



Choosing your Business:

From knowledge-based endeavors to social entrepreneurship

Leadership School

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About this Seminar

- It's about YOU!
 - You are unique
- It's about Liberty
 - You need freedom to express your uniqueness
- It's about Entrepreneurship
 - Human behaviour
 - Allocation of resources

When free, all humans have a huge range of resources for meeting challenges

Time, Tolerance, Sense of adventure, Affection, Kindness, Ambition, Analytical skill, Artistic ability, Assertiveness, Courage, Attentiveness, Calmness, Thought, Focus, Caution, Creativity, Innovation, Charity, Charm, Competitiveness, Will to succeed, Free will, Determination, Compassion, Taste, Sensitivity, Empathy, Gentleness, Resilience, Independence, Interdependence, Inventiveness, Intuition, Integrity, Passion, Loyalty, Charisma, Attention to detail, Big thinking, Flexibility, Adaptability, Love, Patience, Perseverance, Self-confidence, Curiosity, Sum of all human knowledge, Tact, Tenacity, Tenderness, Decisiveness, Science, Imagination, Language, Experience.

Our Default Status

- Our default status is: POVERTY
- For thousands of years, poverty has been the defining characteristic of humans
- From the Year 1 to 1800, the average per capita income in the world hardly changed; it was around 450 USD per year (in 1990 dollars)
- Only in the last 200 years has it gone from 450 to 9,000 USD (2012)

Socialism & Capitalism

- To increase wealth, we have a choice of 2 systems: socialism & capitalism
- Free Enterprise Capitalism has proven to be the better system to create wealth; it is the primary cause of the improving standard of living over the past 200 years; it is also a moral system as it is based on voluntary exchange, not force
- Mixing the 2 only leads to disaster and bankruptcy: Example Europe, now also USA
- The choice is between equal poverty or unequal wealth
- We are all unique and therefore have different ways to live our lives and achieve our wealth

Entrepreneurship is Key

- Socialist economies have few entrepreneurs
- Therefore they will be poor or tend towards poverty (Europe)
- China under communism was very poor (from 1949 to 1978)
- Introducing a capitalist economy in 1978 and encouraging entrepreneurs led to the Chinese economic “miracle”

Entrepreneurship and the Austrian School of Economics

- Austrian School of Economics: 3 productive functions in the marketplace
 - **Labor, capital, and entrepreneurship**
- Labor = work, capital = tools, land, money, time
- Entrepreneurship is “direction” of the operation, decision making on where to invest, what to produce, how much labor to employ, etc.
- Entrepreneurship = **risk taking and innovation**

Origin of Entrepreneurship

- Word “entrepreneur” coined by JB Say, French economist, around 1800
- His definition: “The entrepreneur shifts resources out of an area of lower and into an area of higher productivity and greater yield”
- Three areas of focus: resources, productivity and yield

Why do it?

- Without new businesses starting, no wealth and no jobs will be created and progress will be limited
- Wealthy countries have lots of entrepreneurs
- Governments do not and cannot create wealth: entrepreneurs do!

Facts

- Every large business started off as a small business
- Most made their founders very rich
- One of the richest men in the world, Bill Gates, was unheard of until 1980, and started a small company
- Every great entrepreneur has a great story to tell
- Being an entrepreneur is living life “on steroids”

How does it relate to Freedom?

- Entrepreneurs must be free to choose their business, free to invent or innovate, free to change their goals and methods, and as free as possible from Government intervention
- The entrepreneur cannot force you to buy his/her products; it is a voluntary exchange of values
- Hence: Free Enterprise!
- Being my own boss gives me more freedom
- Having more money also gives me more freedom

Innovation Today

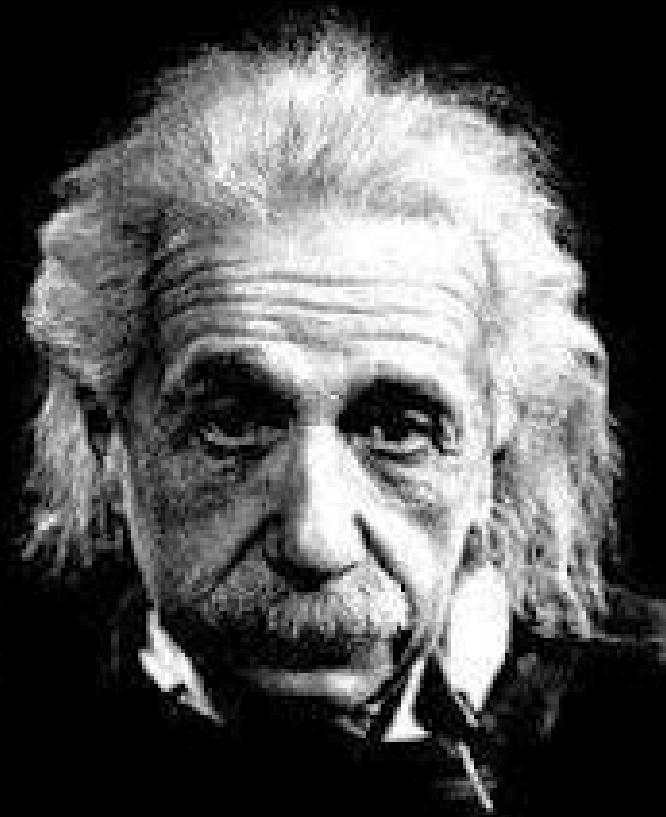
- Innovation (doing something new) is the key in today's economy to define success or failure
- Consider: Nokia and Blackberry versus Apple and Samsung
- Innovation is applied intelligence! It requires the maximum freedom to do something that has not been done before

Why Me?

- Do I think for myself?
- Do I know what I want?
- Am I self-motivated?
- Am I self-disciplined?
- Do I see solutions rather than problems?
- Are you “passionate” about something?

**YOUR DESIRE TO
CHANGE MUST BE
GREATER THAN
YOUR DESIRE TO
STAY THE SAME.**

"WE CANNOT
SOLVE OUR
PROBLEMS
WITH THE SAME
THINKING WE
USED WHEN WE
CREATED THEM"



Choosing your Business

- In today's environment, you are unlikely to start a business of public phone booths, or traditional book or music stores, or typewriter repair services
- You need to analyze and evaluate what the market needs or wants
- More likely, you will create mobile phone apps, get involved in social networking, health and safety issues, education, or alternative energies

Social Entrepreneurship

- Today, being an entrepreneur is not just about making money
- It is about a higher purpose: improving life for everyone, everywhere
- Social entrepreneurship applies the same principles and disciplines as “normal” entrepreneurship but has higher motives and considers a wider range of stakeholders than just the shareholders
- It is about changing attitudes, helping people, freeing people, applying new ideas



Founded in 2003 by Elon Musk



Company produces only Electric Cars



**Founded in 2004 by
Sir Richard Branson**





**Founded in 1980 by
John Mackey
Co-founder of
Conscious Capitalism, Inc.
2009**

**Whole Foods Market in New York:
Largest store in the city of NY**



Quote 1:

“Ultimately, the hero is the representative of the new, ... the founder of processes or products that make people in their communities and the world better off. What I will contend is that in our modern world, the wealth creators – the entrepreneurs – actually travel the heroic path and are every bit as bold and daring as the heroes who fought dragons or overcame evil”

Candace Allen, wife of Nobel laureate Vernon Smith, 1997

Quote 2:

“Capitalism has lifted more people out of poverty than any other force in history, and it has done so through voluntary exchange. It means that all the values of the great (spiritual) traditions get enacted on 2 levels: by ending the physical oppression of poverty, and by opening a gateway for human beings to be able to grow emotionally, morally, spiritually, and socially.”

Marc Gafni, founder of the Center for World Spirituality, 2012

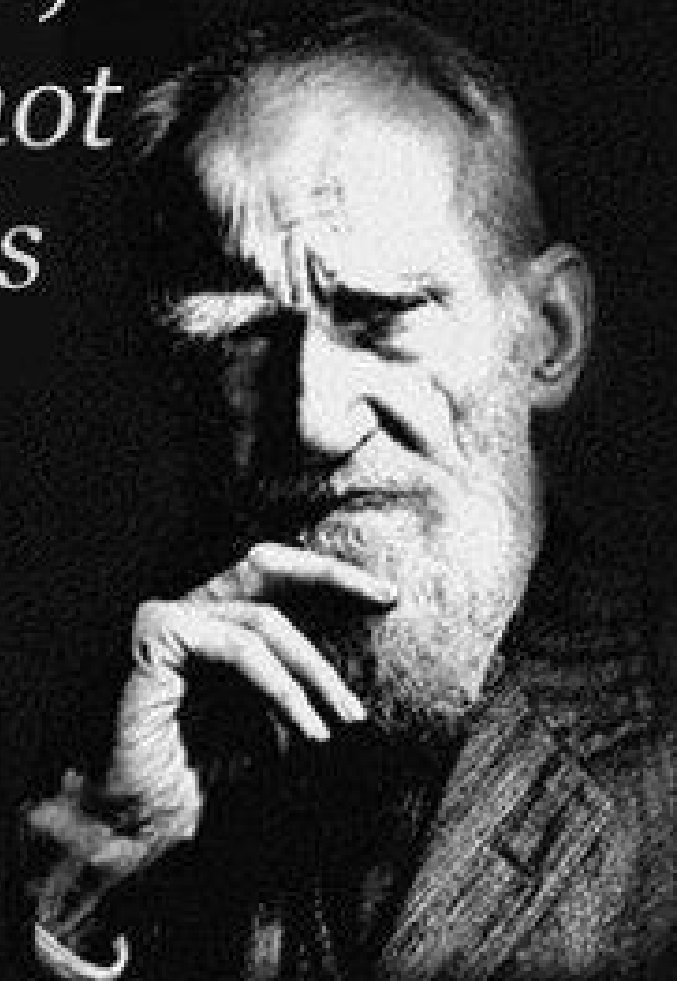
Consider:

A large number of people accepted:

Slavery:	150 years ago
Denying women the right to vote:	100 years ago
Maintaining colonies:	75 years ago
Racial segregation:	50 years ago
Environmental degradation:	40 years ago
Communism:	25 years ago

*Progress is impossible
without change,
and those who cannot
change their minds
cannot change
anything.*

- George Bernard Shaw



Final Words of Advice!

- **Follow your Heart!**
- **Fulfill your Potential!**
- **Don't limit your Potential by what you know or by what is possible!**

Whether you believe you can, or whether you believe you cannot, either way you're right!

(Henry Ford)