

entrepreneur

When my old friend and former business partner Tom Peters heard that I was keen on researching and teaching entrepreneurship, he warned, “You can say everything that needs to be said about entrepreneurship in one paragraph.” The implication was clear: Stick with the big-business management stuff he had written about in his best-selling book *In Search of Excellence*.

Well, twenty-five years (including four delightful years of writing this column) and three books of my own later,

the *real* engine of prosperity around the world. Indeed, the business press rarely talked about the entrepreneurial small-business sector and the fact that it was creating 80 to 90 percent of all new jobs. And certainly, back in those days, when Communist leaders were still threatening to bury capitalism, no one predicted that by the twenty-first century, socialist Russia and China would become the entrepreneurial hubs of Europe and Asia.

At this point, a little economic history might put all this in perspective.

dred-year backdrop, the twenty-first century is clearly shaping up as the Entrepreneurial Age. This new economic era, which actually began in the late '80s, is unlike anything we've ever seen in its depth and scope. It is being led by ordinary individuals of all ethnic and political persuasions and is affecting hundreds of millions of people in every corner of the globe. Meanwhile, those same Fortune 500 companies that gave us the “organization man” are today promoting a culture of “corporate entrepreneurship” as a way to compete and survive

What's Left to Say

BY LARRY FARRELL



Our columnist has finally said everything about entrepreneurship—almost.

I'd have to say that either the great Tom Peters got it wrong or it's taken me a hell of a long time to get that paragraph just right. Of course, who could blame Peters or anyone else for pooh-poohing my newfound interest in entrepreneurs way back in 1983? It was still all about *management* in those days. Starting a small business was something you did if you couldn't get a “real job” at a Fortune 500 blue-chip outfit like GM or IBM or Citibank.

How shortsighted! People simply hadn't yet recognized that entrepreneurship was the greatest economic-growth tool ever invented and that entrepreneurship, not big business, was to become

The nineteenth century gave us the Industrial Age, driven by a relative handful of great entrepreneurial tycoons or, as some called them, robber barons. Entrepreneurship was the exclusive domain of the Levers, Carnegies, and Rockefellerers. To control the emerging, sprawling empires of the Industrial Age, the twentieth century produced the Managerial Age. An army of consultants and B-school professors began spreading practices and theories worldwide and, in the process, so downgraded entrepreneurship that it practically became a dirty word by the 1960s and '70s.

Building on—but in many important ways rebelling against—this two-hun-

in the global economy. Government leaders of all political stripes have also finally discovered that developing a more entrepreneurial economy is the best way to create jobs and achieve sustainable economic development. It's mighty hard to summarize in one paragraph the importance of entrepreneurship to individuals, companies, and countries, so here are three more:

Individuals. The growing popularity of individual entrepreneurship, propelled by the folk-hero status of the likes of Steve Jobs and Richard Branson, has captured the imagination of people everywhere, especially the young. The fact is, getting entrepreneurial could

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very well be the best weapon for individuals to prosper in the future world economy. It's no longer an alternative lifestyle for a few go-getters. Preparing yourself to survive by your own wits is an absolute necessity in a downsized and uncertain world. Indeed, it seems everyone these days is thinking about entrepreneurship. And well they should. It is truly everyone's last line of defense.

Companies. After decades of trying to manage themselves out of their bureaucratic structures and anemic growth, executives at large organizations are fighting for survival in the super-competitive global economy. And they want divisions full of corporate entrepreneurs, not men in gray flannel suits. The need to re-instill an entrepreneurial spirit of enterprise is great in all organizations—from “Global 1,000” giants fighting off smaller, more innovative upstarts to growing mid-sized companies fending off a mushrooming bureaucracy. In a world where 70 percent of the original 1955 Fortune 500 is gone and where half of all economic growth now comes from industries that didn't exist twenty-five years ago, becoming an entrepreneurial organization is the only way to stay in the game.

Countries. The idea that entrepreneurship is the driving force of national prosperity has become a central theme of politicians and economists all around the world. There is today a high level of investment in entrepreneur development by governments hoping to foster a more entrepreneurial economy to create jobs and spur economic growth. From China to Northern Ireland to the Yavapai-Apache Nation in Arizona, the governments with which I have worked are rethinking the basic economic-development theories of the past century. The end result could be nothing less than unlocking the greatest unsolved mystery in economics: why some nations and societies get rich while others remain poor.

I must confess that teaching young kids about entrepreneurship has been most inspiring and fun, while working

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with great corporate executives and managers has always paid the rent for my business, but what most intrigues me is using entrepreneurship as an economic-development strategy for an entire country. This is because I believe the most important challenge that entrepreneurship can address is eliminating world poverty. And certainly, the time to act is now as the gap between rich and poor around the world continues to widen.

But there's a caveat to keep in mind: Creating an entrepreneurial economy is a daunting task that requires the active commitment and involvement of political and governmental leadership. And even though we're up to our eyeballs in a heated political season, I haven't yet heard a serious-enough policy proposal from any candidate about eliminating poverty in the United States or abroad or, as JFK used to call it, creating a rising tide that lifts all boats.

What really scares me about a lot of our politicians is that the subject isn't even on their radar screen. For example, on a recent flight from Washington to Los Angeles, I found myself sitting next to a well-known California congress-

woman, a widely respected foreign-policy expert and a rising star in her political party. My initial reaction, I admit, was to silently wonder how many U.S. citizens realize that our elected representatives (Ross Perot used to call them “our employees”) routinely fly first-class while 99 percent of their constituents could never afford to do that. Fortunately, that awkward thought quickly passed, and during our pleasant conversation, I mentioned that I was on my way to Singapore to give a speech to the government about creating entrepreneurial economies. She expressed polite interest, so I asked her my favorite interview question on the subject: “If you could be the absolute economic czar of the United States—or any country, for that matter—and you could implement any policies or programs you wanted, what are the first three things you would do to ensure that country's economic prosperity in the twenty-first century?”

There was a very long pause, then: “That's really a good question. I'll have to think about it.” She seemed truly surprised by such a question, as if no one had ever brought it up before. I was a little taken aback. I had naïvely figured our leaders in Washington were thinking about things like this all the time. But in an odd sort of way, I think she was probably being quite truthful. Perhaps she really hadn't thought about it. Perhaps no one in Washington thinks about it.

In any event, let me end on my usual positive note, especially since this is my last regular column for *TCB Review*. I know from experience that entrepreneurship can work wonders for an economy if all the pieces are in place. As I have written—and as you have read—about the great power of the entrepreneurial spirit in creating success and prosperity, I hope you have found a few helpful and inspiring ideas for your career and your life from my column over the past four years. And in a final salute to Tom Peters, somewhere among all these words and ideas, I hope I've covered that all-important paragraph. ☺