

# Chalet Matsuzaka: Crisis Mitigation

**Laird R. Smith**

*The University of Texas at El Paso, USA*

**Laura Guerrero**

*University of Houston – Clear Lake, USA*

**Abstract.** Faye Davison and Mike Jones, both from Great Britain, met when they were expatriates in Japan. They wanted to open a Japanese-themed hotel in the French Alps. Faye and Mike faced several obstacles as France is not an easy place for entrepreneurs. They eventually bought land and built a four-star hotel. Chalet Matsuzaka had four floors, a large reception area, ten bedrooms, a Japanese spa with massage services, a gourmet restaurant, and a meeting room. In February 2020, after having been in business since 2006, Faye wondered what sorts of risks should she and Mike expect. The corona virus was ravaging China and was already spreading beyond China's borders.<sup>1</sup> Brexit had been decided but not finalized.<sup>2</sup> How would these events or others impact their business? How could they ensure that even if something happened, Chalet Matsuzaka could continue to be successful?

**Keywords:** hospitality industry, small business, cultural differences, risk assessment.

In February 2020, after having been in business since 2006, Faye wondered what sorts of risks should she and Mike expect. The corona virus was ravaging China, and it was already spreading beyond China's borders.<sup>3</sup> Brexit had been decided but not finalized.<sup>4</sup> How would these events or other unexpected ones impact their business? How could they ensure that even if something happened, Chalet Matsuzaka could continue to be successful?

- 
1. Muccari, R., Chow, D. and Murphy, J. (2020, March 10), *Coronavirus timeline: Tracking the critical moments of Covid-19*. *NBC News*. Retrieved from <https://www.nbcnews.com/health/health-news/coronavirus-timeline-tracking-critical-moments-covid-19-n1154341>
  2. *Brexit timeline* (n.d.), Center for European Reform. Retrieved from <https://www.cer.eu/brexit-timeline>
  3. <https://www.nbcnews.com/health/health-news/coronavirus-timeline-tracking-critical-moments-covid-19-n1154341>
  4. <https://www.cer.eu/brexit-timeline>

*This shortened version of the article is for promotional purposes on publicly accessible databases.*

*Readers who wish to obtain the full text version of the article can order it via the url*

<https://www.neilsonjournals.com/JIBE/abstractjibe15chaletmat.html>

*Any enquiries, please contact the Publishing Editor, Peter Neilson [pneilson@neilsonjournals.com](mailto:pneilson@neilsonjournals.com)*

*© NeilsonJournals Publishing 2020.*

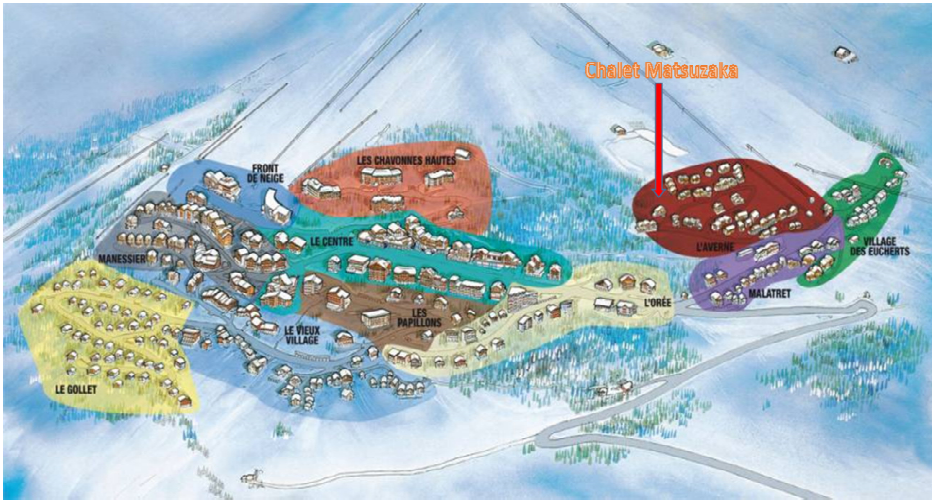
## 1. Overview

Faye Davison and Mike Jones, both from Great Britain, met when they were expatriate engineers at the Nissan Design Centre in Atsugi, Japan. Both were active skiers and had frequently travelled to the mountain resorts in the Nagano prefecture to ski and enjoy the hot-spring spas (known as *onsen* in Japanese). Because Faye and Mike loved these vacations, they wanted to open a Japanese-themed hotel in the French Alps region that they had often visited as tourists. They especially liked the village La Rosière 1850, in the Savoyard sector (*department*) of France. For a map of France showing the region, please see Exhibits A and B.

*Exhibit A:* Overview of location of La Rosière 1850 in France



Exhibit B: Map of La Rosiere 1850: the hotel Chalet Matsuzaka is above the Les Eucherts section in the l'Averne subdivision



## 2. Doing Business in the European Union and in France

First, we will discuss certain aspects of doing business in the European Union (EU) and in France, in particular, where the case takes place. Citizens of EU can establish a business in any of the EU countries. In 2008, the European Small Business Act (SBA) was passed to help small and medium-sized enterprises (SMEs) in the EU. By reducing bureaucracy, the EU hoped to improve the business environment for entrepreneurs. This legislation included easier access to loans from EU financial institutions and loan guarantees. It also established guidance rules for member nations: (1) to complete the licensing and registration of new businesses more quickly through one government agency, (2) to boost education in entrepreneurship in early secondary schools, and (3) to promote media attention to entrepreneurship.<sup>1</sup>

Within the EU, there were some differences between countries. France was ranked 25<sup>th</sup> in the world in terms of ease of starting a business. This may sound good, but it is worth considering that only a few other European nations were ranked behind France. This suggests that France may have unnecessary obstacles and delays that are not common in other European countries. Some difficulties that business owners faced included waiting up to 70 days to have electricity connected, waiting up to two months to have an internet connection, having problems getting credit (France ranks 90th in the world), and other restrictions that varied by local laws.<sup>5</sup>

5. *Top 10 challenges of doing business in France* (2018, July 30). TMF Group. Retrieved from <https://www.tmf-group.com/en/news-insights/articles/2018/july/france-top-10-challenges/>