 2020, <https://www.marketwatch.com/story/disney-in-the-age-of-covid-19-for-now-disney-may-be-the-only-plus-2020-04-07>

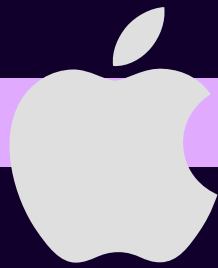
3. Nicole Sperling, "Disney Reorganization Puts a Sharper Focus on Streaming", 2020, <https://www.nytimes.com/2020/10/12/business/media/disney-streaming-reorganization.html?auth=login-google>

4. Edmund Lee, "Disney to Buy Comcast's Hulu Stake and Take Full Control of Streaming Service", 2020, <https://www.nytimes.com/2019/05/14/business/media/disney-hulu-comcast.html#:~:text=Disney%20became%20Hulu%27s%20majority%20owner,financed%20by%20Disney%20and%20Comcast>

5. Jon Swartz, "Disney+ was the only plus for Disney as coronavirus slammed other businesses", 2020, <https://www.marketwatch.com/story/disney-in-the-age-of-covid-19-for-now-disney-may-be-the-only-plus-2020-04-07>



Apple's Successful Debut in Streaming to Capture Shifting Consumer Trends



When considering how to pivot one's business strategy, entertainment industry leaders set an example by targeting the operational aspect most affected by these changing times: distribution channels. Successful streaming platforms have proven that using an innovative distribution method is the key to navigating through the pandemic and emerging "at-home" consumer trends.



A case study of Apple's purchase of American war film *Greyhound* from Sony Pictures is a prime example of a company pivoting to capitalize on adaptations to distribution methods. However, not all companies are on the same page. Faced with the rift in available distribution channels, Sony's entertainment branch found success in streaming through Apple as an alternative to its regular operations yet resists it as a permanent solution. When speaking about on-demand viewing of new releases as being a potential avenue in the conglomerate's future, CEO Tony Vinciguerra stated "we just had not seen models where that kind of release schedule will benefit the profitability and the efficacy of major productions".⁶ While Sony is extensively diversified, CFO Totoki Hiroki claims that for the Pictures division, "the negative impact of not being able to release our titles is expected to continue for several years".⁷

Enter Apple, who has fully embraced the changing landscape by going head-to-head with streaming giants to prove itself as an entertainment distributor. Their commitment to this shift is evident in the purchase of *Greyhound*, Apple's biggest feature film yet.⁸ Bought at \$75 million (\$25 million more than Sony's production budget), Apple drew in about the same number of viewers that would be expected on a conventional opening weekend, of which 30 per cent were new subscribers.⁹



Collaborating with Sony, Apple was able to give consumers what they wanted: a high-quality film in a safe, stay-at-home environment. Although profits were not as great as a theatrical release, which is to be expected, Apple shows reliance and adaptation to new consumer trends. Apple's relationship with Sony was a win-win situation in the time of COVID-19, as both companies were able to specialize in what they do best and, together, deliver value to consumers. While Sony waits for a "back-to-normal" scenario, Apple can continue to profit by acting as an intermediary for delivering content to consumers' homes.

6. Sarah Whitten, "Sony sold theater-bound 'Greyhound' to Apple for \$70 million, but this deal won't become the norm for the studio", 2020, <https://www.cnn.com/2020/05/20/sony-committed-to-theaters-even-after-selling-greyhound-to-apple.html>

7. Patrick Frater, "Sony Pictures Division Profits Slip to \$300 Million in Second Quarter", 2020, <https://variety.com/2020/biz/asia/sony-profits-in-second-quarter-1234817440/>

8. Scott Mendelson, "Why Apple TV+ Paid Sony \$70 Million For Tom Hanks' 'Greyhound'", 2020, <https://www.forbes.com/sites/scottmendelson/2020/05/19/streaming-debut-for-tom-hanks-greyhound-makes-sense-for-apple/?sh=21db38002419>

9. Benjamin Mayo, "Report: Apple TV+ beats its viewership records following release of 'Greyhound'", 2020, <https://9to5mac.com/2020/07/14/greyhound-viewership-apple-tv-plus/>



Applying Streaming Companies' Successes to Other Areas of Entertainment by Using Alternative Distribution Channels

There is a large dichotomy between businesses who are working hard to capture the benefits of altered consumer behaviour due to COVID-19, and suffering companies who are watching their revenues plummet as they anxiously wait for the world to “return to normal”.

Struggling companies can leverage the pivoting strategies used by the above examples to target the root of the issue and stay afloat during adverse climates. Entertainment companies that are solely focused on delivering their content to customers in-person are apprehensive about expanding outside of that domain. For example, Ticketmaster, a live concert ticket and venue intermediary is one industry-leading distributor that has only implemented temporary alternatives for pivoting to reach customers, according to Rolling Stone. Its owner, Live Nation Entertainment, holds the attitude that a return to normalcy will be their saviour. This attitude is supported in their Q3 report, in which they stated that they will “continue to maintain a strong cash management discipline, while planning [...] to resume live shows as soon as possible.”¹⁰ In this quarter, Live Nation’s revenues dropped by 95 per cent compared to the same time last year, but “has \$1.9 billion in liquidity, enough to carry the company until it hopes concerts can return at full scale outdoors in summer 2021.”¹¹

Aside from planning for safe in-person reopening, they have engaged in small amounts of live-streamed events and “make-shift” outdoor performances, neither of which they consider to be long-term or lucrative solutions.¹² Companies like Ticketmaster are concerned that consumers will not have the same personalized experience with live-streamed events, causing reluctance towards diversifying their distribution channels.

Live Nation is currently lobbying federal and provincial governments to relax policies on physical gatherings, but even if they succeed, how will this position them to face changing consumer preferences? The delivery method of a company’s product is now a critical decision point for consumers, therefore, installing an innovative distribution channel could be the make-or-break for Ticketmaster. While it may not replace the experience of a concert, live streaming capabilities can be utilized to reach apprehensive consumers and to counteract strict gathering policies. To overcome “Zoom fatigue”, Ticketmaster can consider embellishing the streaming experience with added perks such as “backstage” passes for virtual after parties, Q&A sessions with artists, exclusive merchandise, and more. While COVID-19 policies may not be the end of live entertainment, Ticketmaster should consider how the pandemic will affect consumer preferences while pivoting its strategic plans.

The COVID-19 pandemic has seen innovation and major changes to the entertainment industry. From streaming companies buying high-quality films to distribute on their platforms, to movie theatre giants staying dormant in the hopes the pandemic will clear up, each company has taken its approach to staying afloat. In the past months, it is clear which companies have adapted to the harsh circumstances of the pandemic and those who have failed. It is also clear who has risen to the occasion and captured opportunities during one of the world’s most difficult times.

10. Live Nation, “LIVE NATION ENTERTAINMENT REPORTS THIRD QUARTER 2020 RESULTS”, 2020, <https://www.livenationentertainment.com/2020/11/live-nation-entertainment-reports-third-quarter-2020-results/>

11. Ethan Millman, “Still Without Concerts, Live Nation Revenue Dropped 95% in Its Third Quarter”, 2020, <https://www.rollingstone.com/pro/news/live-nation-revenue-drop-q3-2020-1086584/>

12. Ethan Millman, “Still Without Concerts, Live Nation Revenue Dropped 95% in Its Third Quarter”, 2020, <https://www.rollingstone.com/pro/news/live-nation-revenue-drop-q3-2020-1086584/>

ALUMNI ADVICE

Terry Gillis



Terry Gills is a part time organizational behaviour professor at Laurier. Terry also owns his own consulting practice, Ahria consulting, and is a Laurier MBA alumni!

What got you into human resource management?

What really got me into human resources.. My first real foray into HR was at Laurier, back in 1993. I worked in career services there back under Jan Basso, who's still there today. It was a co-op placement, I was doing my masters at the University of Waterloo at the time. In the 90s, there were no jobs available because there was a deep recession, but Career Services and Laurier was actually looking for a part time career counselor. They hired me, and I stayed there for several years. So, that really got me interested in the whole world of people in transition. From there, I went to the Ivey business school here in London, worked there in their career services department but always wanted to be working with folks that were in transition. That's when I transitioned to this company now called Ahira Consulting. At the time, it was 100% or 80% outplacement or what is now called career transition. Organizations downsize, and we work with those displaced employees to help them get another job. That's really how I got into HR. The

story evolved from there - over the course of the evolution of the firm, I got into more HR related aspects. Where career transition our outplacement is on the exiting side, we now cover the full lifecycle of the employee from onboarding, development and off boarding.

What do you find to be your biggest motivator when you enter a new venture?

I think it comes from the tagline for our company, "transforming work". Fundamentally, I believe that everybody should have a great place to work, that nobody should go to work angry or wanting to throw up in the morning. I believe that the fact that it's 2021, and we still have people that hate their jobs is just mind numbing to me. What drives me is to make a change for one person, one organization at a time, until there are no sucky organizations - something I talk about in my book "Desuckify Work". It's self-explanatory that we need to De-suckify work because a lot of places suck and that's what really gets me going.

"The only thing you do more than work is sleep, and yet we give up sleep to go to work, the one thing that actually brings us joy and brings us comfort and brings us health. So that's what motivates me - transforming work so everybody getting a great place to work"

Tell us a little bit more about your book and what inspired you to write it!

What inspired me to write it was when you've been involved in as many things as I have, your brain starts to get full. It's the only way I can describe it. You find yourself reiterating the same things over and over again. I just felt that I had a book in me, the motivation really to write it was as a way to provide some sense of what's going on in my brain and for that instant credibility of my thoughts. So, if I didn't know you and walked in saying "Hey, how are you? Oh, by the way, I authored this book" it just brings you to another level and I really saw that as an opportunity to help me when I was trying to grow the business. I'm not an idealist that thinks I can change the world based on a book that I wrote, it would be great, but that was never my intent. The intent really was to share some ideas with a broader audience.

What drew you into taking on a part time teaching position?

When I was at Laurier, my boss came to me around Christmas time and said, "I'm resigning. I'm teaching a fourth-year business course and I need you to teach it". I thought to myself, how's that going to work? Being young and naive, and somewhat stupid I agreed to teach it although I had no idea what I was doing. I had obviously been a graduate student and I had taught classes TA'ing, but it was still completely foreign to me. It was an unmitigated disaster. I remember Tupper Cawsey, who was an OB professor at the

time talked to me about evaluations. After the course was over, I think I got a two out of ten on the evaluations. It was totally embarrassing in retrospect. Much later, after I had completed my MBA, I received a call saying they needed someone to teach OB that coming fall. I said, "have you spoken to Tupper?" They responded saying that it was years ago, why don't you take this role? I really didn't think they wanted me back after that disaster. Anyway, so suffice it to say, they took a chance on me again. From the very beginning, I fell in love with it. At that time, I was teaching Thursday nights, which was primarily non-business students, mostly electives with more mature students. What really resonated was the fact that I was bringing into the classroom, real life examples. More realism, not just theory, and practicality and pragmatism which really connected with a lot of those students. The feedback I received was obviously a lot different than, you know, back in 1993. People really said it was the best class they had ever been a part of, so that was reaffirming to me. You don't teach for the compensation, no disrespect to the school, but I can spend that time and make more money elsewhere. You do it because it's really a passion. I do it because it's purposeful to me. I don't care what your grade is, I just hope that you learned something from my class. It's about seeing those moments and seeing people actually have a really positive learning experience in university



What do you do to manage stress and keep a positive outlook?

There's a couple of things. In fact, I've just finished reading, shameless plug for James Legacy, a book about the New Zealand All Blacks rugby team. One of the things they talked about in there was a ritualistic warm up or practice. It's very tribal and intense and what not, and people have misconstrued that as a way for them to intimidate their opponents. Some people might sort of feel zen when thinking of those topics. So, what I've been actually doing is similar things to the book, more ritualistic and zen things. I got into exercise in the fall right around the same time I started teaching. It's phenomenal, I find it clears the mind. I find that taking time out from work becomes very important. And turning it off. My wife always wants to talk about work at home, but I hold home as my sacred space. I'm one of those people that have never worked from home during the pandemic. I spent one morning, back last March, and I was dealing with kids screaming about Wi Fi and decided no, I can't do this. I've been in my office ever since. The office is where work happens, my home is my sanctuary, where I decompress. Also, sleep. Do you know, I'm religious about my sleep now? So, eight hours minimum? Unless I get hooked on a Netflix show, and then I kick myself and I say, I'm tired and grumpy. Yeah, so those are the sorts of things I find are working best.

What has been the largest milestone in your professional career?

Yeah, I'd say when I joined this small family-based company. There was a husband and his wife, five of us total. I remember the very first day coming out of working in a big institution, a big university. My first day was February 1, 2000 and the owner sort of asked me to shovel the front walkway. I thought he was kidding but he was actually serious. It was the best experience. I think everybody ought to work for a small company, because you understand, unequivocally, if you are not contributing to the organization, you're a drain on the organization. You learn very quickly, profit equals revenue minus cost, and you know that you're either going to contribute to revenue or decrease costs. If you're not doing one or both of those, then you're not providing any value. You can hide in big organizations, but you can't in a small firm. I really think everybody should be forced to do that in their lifetime. You really understand how to increase the value proposition for the company and its mission critical. Too many people go through life and they never figure it out. It's sad when people can't answer the question, how does your company make money? I didn't set out to learn that lesson. I just happened to learn along the way. Go get those small business jobs.

What traits do you think are important to possess in order to differentiate yourself, especially when students are applying for leadership roles?

The best one that I would strongly encourage everybody is to hone in on integrity. Integrity is, is really doing what you say you're going to do. We have too much fake news in the world today and it's not serving anybody. So, if you say "I'm going to do something," do it! That's not to say that you won't fail, but that doesn't mean you're a failure. Protect your character, protect your brand, don't do silly things. It's so easy for you to get yourself into building a reputation that precedes you in a bad way. By protecting your brand and your integrity, you represent yourself as a future leader. Don't let some skeleton in the back of your closet come back to haunt you and take away from your ability to have influence on this world because it's something you did when you were younger. Although that sounds parental it's something, I wish I had done so that I had less skeletons in my closet today. Integrity is absolutely mission critical. Good character is about protecting your brand.

What books or podcasts, aside from your own, would you recommend to students?

Obviously Legacy, the one I'm reading about the New Zealand All Blacks rugby team. The most successful rugby teams in the world and it's a bit

of an institution. I also like "Thinking Fast and Slow" by Daniel Kahneman. Just another great read in terms of how we think and how we go about doing things. I'm not a podcast guy. I don't know why. I like to read and the reason I like to read is because I can underline and make notes. I can't underline words listening to a podcast and it doesn't resonate as much. I'm more of a visual learner than an auditory learner. I've got three new books in at the moment, a lot of Simon Sinek. "Leaders eat last" by Simon Sinek. The last one I got was by Michael Bungay Stanier "the coaching habit say less ask more can change the way you lead forever" and of course this bad boy Desuckify Work.

What advice would you give to students pursuing a career in HR?

I think part of the problem with HR is people see it as something that isn't sexy, like finance and accounting, where there is a big impact, and you can smoke cigars and drink brandy. People have not really embraced HR as a functional area. Fundamentally, people are the most important assets, but I don't really believe that because you can sell assets. Rather, people are the most important investors. So, if that's true and you treat employees as investors then organizations have entire investor relationships that will curry favour with investors which is critical to our success. You want to have a passion for both people and ensure that organizations provide a positive experience for everybody.

What influences a company's culture?
What are some good and bad factors to consider?

The most important thing to know about culture is that there is no right culture. Culture has to be aligned with your strategy. The diamond e model model of strategy -strategy involves the linkage to the market, or environment. Strategy takes into consideration management, preferences, resources, operations. If you're in an environment that is a high growth environment, and you're still trying to run a family-based business, it'd be tough for you to compete. So, something to watch out for, in terms of the most important thing to look for in a culture, is the signs on the wall, don't look at all the platitudes. Look at the people, look at the stories that they tell, what's being talked about. That's really what gets you to look at culture. What's happening on social media? What's the buzz around this organization? That's what's going to give you a feel for what the culture is like.

What is the most difficult part about acquiring a company?

The hardest part is not letting the negative self-talk consume you - don't let your negative brain rule because it can consume your mind. And it's the ability to be able to turn that off and focus in on the confidence that I have, the abilities I have, the skills I have, what's necessary to make this happen. I'll be honest with you, if we were to go

back in time and look at those things, do an analysis of their likelihood of succeeding from zero being if you can't afford to be doing this, to 100% of this opportunity is a slam dunk...I'd be in the 90s. I had been in the business far too long, I owned the relationships, I had the skill sets, I had the operational background, I had the prowess (yet I still doubted myself).

What advice would you give to students trying to get into consulting?

Be humble. You don't know everything. I would hire people who are humble and have humility and recognize, 'yes, I have something to offer but I also have a lot to learn', in a heartbeat. I don't want arrogance. People are people, people like to hang out with people who are like them. Put yourself in other people's shoes, understand what it means to be in the shoes of somebody who's experienced a problem and understand the pressures that we all carry. You want to be a problem solver, not an ego fulfiller. Too often, I think when we hear about consulting or what not, a lot of people that chase big jobs in New York try to do it to fill their own ego. Yeah, you might be the smartest on one end, but you're not winning people's minds and hearts - that's where the joy comes from.



What can new graduates do to really stand out during the hiring process?

I'll be honest, it's tough. However, the best advice I can give to anybody in any interview, not just going into consulting or anything, but have stories to tell human beings, be storytellers. Why should I care about your story of a great

experience, analytical problems, or problem-solving skills that you have? Tell me why I should care about that. You can say, 'I'm really good at this'. Okay, but link it to what that impact was. Remember that when you're in an interview, nobody cares about you per se. The only thing they care about is that they have a problem, and when you tell them how to solve a problem, you can make it about you.

STUDENT STARTUP

Building a Business with Enactus Laurier



Grace Bilodeau is a second year BBA student at Laurier. She is passionate about entrepreneurship and continues to work closely with Enactus Laurier. Grace and her team began to develop Cupible in 2019. Cupible is a compostable and edible product that is used as a substitute for traditional takeout coffee cups. It is an innovative new solution, allowing consumers to eliminate waste by eating a cookie-like coffee cup.

Where did the idea behind 'Cupible' come from?

Essentially our team competed in the enactathon, which is an annual case competition that Enactus Laurier puts on. Last year the subject was eliminating food waste. So I got a group together and we were thinking on the spot what we could possibly try to make a company around... knowing that if we did place, we would have the opportunity to implement the idea and create and generate our own company. I jokingly said 'how about edible cups', we all laughed and then as we looked into it we discovered that it was in fact a feasible idea.

At what stage of development is your venture at?

We are currently in product development, though we've done extensive market research. We have local independent coffee chains in the Waterloo and Toronto areas that are interested in testing our product for us. Focusing more on the product development side, we are currently in the process of refining our product. We have refined our ingredients so that the product can hold hot liquid for 48 hours and looks and feels like something you'd want to eat. We are trying to contact some mold manufacturers now to get the shape and sizing where we'd like.

How does managing an enterprise in partnership with Enactus Laurier work?

I should say I am a bit biased, I am VP HR on Enactus Laurier and I am also involved with another Enactus enterprise; Earth Suds. Essentially, we got into Enactus through the enactathon and Enactus has been so great in providing us with mentorship and the financial resources to get things started because with any start up there are costs. I have also found the mentorship has been pretty invaluable, they hold us accountable which is so important when you're trying to kick start something. Overall, I have nothing bad to say about my experience with Enactus and I am looking forward to seeing what the future holds.

How has your team handled the journey of pursuing a startup?

It is kind of an interesting story, probably not what you'd expect. When we competed, there were five of us in total. It was good, we all had our roles and we all had our individual strengths and weaknesses. As we progressed, we discovered some people were not as passionate about this enterprise as others and so we are now down to three of the five. It is better in this sense because you have people who are more interested and actually want to dedicate time into the company.

What are some pieces of advice you'd like to share with student who are looking to get involved with Enactus?

There are a few ways to get involved actually and I don't believe you have to get involved through a case competition. If you visit the Enactus Laurier website there is actually a page where you can read more about each of the incubation projects for some inspiration. You'll want to create something sustainable. Not necessarily environmentally sustainable, it could be socially sustainable. There are many different avenues. Once you have an idea you can contact the VP of incubation and they'll run you through all of the next steps. My biggest piece of advice is to make sure this is actually something you are passionate about and interested in or else you are wasting your time as well as everyone else's.

What trends do you see inCupible's market? Who are your largest competitors?

Sustainability is a trend which every industry follows. You'll study this in all your business courses but you're going to have more economic success when you start making more sustainable moves. One of the coffee shops we've reached out to actually made a point of saying that their customers are reaching out to them asking for more sustainable solutions. In any industry there will always be some competitor in one aspect or another. There are some recyclable cups currently, though they are more expensive which is why many coffee shops have yet to adopt them. There is a movement going on where you are able to bring your own reusable cup to coffee shops, though, COVID has actually put a stop to that for obvious sanitary reasons. I'd say those are the two largest competitors as of now.

As an entrepreneur, how do you deal with set-backs?

I went to some speaker event in first year and the creator of awake chocolate was speaking. I think he said it best in saying that the journey comes in waves. Sometimes everything is going well and you are so optimistic and everything sounds great, and other times you feel like giving up. It is so important to remember to not get caught up in the moment and to organize yourself and set goals and set plans and make sure you are meeting your benchmarks. Again, speaking to the community and speaking to mentors will definitely help in motivating you if you ever feel as though you're in a rut.

How do you balance your academics and your involvement with Enactus Laurier

Not sleeping. Joking of course. I could be a bit strange here but I need to stay busy to get stuff done. Once I have a structure, I recognize that I have limited time and I have more pressure to get everything done. That works well for me. Visualizing upcoming weeks through using my physical planner and iPhone calendar also helps to ensure that I have a handle on all my deliverables.

What piece of advice would you give to students looking to pursue a start-up of their own?

If I can do it so can you. You just have to do it. There's nothing special to it. I have the same 24 hours that you do. I have two part-time jobs and all these extracurriculars and school. Just planning efficiently will make all the difference. There will always be limitations no matter what you do in life and there will always be some form of set back. You just have to do it. If you have any questions about my journey or are interested in entrepreneurship reach out to me via LinkedIn.

What challenges have you had to overcome as a young entrepreneur?

I feel very privileged in the sense that I don't feel my age really has set limitations on my entrepreneurial journey. If anything, being young conversely gives me an edge. I am able to say that I am a student when reaching out to companies and they may feel a bit more happy to help out. Being part of Enactus, I see student entrepreneurs literally all around me all the time. This has been extremely motivating.

What are the top three skills which are most important to you?

Reliability is really key to getting anything done and being held accountable in that sense. Approaching things logically. Don't feel like everything is too personal or all about you. Having good communication skills are key. You'll have to work on teams your whole life so learning to communicate effectively is key.

In what ways do you make time for yourself?

There is not much you can do that is open right now, but I have been just trying to pick up hobbies. There is always something new to try and if you don't like one thing try something else. Reading has been really good. It's funny, I know a lot of people are reading with all this extra time on their hands, but they are reading finance books or books on investing. At that point you're not really reading, at that point it's essentially more school and you aren't taking that break for yourself. This is why I only really read fiction or poetry books. I've been trying to go on walks each day. I've picked up photography as a result of my walks. It's fun because people don't expect me, because I am a business student, to take photos.

GET INVOLVED!



Visit enactuslaurier.ca to learn more about kickstarting a startup of your own



Find [@EnactusLaurier](https://twitter.com/EnactusLaurier) on social media to stay updated on current student ventures



Reach out to Grace Bilodeau via LinkedIn for peer support and guidance



FINANCE

Banking on Recovery



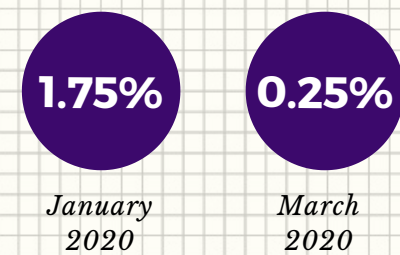
FINANCE

Banking on Recovery

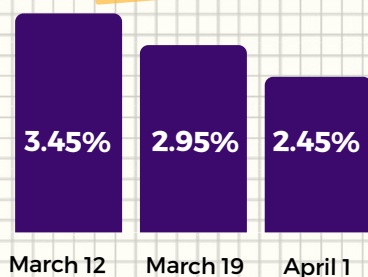
How COVID-19 is impacting the banking industry

COVID-19 has resulted in a catastrophic negative impact on the Canadian economy and has had a long-lasting influence on a wide variety of industries. Layoffs, bankruptcies, and location shutdowns have become increasingly common in a financially and economically uncertain climate. These days, it has become pretty common to hear of companies letting go of employees or completely shutting down certain locations. Even Fortune 500 companies have had to resort to these measures; Starbucks has closed hundreds of locations in 2020 alone.¹ While some industries, such as the video streaming and online education industries, have benefited from the pandemic, others have struggled to stay afloat.² Nevertheless, some of the most severely impacted industries have been able to recoup their losses and are beginning to see more profitable operations. One such industry is banking, which is projected to recover soon.³

Bank lowers overnight interest rates



Bank lowers interest rates on loans



One of the measures which impacted the Big 5 banks' revenue margins, and consequently, stock prices, was the sharp decrease in policy interest rates across the country, including the overnight rates between banks. In March of 2020, the Bank of Canada lowered the overnight rate—the rate banks use to lend or borrow money from each other overnight—to 0.25 percent, a level at which it should remain steady for the foreseeable future. In comparison, the overnight rate was 1.75 percent prior to the pandemic as of the end of January 2020.⁴

Changes in Interest Rates

The government's decision to lower the overnight rate has resulted in a decrease in banking interest rates

Aside from the overnight rate, banks have also had to lower the rates that they charge individuals on loans. Prior to March 12, 2020 when the effects of the declaration of the COVID-19 pandemic took hold, the prime rate—the interest rate used by banks as a benchmark to set interest rates on loans—was 3.45 percent. One week later, the Bank of Canada lowered the rate to 2.95 percent, and, by April 1, 2020 it had reached 2.45 percent, which is still used by TD, RBC, Scotiabank, BMO, CIBC, and National Bank as of January 10, 2021.⁵ The purpose of this decrease in the rate was to make the interest payments more affordable during uncertain times, but it also meant that banks were now earning less interest on their commercial banking and lending activities—activities which represented a significant portion of the banks' revenues, most notably with the decrease of investment banking revenue throughout Q2. Furthermore, the increasing unemployment rates due to COVID-19 furloughs resulted in a rising number of loan defaults as borrowers grew unable to repay their loans to their respective financial institutions.⁶ This also meant that fewer people were able to take out loans. In spite of the numerous defaults, some Canadian banks established relief measures

in order to help borrowers repay loans. CIBC, for instance, temporarily lowered its annual credit rate to 10.99 percent. RBC declared that it would allow minimum payment deferrals to eligible borrowers, while allowing a 50 percent cut of credit charges. Likewise, National Bank stated it would allow credit payment deferrals for eligible individuals for up to 90 days, while decreasing credit card rates to 10.9 percent.⁷ Aside from the interest rates that banks charged for smaller loans, banks also had to adjust mortgage rates in reaction to the market. Initially, Canadian banks increased mortgage rates as a means of protection from the COVID-19 impact, but were eventually forced to lower those rates, in some cases lower than they have ever been. In fact, HSBC, another large Canadian bank, lowered its five-year fixed mortgage rate to 1.99 percent, the lowest it has ever charged.⁸ Following HSBC's lead, RBC also decreased its rate when it unveiled a new five-year mortgage APR of 2.20 percent,⁹ a hefty decrease from its 3.24 percent rate in December of 2019.¹⁰ Such a strain on commercial banking revenues was bound to impact the financial performance of such banks and lead to restructuring, lay-offs, strategy shifts, or a combination of all three.

1. Starbucks to close 100 more stores due to COVID-19. (2020, November 5). From nbc12: <https://www.nbc12.com/2020/11/05/starbucks-close-more-stores-due-covid-19/>

2. Mak, G. (2020, August 17). Industries That Have Performed Well During the COVID-19 Pandemic. From IBISWorld: <https://www.ibisworld.com/industry-insider/coronavirus-insights/industries-that-have-performed-well-during-the-covid-19-pandemic/>

3. Kanda, S. (2020, August). Commercial Banking in Canada. From IBISWorld: <https://my-ibisworld-com.libproxy.wlu.ca/en/industry/52211ca/industry-outlook>

4. Bank of Canada Interest Rate. (2020, January 20). From WOWA: <https://wowa.ca/bank-of-canada-interest-rate>

5. Canada Prime Rates. (2021, January 25). From WOWA: <https://wowa.ca/banks/prime-rates-canada>

6. Frankel, M. (2020, November 12). Why Coronavirus Vaccine News Is Great for Bank Stocks and REITs. From The Motley Fool: <https://www.fool.com/investing/2020/11/12/why-coronavirus-vaccine-news-is-great-for-bank-stocks/>

7. Some banks offer reduced credit card interest rate for clients affected by virus. (2020, April 6). From Investment Executive: <https://www.investmentexecutive.com/news/industry-news/some-banks-offer-reduced-credit-card-interest-rate-for-clients-affected-by-virus/>

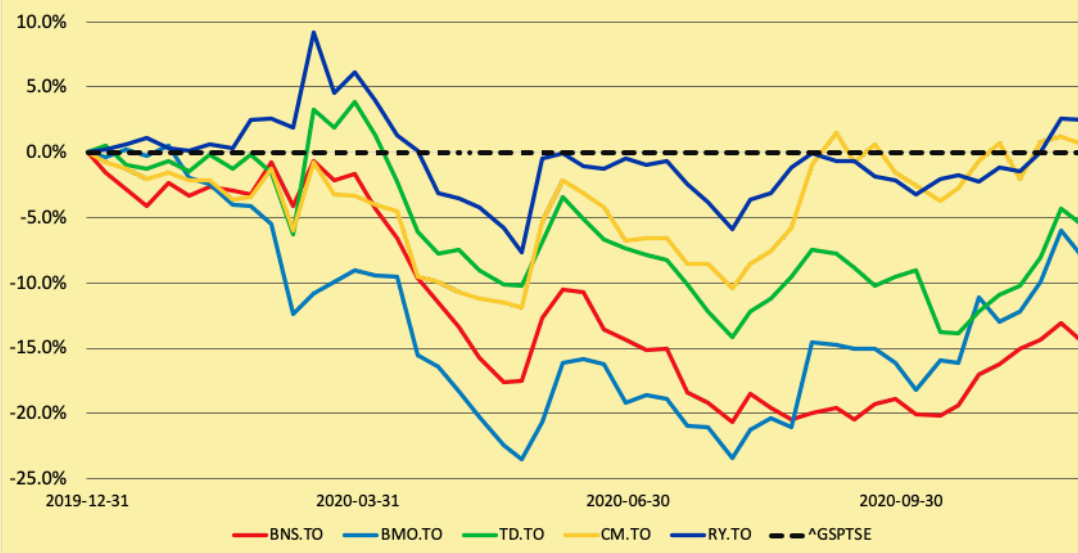
COVID-19's Impact on the Big Five Banks

When looking at the five biggest banks in Canada, which includes RBC, TD, BMO, Scotiabank, and CIBC, they each saw initial decreases in their earnings in 2020 as compared to previous years. In June 2020, three months after COVID-19 was declared a global pandemic, Yahoo! Finance released an article which discussed how key players in the banking industry have fared in the pandemic. It states that multiple big banks had reported significantly lower Q2 earnings per share (EPS), in the second quarter of 2020 in comparison to the second quarter of the prior year. In fact, CIBC, which reported EPS of \$2.94 last year, only reported an amount of \$0.94 this year, down 68 percent. Furthermore, other banks have suffered the same fate, with BMO reporting an EPS decrease of 55 percent, while National Bank's EPS decreased by 33 percent.¹¹

Originally, the Big Five banks were negatively impacted by the pandemic; however, some have been able to recover

Following the initial losses, the Big 5 banks' stocks exhibited varying outcomes. By December 1, 2020 both RBC and CIBC stocks had surpassed pre-COVID-19 levels, while Scotiabank continued to fall by 15 percent. With that being said, both of these banks' stock prices fluctuated during the last few weeks of December of 2020, hovering around the same price as December of the previous year.¹² Therefore, it can be inferred that the slight increase in the stock prices was the temporary result of market fluctuations. TD and BMO followed a similar pattern of an initial decrease followed by a gradual recovery, although they were unable to fully recover as of December 1.

Big 5 Banks Stock Prices vs. TSX Composite Index



Source: Yahoo! Finance

Banks Have Implemented New Digital Tools to Offer Their Services



With lockdown restrictions requiring most people to stay home, banks have normalized the use of digital banking tools

While the pandemic has generated some unfavorable results in the banking sector, it has also allowed the industry an opportunity to grow and adapt their operations. While most banks did not shut down brick-and-mortar locations, many reduced operational hours, offered contactless services, and required appointments. Furthermore, due to restrictions to face-to-face operations, banks were forced to expand their use of technology, including using video chat tools to communicate with customers and the increased adoption of automated chatbots to answer common digital banking questions.¹³ Fortunately, this has been proven beneficial, as many processes now require a fraction of the amount of time they used to.¹⁴ For example, with the adoption of electronic signatures, a potential human error is eliminated, saving the bank time and money that it would have taken to fix this error.¹⁵ The banking industry has also been rapidly increasing its use of mobile banking, which allows clients to be able to meet their banking needs from their cellular device, including making deposits and making transfers amongst other uses. In fact, in a survey conducted by Business Insider, 45 percent of respondents identified mobile banking as one of the top three deciding factors used to choose a financial institution—a clear indication that this function is valued.¹⁶

8. Foran, P. (2020, June 12). COVID-19 pandemic pushes Canadian interest rates to near historic lows. From CTV News: <https://toronto.ctvnews.ca/covid-19-pandemic-pushes-canadian-interest-rates-to-near-historic-lows-1.4982314>
 9. Mortgage Rates. (2020). From RBC: <https://www.rbcroyalbank.com/mortgages/mortgage-rates.html>
 10. RBC changes residential mortgage special rates. (2019, December 12). From Mortgage Broker News: <https://www.mortgagebrokernews.ca/news/rbc-changes-residential-mortgage-special-rates-324055.aspx#:~:text=RBC%20Royal%20Bank%20announced%20today,20%25%20for%20both%20terms>
 11. Ng, K. (2020, June 3). From Yahoo! Finance: <https://ca.finance.yahoo.com/news/covid-19-reveals-best-canadian-210050223.html>

Even so, this expanded use of technology has presented its own challenges, such as risks associated with virtual communication surveillance and data breaches. Because of this, banks have had to modify their risk management plans to accommodate new challenges. In the coming years, Business Insider believes that Canadian banks will continue to invest in technology, with an estimated amount of \$8.29 billion to be spent in 2024. According to their article, the three main areas of spending will be:¹⁷

1. *Enhancing customer experience;*
2. *IT infrastructure and maintenance; and,*
3. *Cybersecurity.*

The goal of these investments is to build features that will enhance customers' online experience whilst also lowering—or even altogether eliminating—the costs associated with inefficient IT systems and providing better data protection.

While the digitalization of the industry has many benefits, it should also be noted that there are also a few drawbacks. One such drawback is the loss of jobs within the industry; it is expected that many of the big banks worldwide will be replacing human workers with technological alternatives, with estimates showing that 10 percent of banking jobs will be replaced by automation.¹⁸ However, automation will also allow employees to focus on more valuable projects, and improve overall productivity and customer experience.¹⁹

Future Projections and Predictions for the Industry

Despite initial setbacks, the banking industry is expected to continue to recover and grow

Canadian banks, like many other businesses, saw decreases in their financials as a result of the COVID-19 pandemic. However, despite the initial setbacks this year, the annual growth rate for the industry's revenue is expected to be 2.4 percent from 2020 to 2025, reaching a projected revenue of \$270.1 billion in 2025.²⁰ This means that the industry is expected to consistently grow over the next five years, regardless of the initial impact of the pandemic. The overnight rate is expected to remain as is or decrease slightly over the next two years, eventually picking up again in 2023. With that being said, it is important to note that since Canadians currently have very high levels of debt, with the average Canadian household owing \$1.71 for every dollar of disposable income earned in Q3 of 2020²¹—a hefty increase from the \$0.90 owed in 1990²²—it is expected that they will soon begin selling their assets (deleveraging) over the next five years to reduce debt, which could create more revenue volatility for banks. In fact, in 2019 it was estimated that 1/5 of Canadians surveyed had to sell off assets such as cars and RRSPs in order to cover debt—a trend that seems to be ongoing.²³ This could impact future growth projections for the industry.

The impact of the COVID-19 pandemic on the banking industry, while initially negative, has forced the industry to quickly adopt new processes and technology, which, in addition to the banking industry having already been well-positioned prior to the pandemic, have been some of the defining factors of the banking industry in the upcoming years.



12. Yahoo! Finance. N.d. From: <https://ca.finance.yahoo.com/quote/%5EGSPTSE?p=%5EGSPTSE>

13. Rowan, L. (2020, September 3). How The Banking Experience Is Adapting To The Covid-19 'New Normal'. From Forbes: <https://www.forbes.com/sites/advisor/2020/09/03/how-the-banking-experience-is-adapting-to-the-covid-19-new-normal/?sh=67745e892efd>

14. Bellens, J. (2020, August 31). Three ways COVID-19 is changing how banks adapt to digital technology. From EY: https://www.ey.com/en_gl/banking-capital-markets/three-ways-covid-19-is-changing-how-banks-adapt-to-digital-technology

15. 5 advantages of digitalisation in the banking sector. (2019, September 24). From Vector ITC: <https://www.vectoritcgroup.com/en/corporate-en/5-advantages-of-digitalisation-in-the-banking-sector/>

16. Phaneuf, A. (2021, February 26). The future of retail, mobile, online, and digital-only banking technology in 2021. From Business Insider: <https://www.businessinsider.com/future-of-banking-technology>

17. Tattersall, M. (2020, November 16). How Canadian banks will adapt tech spending for the coronavirus economy. From Business Insider: <https://www.businessinsider.com/how-canadian-banks-will-adapt-tech-spending-amid-pandemic-2020-11>

18. Pittis, D. (2019, October 3). Yes, computers really are taking jobs from humans — especially in banking: Don Pittis. From CBC: <https://www.cbc.ca/news/business/ai-computers-jobs-banking-1.5305680#:~:text=Study%20shows%20automation%20and%20artificial,10%25%20of%20banking%20jobs%20alone&text=%22Technological%20efficiencies%20will%20result%20in,global%20business%20news%20service%20BI>

19. WHAT ROLE DOES TECHNOLOGY PLAY IN INVESTMENT BANKING? (n.d.). From HCL: <https://www.hcltech.com/technology-qa/what-role-does-technology-play-in-investment-banking>

20. Kanda, S. (2020, August). Commercial Banking in Canada. From IBISWorld: <https://my-ibisworld-com.libproxy.wlu.ca/ca/en/industry/52211ca/industry-outlook>

21. Balakrishnan, A. (2020, December 11). Household debt ratio rises to 170.7%, Statistics Canada says. From BNN Bloomberg: <https://www.bnnbloomberg.ca/household-debt-ratio-rises-to-170-7-per-cent-statcan-says-1.1535105>

22. Molina, A. (2019, July 18). Canadian Household Debt Statistics You Should Know. From Credit Canada: <https://www.creditcanada.com/blog/average-canadian-household-debt-statistics>

23. Bains, J. (2019, March 13). Canadians are selling-off assets to pay down debt. From Yahoo! Finance: <https://ca.finance.yahoo.com/news/canadians-are-selling-off-assets-to-pay-down-debt-181853239.html>

EXPLORING ECONOMICS: The Growing Wave of Student Debt

LEC x LBER

Guest Author:
Vincent Lawrence Vigal
VP of Economic Research
Laurier Economics Club

Debt is a vital financial tool that consumers utilize throughout their financial lives. This is because debt allows us to buy something today and spread out the payments in increments later on in the future. There is a variety of ways to accumulate debt from credit cards, to mortgages, and car loans, just to name a few. Overall, people rely on debt heavily to purchase high price-tag items such as a house or a car. Students are no exception and there is a specific type of debt that is tailored to them and is likely the first type of debt they obtain in their lives: student debt.

According to the 2018 National Graduate Survey conducted by Statistics Canada (Statcan), the average student debt owed at graduation after a bachelor's degree is \$28,000 [1]. Another key finding to note from this survey was that 54 per cent of graduates owed some amount of student debt at graduation. Moreover, as can be seen from the graph below, the aggregate total amount of Canada Student Loans has been rising steadily, and its growth has outpaced that of inflation over those years. From these findings, we can piece the idea that not only are there more students taking on debt, but the amount that they are taking on has increased over the past 10 years as well. This leads to a higher average debt balance after graduation, proportional to the cost of their education. As we will explore later on, this upward trend in student debt has positive and negative implications for the economy.

The trend we see from the graph in Figure 1 doesn't come too much of a surprise as the cost of education in Canada has increased compared to 10 years ago. Canadian undergraduate tuition costs have increased by roughly 33 per cent compared to 2009 tuition levels. Moreover, tuition wasn't the only cost that has risen throughout the past 10 years; the cost of accommodation, in particular, has also risen on average because of a growing market.

In response to the rise in expenses related to attending university, the importance of and reliance on student debt has grown and it has been vital in helping students and their families pay for education. This has also resulted in an increased demand for student grants from the government as these grants help to reduce the financial strains faced by families. This can be seen from the graph in Figure 2, which shows the number of recipients of the Canada Education Savings Grants (CESG) and Canada Student Loans.

As can be seen, the number of students obtaining grants and loans has steadily increased over the past 10 years. These increases have two implications. First, this may be a sign that families can no longer afford to cover education costs on their own, because of the rising costs related to education, and are forced to seek external funding

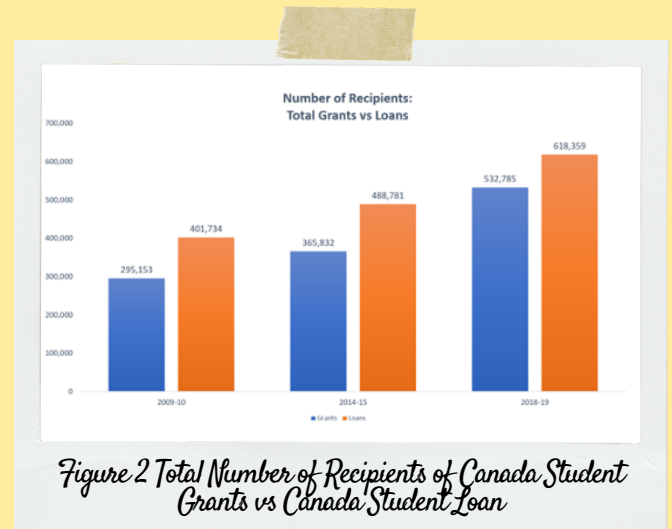
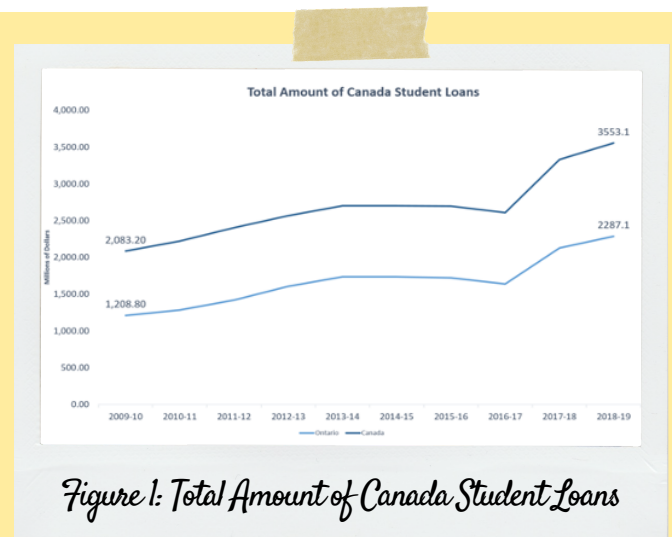
such as student loans. There is no issue with using debt; however, obtaining too much debt and not being able to manage it properly, could have major consequences. Students dig themselves into a hole by having a huge amount of debt right after graduation and by taking years to pay it off. According to the Canadian Student Loan Program report, it takes an average of 10 years for students to fully pay off their debt [4]. This creates financial stress on new graduates and could potentially delay plans such as getting married or buying a home, for example, as they have to prioritize repaying their student debt first. This then implies that it will be harder, and also later on in life, for graduates to build up their financial wealth.

Secondly, this graph tells is that more students are entering post-secondary education and are using these government programs to support their education. From a general macroeconomic perspective, this can be a good thing as more people are being trained and obtaining better skills which they can bring into the workforce. Put simply and generally, this could then improve overall productivity and innovation leading to higher economic growth.

Whichever argument people may take regarding this issue there is one clear fact: student debt has been on the rise and will continue to rise especially after the pandemic has heightened the uncertainty of Canadians' financial future and put huge stress on the economy as a whole.

Reliance on debt, in general, is what got business and households through this pandemic and that will be the case for a little while longer; it won't be a surprise if students do the same. But this rising trend for student debt balances, with the uncertain outlook ahead for the economy and the economic and financial strains the pandemic has placed on businesses and households, could trigger financial troubles in the long run.

Prior to 2020, the rising student debt wasn't a huge source of concern for policymakers. But with the pandemic-induced recession of 2020, which resulted in hundreds of thousands of full-time jobs being lost,



student internships being cancelled, growing utilization and reliance on debt, and the uncertainty related to what's next after the pandemic, there is a question to be answered: "Is this rising wave of student debt a genuine cause of concern today and later in the future?"

In 2020, students lost opportunities for internships, to save for their education, or try to find a full-time job immediately after graduation. The pandemic may have also had a financial impact on their families to take into account as well. The situation we are in pushes students, households, and businesses, to take on more debt. The repercussions of having sustained high levels of debt, paired with the unfavourable economic environment we are experiencing today, will negatively impact each person's finance differently. This in turn can harm the economy in the long run through sustained debt levels suppressing household's ability to build financial wealth and make big financial decisions in the future. How students actually navigate and manage their finances in the years to come post-pandemic, is something to watch out for as it just may shape the financial picture of this up-and-coming generation

Special thanks to



FACULTY FOCUS

Dr. Karin Schnarr is the Director of the BBA program and an associate professor in policy and law. She holds a PhD, and MBA, an MA, and a BSC, along with having experience working in government, the private sector, and now academics. Dr. Schnarr's research interests are corporate governance, global healthcare management and innovation, and case-based learning and she is also the winner of the 2019 Donald F. Morgenson Faculty Award for Teaching Excellence - Early Career Excellence, Wilfrid Laurier University.



Karin Schnarr

How did you end up becoming a professor?

I took a circuitous route to becoming a professor. I had careers in government and management consulting after finishing graduate school. I was a Vice-President at a consulting firm and I knew that if I wanted to go further professionally, I would need a more advanced level of training in business so I went back to do an MBA at Ivey. After finishing, I realized that I had missed academia and in the worst return on investment ever, immediately applied for and was accepted into Ivey's PhD program in strategic management. I had a great time doing my PhD and loved the combination of research and teaching. I've taught at Ryerson, Ivey and have been full-time here at the Lazaridis School of Business since 2014. I can't see myself teaching anywhere else.

What is your favourite part about teaching?

No question the student interaction. That is a bit harder to do right now with our current COVID restrictions, but I love being live in a classroom. Each classroom experience is unique because of the different combination of students in the room. So even though I have taught some of the cases many, many times, I never know exactly what direction the conversation will take because it is dependent on the analysis and opinions of 60 different students each time. I also really enjoy when students bring their own experiences into our discussions and relate it to the theory elements we are talking about that day in class. It is so fun for me to listen to students still analyzing, discussing or arguing about a case when they leave class!

Would you be able to talk about your educational background? You have a background in Literature, Science, and Business Strategy! How have these experiences had an impact on you today?

I have a very diverse educational background. Years ago, I thought I wanted to be an optometrist which is why I took Science at University of Waterloo. However, I realized that physics wasn't my strong suit (a requirement for optometry) and I was taking English courses in the side because I have always loved English literature. So, I was able to create my own unique double degree program at UW with degrees in both Science and English Literature. I immediately did a Master's in English Literature at Queen's University which was a lot of fun – I got to read and talk about books and plays for a year. Eventually, I returned to academia for an MBA and then a PhD at Ivey at Western which led me to the profession I am in today.

I was able to use the information when I went into consulting. Consulting (for me) was a steadier role and client focused. I worked with some wonderful companies and organizations which allowed me to see the customer side of the equation, working with them to try to achieve their goals often with governments. In the private sector, and consulting in particular. I learned that for me, I didn't enjoy having to chunk my time into billable hours and being limited in the work I would do for a client by the size of the project budget; I always wanted to make sure I could do the most thorough job possible which is why academic research suits me much better. I would say a core difference between the two roles was that while in government I would review documents (briefing notes, memos, Cabinet submissions) that others would write while in the private sector, I would be the person responsible for writing those documents and getting sign-off from clients. This was hugely valuable when I returned to academic because I now had experience writing reports which were often hundreds of pages; great training for writing a dissertation!

“I think the strongest benefit I received from all of this education was the training in critical thinking and writing.

When I was doing my PhD, I realized how valuable writing is as a skill set; the ability to communicate clearly and efficiently and support you ideas with facts and analysis. That has been something I have relied on in every role I have been in at every organization and a key reason why writing (and presenting) is a component in every course I teach.

Following this, why the shift back to academia?

You have experiences in both government and private sector roles, would you be able to talk about some differences between the two?

I have been fortunate to have had wonderful experiences both in my roles in government and my work in consulting. They were aligned, but different and offered very different work cultures. I was a political staff member during my time in government which meant that I was accountable to Cabinet Ministers rather than to the government bureaucracy. It was a high stress, 24/7 type of a job which changes from minute to minute which is easier to do when you are younger.

I have always loved academia and almost did a PhD in English literature at Purdue University when the government opportunity came knocking. When I was doing my MBA, I was reminded about how much I love learning and classroom engagement and challenging myself to think beyond my comfort zone. When I finished my MBA, although I loved my job and my clients, I found it didn't offer me the same intellectual stimulation that academic did. I went back to do my PhD and continue to be challenged ever since.

“Academia, I have found, allows me to combine a passion for teaching (I adore teaching with cases) and an intellectual curiosity which is satisfied through my research interests.

“Over my eight years in government, I worked in five different government ministries which allows one to absorb a lot of information about different government departments, but also about the process of government itself.

In so doing, I get to meet new students who are doing interesting things and who keep teaching strategy fresh and academic colleagues who are so smart, engaged and global in their approach. There are few professions that are this holistic which makes my job a lot of fun.

What advice would you give to students? Not only in regard to being successful in school, but also finding success post-grad?

My best piece of advice is to try to do something as a career that is interesting and engaging for you. I have met with so many business students who are specializing in accounting or marketing or going into law because it is what their parents want them to do or because they feel pressured to perform as well as peers. There is absolutely nothing wrong with choosing a career that has a stable and rewarding long-term trajectory. But if it isn't interesting to you, you will be miserable and burn out quickly.

In addition, I have always tried to perform to the best of my ability, no matter my role; there is no substitute to putting in the hours and being thorough and detail-oriented in the tasks you are asked to perform.

“Challenge yourself. Don't underestimate how much people will notice your work ethic and efforts you take to go the extra mile.

It sounds like a cliché but it is absolutely true. I have done so many different things in my career and loved them all because they engaged me in different ways and led me in professional directions I would have never thought possible when I started out.

What is it about business strategy that appeals to you, seeing as you've both studied and taught it!

I am biased here because I see strategy all around me in almost every aspect of my life from sports to tv shows to managing one's career. I had a student this term connect core elements of strategy to what is happening on this season of The Bachelor which I thought was just fantastic!

“I tend to be a logical thinker so strategy to me is about linking and connecting ideas from different areas in order to come up with possible solutions and then choosing the one that makes the most sense based on the existing context and resources available to you at the time.

We teach all kinds of frameworks and theories in strategic management, but honestly, to me so much of it is just common sense when you really think about it; the tools we provide just are meant to help organize those thoughts! I often hear from students that strategic management is one of the courses they take that they can almost immediately apply to any role they have in an organization. Because even if you are working at an accounting firm, how you present your work or ideas is actually strategy in action.

So far, online school has been a struggle for many people. Would you be able to talk about what you think are some of the positives with online school? Some of the advantages?

I think the switch to online has not only been a challenge for students but also for faculty and administration. Laurier is designed to be an in person university and part of the competitive advantage of the university lies in the wonderful sense of community and immersive experiences available when we all come together.

“I think one of the strong positives is that the business community globally has been operating as well in this virtual environment, with many companies signaling that they will be continuing with a much more virtual organizational structure even when the pandemic is over.

So, the skills Laurier students are gaining now, learning how to work virtually in groups, collaborate when peers are in different time zones and present using tools like Zoom, are translatable skills for when they join the workforce in co-op terms, summer employment and upon graduation.

Editorial Board

The LBER team would like to extend our thanks to our gracious editorial board for their work to perfect this issue

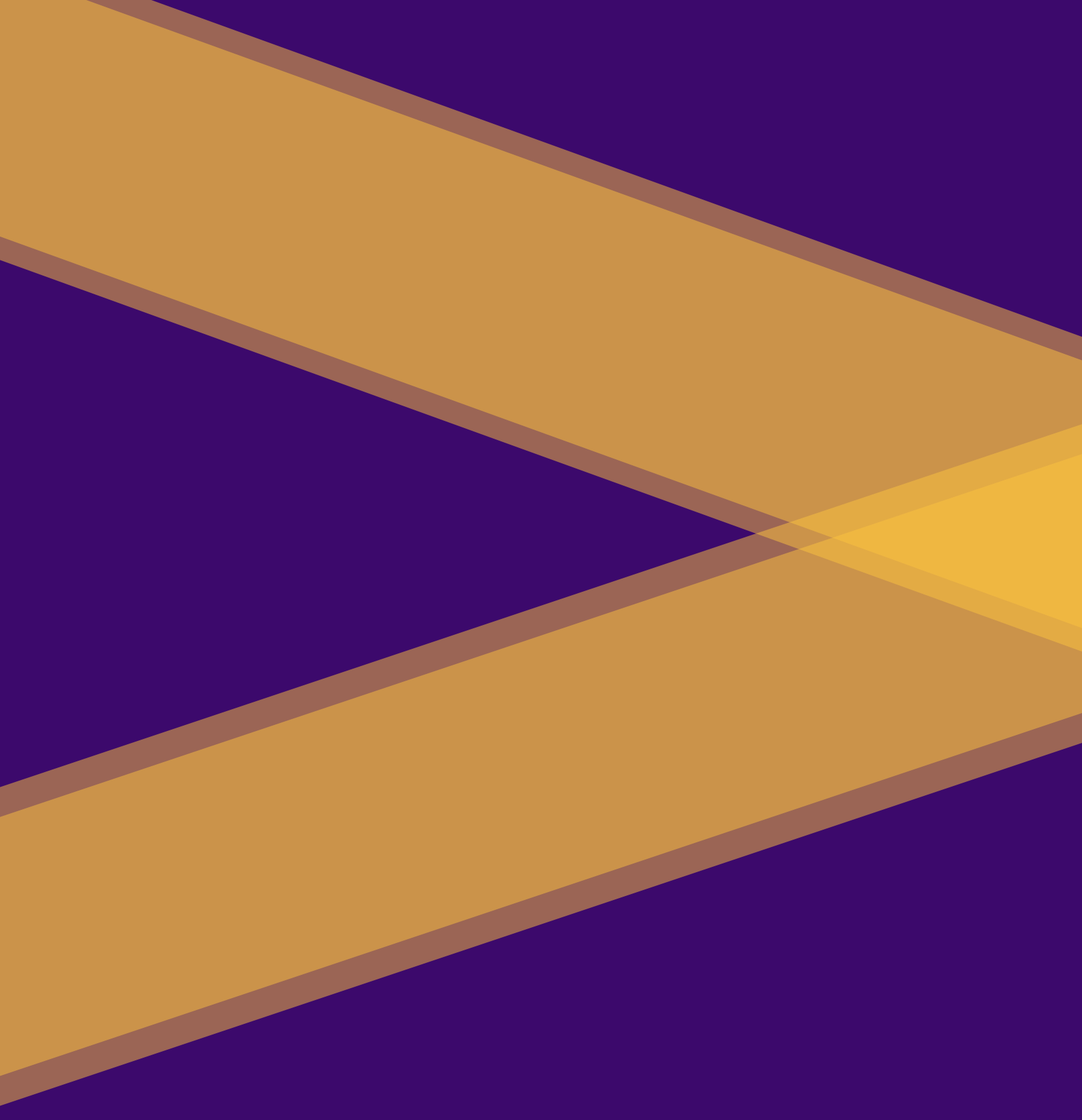
Leanne Haggarty (Instructor)

Logan Mcleod (Chair, Department of Economics; Associate Professor, Economics)

Karin Schnarr (Associate Professor, Policy)

Kate Tippin (Director of Marketing and Communications)

Sarah Wilner (Chair, Brand Communication; Associate Professor)



WINTER 2021