


“Successful organizations create immense value by improving our lives . . .
Widmer’s book can inspire, motivate, and educate future entrepreneurs.”

—ARMANDO CHRISTIAN PÉREZ (PITBULL)



The Art of Principled Entrepreneurship

Creating Enduring Value



ANDREAS WIDMER

Praise for *The Art of Principled Entrepreneurship*

“In *The Art of Principled Entrepreneurship*, Andreas Widmer shows how business creators benefit society. Successful organizations create immense value by improving our lives. I always say we should measure success by how much you do to benefit others. Doing well by doing good is the right path. Professor Widmer’s book can inspire, motivate, and educate future entrepreneurs. And it will help veteran business creators recall why they chose their journey in the first place.”

—**Armando Christian Pérez (Pitbull)**

“Many people today argue that in business, we have to choose: creative expression, good values, or strong profits. This is a false choice, as Andreas Widmer shows masterfully in *The Art of Principled Entrepreneurship*. We can and should aspire to all three. This is the most encouraging business book I have read in years.”

—**Arthur C. Brooks, Professor, Harvard
Kennedy School and Harvard Business School,
and New York Times Bestselling Author**

“*The Art of Principled Entrepreneurship* is a practical guide for how to do well by doing good. Through inspiring stories and actionable advice, Widmer shows how the principles of human progress provide a compass for business leaders looking to build a company that succeeds by helping people improve their lives. He illuminates an insight that must guide personal and business success: mutual benefit. If profit is generated by Principled Entrepreneurship—by creating value for others—then your success is in harmony with the success of your customers, employees, suppliers, communities, and society at large.”

—**Charles Koch, Chairman and CEO, Koch Industries**

“This is a great book about becoming and being a Principled Entrepreneur, but it’s so much more. It’s about creating a movement, having a positive impact on people’s lives, and creating long-term value for customers. If you want to create a great company and a great team, then *The Art of Principled Entrepreneurship* is your recipe book.”

—**Dina Dwyer-Owens, Franchise Business
Leader, Author, and Motivational Speaker**

The Art of Principled Entrepreneurship

Also by Andreas Widmer

The Pope and the CEO

The Art of Principled Entrepreneurship

Creating Enduring Value

ANDREAS WIDMER



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Principled Entrepreneurship: A Definition

Principled Entrepreneurship™ maximizes the long-term profitability of the business by creating superior value for customers while consuming fewer resources and always acting lawfully and with integrity.¹

Principled Entrepreneurship had its origins in the 1960s, when Charles Koch first began instilling it in his approach to business. Over the years, the idea was formalized and eventually included as part of a larger Koch Industries managerial philosophy—one of the Market-Based Management (MBM) Guiding Principles. Charles trademarked the term and described Principled Entrepreneurship as continuously improving your ability to create value for others in “a philosophy of mutual benefit.”² He encouraged its practitioners to “demonstrate to people of all backgrounds and perspectives that this philosophy will improve people’s lives. Attract, motivate and empower as many people as possible to become social-change entrepreneurs dedicated to advancing a society of mutual benefit.”³

I had the opportunity to meet Charles several times and to bring him to The Catholic University of America's campus to interview him about MBM and Principled Entrepreneurship in front of students. I believe his vision of Principled Entrepreneurship is aligned with the principles articulated, but only narrowly practiced, in the founding of the United States of America. It is a vision of an entrepreneurial, values-based society that flourishes and prospers through mutually beneficial commerce.

In that spirit of entrepreneurship, I humbly offer this contribution to further explore the idea of Principled Entrepreneurship and its potential to truly serve the pursuit of happiness and fulfillment in the United States and throughout the world.

A Model for Principled Entrepreneurship: Meet Art Ciocca

“**H**e’s the CEO you never heard of but should have!” my friend Bob Allard told me. “He changed an entire industry—you know all his products, but you do not know him. That’s because he does what business leaders should do: He focuses on creating a great team and enabling them to create great products for their customers.”

Bob introduced me to Art Ciocca over dinner. Art is a very proper looking, slim, and well-groomed gentleman of average height (though, because I’m 6’9”, I’m not a good judge of height). It was the spark in his eyes that stuck out to me. They gave him a kind of a cat-that-ate-the-canary look. Not mischievous, but expectant and excited.

We hit it off immediately. He asked me all sorts of questions. I told him about my background and the various companies of which I’ve been a part, and that I am originally from Switzerland and started my career in the Swiss Guards. It took a while until I could ask my own

questions of him. But when I did, he told me that he, too, had started in the military—the Navy—and how as a midshipman in college he had sailed into San Francisco Bay, standing on the deck of an aircraft carrier as they passed under the Golden Gate Bridge. He was immediately struck with the beauty of the city, finding it to be an “open frontier,” which, in the words of his grandfather, meant anything was possible.

A stint as an entry-level salesperson at General Foods gave him the opportunity to move from New York to San Francisco, where he eventually changed jobs and worked for the Gallo Wine Company. Shortly after that, he was hired by the Coca-Cola Bottling Company of New York to run one of their newly acquired wine companies—Franzia. I must confess that I had not heard of his company when we first met. Its unremarkable name, “The Wine Group,” didn’t ring a bell. Art didn’t linger on his company, though. Instead, he told me about his endeavors and his ups and downs in the business world. He told me the story of how he had bought the company with a very risky leveraged management buyout from Coke New York in the early ’80s and how the situation had been touch-and-go for quite a while after that. Neither he nor his partners had many assets other than their homes, so they had put their entire livelihood on the line to buy this company, and faced miserable failure more than a couple of times. Early on, they had a debt-to-asset ratio of 26 to 1. If those were betting odds, the company would have had a 96 percent chance of failure.

But against the odds, Art and his team went on to help reshape the California wine industry during its formative years. They played a critical role in introducing Americans to wine and worked to develop strong brands with a loyal consumer following. The Franzia 5-liter WineTap, a boxed wine, went on to become the number one selling wine in the US with sales logging approximately one out of every seven glasses of wine consumed in the country.

And they did all that with a team that both managed and eventually owned the company. There was no infighting. No blowups. No politics. Just a great company that was fun to work for. Art talked about the

company as a venue to pursue excellence. He wanted to create products that customers valued. And he wanted the team—everyone involved at The Wine Group—to be the company’s competitive advantage. What Art practiced, I figured out later, is the art of Principled Entrepreneurship.

As he told me his story, he spoke as if it were someone else who’d achieved all these great feats. He hardly ever said “I” when he spoke of how his company became the second-largest wine producer in the world. He always said “we.” You see, to Art Ciocca, his work is not only about himself. His work is about his team creating value for his customers. Success depends on happy customers and excellent employees. That’s why you’ve never heard of Art Ciocca, but it is also the reason why you should get to know him.

I found Art’s story compelling in part because of my own experience as an entrepreneur. We both had the privilege to live the American Dream even though we took a very different path to it.

I came to the US at the age of twenty-two after my stint in the Swiss Guards. I was accepted to college on scholarship without speaking proper English, then eventually worked as an unpaid intern in an early internet startup without knowing the first thing about computer software. I felt the swell of the internet bubble and witnessed the pop. I made and lost millions of dollars in business and experienced firsthand the ups and downs, the good and the bad of the business world. Through a process of soul searching, study, and analysis, I reconciled myself with the market economy. Although it has lots of room for improvement—primarily among its participants—I found it to be the system that best supports human flourishing and freedom. It’s the system that to me represents the highest achievement of Western civilization: a system of personal freedom and responsibility that can bring about the common good. It is an approach to entrepreneurship that adheres to a set of universal principles that create economic win-win solutions. It is the way that private business acts as a force for good. It is the way to social mobility and equal access to opportunity. It is the way of the American Dream.

Once I had found my answers to how the market economy could coexist with doing good in the world, I started to write about it in articles and eventually my first book, *The Pope & the CEO*, in which I proposed my findings and showed how most of the answers were in front of me all along.

I met Art Ciocca right around the time my first book was published, and we talked about our frustration that business is often cast in such a negative light. We both had experiences of having to defend the free market economy. Art told me how he had recently been trying to convince a group of liberal arts professor friends of his that business is a force for good, and not the selfish, Dickensian, money-grabbing boogeyman they thought it to be. He had failed.

Over that dinner, Bob and I made a proposal to Art: Let's turn things upside down! Instead of arguing with the professors, let's get them to catch the entrepreneurial bug to give them a view of the business world from a new angle. Art loved the idea.

We devised a three-day experience where the professors would meet various entrepreneurs and learn about their vision, motivation, and companies. We then presented them with a game, where they'd first come up with some issue facing the local economy or environment around their university and then think of ways a simple phone app could help solve it. To their amazement, we had some developers on hand who immediately created a user interface and mock version of the app for the professors to see. You should have seen their reactions. They caught the entrepreneurship bug in two seconds; immediately, they were spewing out ideas, visions, and plans to make this product just right. We talked about how to finance the development: what we'd charge for the app, how to charge for it, alternative revenue models, the lot. It was difficult to end the class—the enthusiasm and desire ran so high. We asked for final observations. “Best experience in a long time,” “What a thrill,” “I love the product idea we came up with,” “This would be so helpful to people,” and “This opens so many possibilities” were the comments that

came in. Not one about “We’ll get rich!” or “Let’s scheme to cheat our customers by giving them a product that does less than what we say.” We pointed that out, explaining that what they verbalized about what they experienced during those three days is the same true motivation of the vast majority of entrepreneurs and businesspersons. It’s the rule rather than the exception that the underlying principle of doing business is to help others solve problems at a profit. Ultimately, this means creating win-win solutions.

We hosted this experience for two years with more than twenty professors. They mostly reacted the same way: “This is what *I* would do, but I’m not sure the majority of businesspeople act as I do.” They did catch the entrepreneurship bug, but it did not change their minds about business.

That part of the experience was a failure. The benefits of those seminars were perhaps greatest for me: I became friends with Art Ciocca.

A few months later, I received an email from a business professor who said that he loved *The Pope & the CEO* so much that he was using it in the classroom and now wanted to invite me to give a lecture to his students. Yay! I told him that a meeting would have to wait since I was at a seminar in Rome. The email came back in less than an hour: he was also in Rome.

When we met, he told me about his vision to build a business school at The Catholic University of America in Washington, DC. When he read my book, he felt that I verbalized much of what he envisioned as the guiding principles of the new business school. Our meeting was in May, and in August, I began teaching at The Catholic University of America.

I found it exhilarating to teach. Having the opportunity to introduce students to business is a privilege. I wanted to pass on what I had learned through experience, so I didn’t want to use a textbook. Instead, I created a course from scratch. I used all of my past experiences to put together the course that *I wished I had taken* to introduce me to the

business world. I would also use the Harvard case method to make the more salient points.

After trying a few cases, I realized that they didn't quite fit my vision for the points I wanted to bring across. The cases I could find focused too much on the theory of business. They were too cold and lifeless to my taste. Most decisions I had to make in business involved much more feeling than theory. There's a German word that describes good business decisions perfectly—it's *Fingerspitzengefühl*, or the feeling at the tip of your fingers. Making decisions in business is more of an art than a science. It's like noticing the texture of fabrics with the pads of your fingers and then following your gut. I exhausted my search for perfect case studies after a couple of semesters and resorted to simply telling the students about my own and other friends' experiences to illustrate key points. One person's stories kept coming up—those of Art Ciocca.

All these years, I had been trying to explain the abstraction of what Art Ciocca's story embodies. A thoughtful discussion with friends brought the solution into clear sight: Why didn't I just tell Art's story? His story represents the potential of the American Dream and exemplifies all the key pillars of Principled Entrepreneurship. He lived it. This is Art's story, and I'm proud to share it with you.

The Five Pillars of Principled Entrepreneurship That Nourish the American Dream

The American Dream has been the unofficial vision statement of the United States since its founding: the undying belief that anyone can succeed, regardless of where they began in life, geographically or economically. It is the ultimate statement of hope that the future can be better than the past, no matter who you are. It is a vision that brings together freedom and aspiration.

Principled Entrepreneurship is the mindset that, among other things, enables and empowers the American Dream. Principled Entrepreneurs connect people to their purpose and passion by forming teams that create value for customers.¹ I believe there are five pillars that describe the framework upon which the American Dream rests. These are not new ideas, but we sometimes need reminders. I think this is especially the case in our current work and economic environment. These pillars are basic building blocks. They must be reinterpreted, repositioned, and adapted to the current situation by every generation. The five pillars of Principled Entrepreneurship I define in this book are:

1. The Economy Exists for People, Not People for the Economy
2. To Work Is to Create; To Create Is to Be Human
3. Culture Eats Strategy for Breakfast
4. Principled Entrepreneurs Always Seek to Create Win-Win Solutions
5. Always Think Like an Entrepreneur

Pillar 1: The Economy Exists for People, Not People for the Economy

The essence of business is captured in the phrase “How may I help you?” Business is fundamentally other-directed. By asking customers this critical, classic business question, a good business puts the human person at its center; it adds value for its customers and does so profitably through the work of its team. That is its primary objective, its reason for existence.

Before money and sophisticated trading became part of human economic history, people bartered for goods and services to survive as well as find purpose. Business is an extension of that process. Today, we use money to objectively measure the value of each product or service. But the exchange of goods and services should still aim to improve people’s lives. That is, we ought to create and buy goods that are truly good, and provide or contract services that truly serve.² Through products

and services, practical value is created for consumers as an outcome of someone else's work.

Some in our economy put money exclusively at the center of their work. Others put pure innovation or progress at the center. Both are wrong. In a person-centered business approach, money and innovation are valid, even necessary, objectives to pursue as long as they are not hurting the human person. The challenge is not to pursue one or the other but to pursue all of these in tandem. This is the art of Principled Entrepreneurship, and it always starts with and ends with a human person—the customer on the one hand and the worker on the other. This describes the first pillar of Principled Entrepreneurship: the economy exists for the people, not people for the economy.

Pillar 2: To Work Is to Create; To Create Is to Be Human

What's commonly known as “Corporate Social Responsibility” (CSR) seems to judge business as an activity that is bad and irredeemable and therefore must do additional work—often making donations—to balance the negative effects of doing business. In this way, CSR often focuses mostly on the financial effects of business rather than the actual work involved and the people doing that work. That, in my estimation, is a big mistake, because work—and by extension business—is not an evil action, and it is not primarily about money.

We humans were made for work. It's what distinguishes us from animals. When we work, we can actually create something from “nothing”—we have the power to make our imagination into physical reality. Being made in the image and likeness of God, who created all, we, too, are creators.³ And we call this ability to create “work.” When we work, when we make something, we participate in God's creative power.

In fact, to be creative—to create profitable solutions to customer needs—is the primary objective of our work and, therefore, business. The entire process makes us more human. When we hone our skills, or focus our expertise through work, we flourish as people. That's why

when we work, we don't just *make* more, but we *become* more. That excellence is one of the key objectives of work. When through our excellence we satisfy an important customer need, we benefit not only the consumer but also ourselves. If we work well, we ultimately benefit the common good of our society. That is why the economy exists for people and not the other way around.

A second objective of work is that we get great satisfaction from helping and enabling others to pursue their own excellence. Be it our coworkers or the customer, the other-directed process of helping someone else in the pursuit of their excellence is a logical follow-up to the first objective. If good, creative work and business is making me flourish, I ought to in turn promote that flourishing for everyone else involved in my work. This kind of collaboration within our company with members of our team creates great joy and goodwill. It makes us flourish not just as individuals but as a team in the pursuit of the true, the good, and the beautiful. In effect, flourishing is another word for becoming the full person God created me to be. That is the ultimate reward for and reason for our work, both individually and collectively.

And finally, as the third objective, there is a material reward for work well done. Satisfied customers who find that our products add value create more profit, and more profit provides the company with the ability to pay high and rising wages, continuously improve the work and company environment, and generate above-average return on investment for the owners and investors.

Nourishing others and ourselves plus being rewarded for that person-centered work adds up to what we call "the American Dream." It is an opportunity made possible by the free market—that anyone, no matter their background, can, through hard work and dedication to satisfying his or her customers, become prosperous.

Based on this understanding of our being creators at work—our ability to pursue personal excellence through our work while also generating financial and other rewards—business has three fundamental objectives:

1. To use human creativity to create goods that are truly good and provide services that truly serve by adding value to society
2. To support and promote human flourishing
3. To reward the company's constituents⁴ financially

Pillar 3: Culture Eats Strategy for Breakfast

There is nothing more important to the long-term success of a company than a strong, sustainable culture. Cultural values identify the qualities and actions that are and are not acceptable behavior in an organization. Establishing and communicating these values is the first step in empowering individuals to use their own God-given talents to identify and solve problems on their own—to bring forth solutions instead of problems. Establishing these cultural values is the easy part. The most important part is to “sell” them to the organization and incentivize individuals to adopt the values as their own. Principled Entrepreneurs look for models to showcase and successes to celebrate to further instill these values in their organization. This is one of a leader's most important and leverageable opportunities, regardless of the size of her team.

The advantages of having strong cultural values are overwhelming. There is no one happier and more effective than an empowered employee. A company with clear values requires far fewer people and has less need for manuals, procedures, and other cumbersome paperwork. And there is no need for the proverbial “cop on every corner.” A strong culture makes for a happier, more effective, and more efficient organization.

Whether you lead a small team in a large company or start or run a company, your key contribution as a leader is not the idea of the business, the product, or the service, but the culture you create and the virtues your company embraces.

Culture eats strategy for breakfast, as the saying goes.

Strategy⁵ is the creation of unique and valuable positions, involving a different set of activities. It requires us to make trade-offs in

competing, by choosing where to compete and where not to. Strategy is about creating a “fit” for all of the company’s activities.⁶ Strategy is clearly visible.

Culture is what we do when no one is looking. It shows what’s of ultimate importance to us. It’s what’s left when push comes to shove—when virtue signaling is over and the “real” work begins.

Broken values are what ail our economy. Other-directedness, service, a willingness to defer gratification, friendliness, teamwork, transparency, long-term value creation—these are all values that are necessary not only to appeal to consumers, but also to attract and retain happy employees. Unfortunately, they are sorely lacking in many companies today, and that has serious consequences. According to recent Gallup research,⁷ 51 percent of US employees don’t care about the success of their company. These employees have “checked out.” What’s worse, 16 percent of them are actively disengaged. They are beyond checked out; they are actively trying to hurt their employers. Can you imagine? Over two-thirds (67 percent) of our workforce can’t wait to go home. They hate their jobs and their employers.

It’s easy to blame the individual for this. Too easy. I think the cause of this malady is bad corporate leadership. We construct lofty mission and vision statements and then violate them. We release extensive ethics manuals and behave like they don’t apply to us. We pronounce virtue but practice vice. It is not our pronouncements that create corporate culture. It is our behavior. And it is no wonder that our teams don’t like the corporate culture we built when we behave in ways that contradict what we say we care about.

Pillar 4: Principled Entrepreneurs Always Seek to Create Win-Win Solutions

Principled Entrepreneurs thrive on fair and open competition and win-win relationships, giving everyone access to opportunity and allowing for differences in outcome. I would call this the common good of

society. The opposite of this behavior would be the crony capitalist who rigs the system to win at all costs.

Free, fair, and open competition is what drives the American economy and creates prosperity. There is no other sustainable way to overcome poverty. Fair competition sharpens our wit, disrupts stale and tired ideas, challenges new thinking, and, frequently, results in new and better products or ways of doing things. Competition is fundamental to capitalism, our freedom, and our American way of life. It is the reason for the enormous accomplishments of this great country. Free, fair, and open competition must be protected and promoted. Our American lifestyle and the American Dream depend upon it.

While competition drives improved performance, there are still numerous ways businesspeople can and do work together for the greater good and cultivate win-win relationships. Art offers the wine industry as a great example. The wine industry is brutally competitive in the area of sales and marketing. But it is exactly that kind of tough competition that has enabled enormous growth in that industry—compounded at about 3 percent per year for the last forty years.

It's difficult to imagine that an industry so intensely competitive in sales and marketing could cooperate when it comes to winemaking and production. Nevertheless, that is exactly what the wine industry has done for the last forty years. The thinking is simple but profound. If some wineries produce substandard wine, it is a bad reflection on all wine. That is why it is a common practice for winemakers from one company to exchange ideas with competitors. It is a common practice for highly trained enologists at universities to publish papers and invite outside companies to learn how to improve their winemaking practices. This behavior creates true win-win relationships, the kind that are indicative of Principled Entrepreneurship.

There is another form of capitalism, often called crony capitalism. This is the exact opposite of Principled Entrepreneurship. Crony capitalists are usually people or organizations with broken values who are

driven to win at any cost. They consort with others to rig the system in their favor and to the detriment of others. They try to avoid, even preempt, fair and open competition. This is typically done by business people who move into government and then help their industry friends (their “cronies”) create regulations that make it difficult for newcomers to enter the market. The loss of competition not only destroys innovation and creativity, it hinders the young and the poor from rising, because that market sector is now anything but free. Crony capitalism is detrimental to society because it destroys innovation and creativity, resulting in inferior products and services getting to market. Crony capitalism is a win-lose proposition, with society on the losing end.

Unfortunately, this kind of behavior by a few has become the leading narrative about business and the market economy. If you watch the top ten movies about businesspeople, you’ll find that not one of them portrays business as a benevolent activity. In *The Wolf of Wall Street*, *The Founder*, *The Social Network*, and all the way back to Scrooge in *A Christmas Carol*, businesspeople are portrayed as nasty, self-absorbed, greedy people who *take* something away from society. This portrayal is fundamentally flawed. There are greedy businesspeople but not necessarily more than there are greedy politicians, lawyers, nonprofit founders, or religious leaders.

Ever since the ’70s, the image of business as war has become very popular. Winning-at-all-cost strategies became all the rage. That war-like view of business is the antithesis of Principled Entrepreneurship. The economy is not a zero-sum game.

Sports offer a better analogy for business competition. As in business, the ultimate objective of sports is human excellence. Everyone in a particular sports competition measures their excellence against others, and there is at the end one person or team who wins. But it’s not winning as in war. When I participate in a sports event and don’t come in first, I still benefit. I have excelled, I have learned, and I have prepared myself for the next competition. And I’ve had fun!

The way I see it, while free market competition creates winners and losers in terms of companies, it ideally creates only winners in terms of us as individuals.⁸ If the goal of work is to flourish, then this flourishing needs to be seen beyond the company I currently work for. My flourishing needs to be seen in terms of me as a person. Companies in themselves are not the ultimate goal of the economy, as Pillar 1 states. The development of each person on the team is the goal. So the question is not whether to compete or not. The question is rather: “Who do I compete against?” Ultimately, the answer should be: “Myself.”

The competitors around me are doing their part to beat their best previous performance and “run” faster than me. It’s like the Olympics: competition helps us run faster. Like a good race, it helps my performance if I surround myself with good competitors. Runners at the Olympics consider themselves lucky to compete on a world-class level. Like them, we get to compete in business on a world-class level through globalization. Unlike the Olympics, in economic competition, there are many, many more opportunities to win. But like the Olympics, those we measure ourselves against are not simply competitors; they are also collaborators in our mutual perfection. They are our co-opetition.

Ever since Marx, the popular way to see the world has been in adversarial terms. It’s his famous great struggle of capital versus labor. An existential fight to the end. A classic either/or struggle. I have always found that to be a fundamental mischaracterization and a highly static view of the world. Besides, in my experience, what at first appears adversarial is more often a complementary relationship. It’s not either/or, but both/and! The two “sides” need each other. In terms of labor and capital, history has shown that they can and should seek win-win solutions.

Pillar 5: Always Think Like an Entrepreneur

Principled Entrepreneurs are creators, not harvesters.⁹ They create successful product portfolios and brands that stand for superior value. They build organizations that focus on long-term value creation, where

employees are always part of the competitive advantage. Nothing will serve you better than a creator mindset, whether you run a startup or work for a large company.

Harvesters, on the other hand, are short-term thinkers, frequently focused on the balance sheet or anything else that will make them look good in the short term. All other aspects of the business, be it customers or employees, are means to an end: looking good in the short term. The trouble with this mindset is that harvesting eventually depletes the source and prevents long-term success.

Principled Entrepreneurs think long term and see the balance sheet as a means to the end—the creation of customer value—and not the end in itself. As long as the focus is on “creating” that value, the source of success will never be depleted. This is why it’s important to always think like an entrepreneur.

Constantly seeking the next solution to our customers’ problems or needs is what makes for a great business. This means putting the customer’s needs so far ahead of our own that we destroy our current product or solution by innovating a superior one. This is the concept of creative destruction,¹⁰ and it is one of the cornerstones of PE. Creative destruction ensures that the company we build and the team we work with is sustainable and focuses on long-term success.

It is not an attitude that only the founder or leader of a company ought to adopt. Everyone should be incentivized to do so. Approaching every issue that we face at work with the perspective of an owner or an entrepreneur means that we seek solutions that we can personally impact. We take on the responsibility and try to create a solution that is in our domain. It’s a Principled Entrepreneurship mindset of always approaching problems as opportunities.

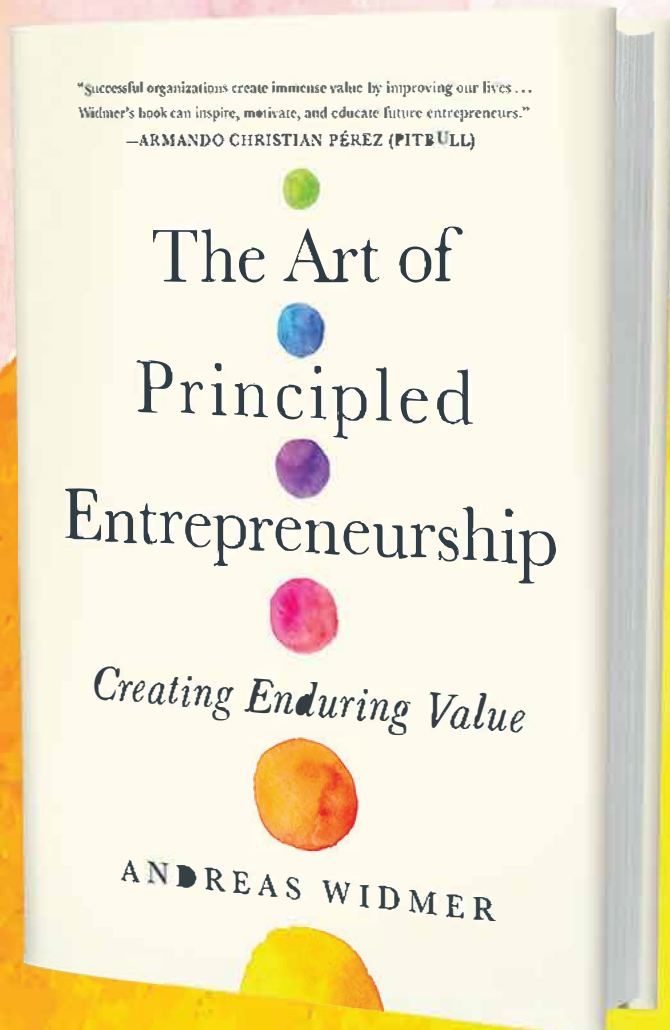
This entails taking personal responsibility to act and change things for the better, and the solutions thus found usually do more with less. They are innovative and efficient because they are borne out of an entrepreneurial spirit, focused on remaining creators at all times.

Managing where a company or a brand is on the continuum between creating at the one end and harvesting at the other is an art. Imagine a large company with several diverse divisions or a company with thirty different brands. In either case it is unrealistic to imagine all the divisions or all the brands in the same place on the continuum. The reason is that each of these brands is at a different stage in their life cycle. Some experience dynamic growth and have a lot of potential while others may be in the opposite position. In addition, it is not realistic to think that a company has the financial wherewithal to spend aggressively in all areas. A Principled Entrepreneur will carefully select the product or brand with which to drive growth and get these funds from some of the brands or products that are in a harvest mode. Making these decisions is a carefully honed art that takes years to develop. There are no formulas, books, or other guidelines to go by. That is the art of Principled Entrepreneurship.

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