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Entrepreneur Mentoring Speech, delivered on September 12, 2013

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Entrepreneur Mentoring Speech  
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I come before you today with none of the modern means used by entrepreneurs to communicate and speculate; computers and power points especially, only a manuscript, so I don’t talk too long. I am surprised to be here. I have always thought of entrepreneurs as people interested in starting their own businesses, providing jobs, and benefiting financially from our free enterprise system through their diligence, intelligence, creativity, and originality. I had not applied the characteristics of entrepreneurs to those engaged in state enterprises as I was for over thirty-two years. Some of my friends, however, thought of me as an entrepreneur because of what happened at Grand Valley State University while I presided there, and invited me to address you; all entrepreneurs, some who serve as mentors and others who aspire to the kind of success your mentors have achieved. I could have declined the invitation, and that might have been to your advantage, and mine, too, since I find myself following our distinguished governor in speaking to members of this group. I did not for two reasons. First, I was recommended and asked by friends I do not want to disappoint. Second, since retirement I confess I pay less attention to my audience’s expectations and use speaking opportunities to define myself. What in the world were they thinking about when they thought of me as an entrepreneur? My task as I prepared what to say was to answer that question for myself, and in doing so, I hope my reflections have some relevance for you. Though I am afraid you may be way ahead of me in understanding entrepreneurial tendencies and principles. In any case I ask your forbearance, and I will not take an inordinate amount of your time.
Before you can be a successful entrepreneur you must have a clear idea of what you want to entrepreneur about and have a passion for doing it. I assume you all are in or have passed that stage. The only questions that occur to me are “have you measured your objectives by a standard of reality, and is your passion unquestioned?” Everything I say to you comes from my personal observations and evaluations. I have observed budding musicians and artists unrelenting in their passion, determined to pursue careers in their fields, people with recognized talent. When most fail to have their dreams fulfilled, they settle for what they never imagined, sometimes with lesser even minor achievements, in their field, and often providing a livelihood outside it entirely. Some do find a satisfying level of achievement; others find satisfaction outside their work. My own unscientific conclusion is that those set on becoming successful entrepreneurs in business have a higher chance of success than those in the fields I have mentioned and in many more. Being true to one’s passion may have its own reward even if it fails to take you where you had hoped. I don’t know. I have been more than fortunate, and the mentors here don’t know either. What I do know is that after realistic assessment I decided I wanted passionately to be what I was, and I had no ambitions to be president of an institution that I did not have the skill to propel forward. Is this advice for entrepreneurs? I don’t know. My assessments of myself lead to what happened, and therefore to my friends’ views of my entrepreneurial ability. Reality exists and can be created. The entrepreneur, I believe, understands that. Lest I become too esoteric let’s proceed to another point to consider.

Risk is to an entrepreneur what votes are to a politician. You don’t succeed without them. Am I being too simple? I am only following my path of entrepreneurship. Occasionally we see an opportunity, uncertain but reasonable. We seek the capital to make it happen. Securing that capital depends on the
reasonableness, and our ability to have those who possess the assets we need to embrace our vision. Entrepreneurship is rarely propelled by neat and easy packages of support. It usually depends at one time or another on the support of a venture that is at risk, and belief by investors in the person who manages the venture and the risk. Risk must be measured by the same standards of reality that one uses to assess his commitment to an entrepreneurial goal. The enterprise must have a reasonable chance for success. Yet, if possible, risk should be covered by a fallback position. When Michigan was in recession back in 1979 and the early 80’s, we made plans to build a downtown campus. The newspapers and TV stations took us to task and of course, I bore the brunt of a frontal assault. Yet there were many who understood what could happen and the capital was provided. In 1988 we arrived, and the university changed forever. That I believe is when I really became an entrepreneur, but I didn’t know it. I risked considerable credibility in introducing a plan for the university that no one had contemplated. Had the plan failed not all would be lost, a university would still exist though not as we had envisioned. The risk appeared reasonable, therefore, realistic. Not all the dice were rolled. I am reminded of a quote attributed to Cardinal Richelieu who skillfully maneuvered through a most tumultuous time during the reign of Louis XIII and dominated France. He said, “Ambition has no risk.” In a sense that’s true, but it might be better said that ambition and risk “go hand in hand.” An entrepreneur understands that.

To accomplish entrepreneurial goals the right people must be recruited to help. As an enterprise flourishes more employees become necessary, and moments of truth arise. What skills are necessary? How do we calibrate the appointment of workers with the need to make all labor highly productive? Knowing how to be efficient depends on cost analysis and production skills, but perhaps the most
important factor of all is keeping members of the workforce happily concentrated on achieving the entrepreneur's objectives. Paying fair and even good compensation is important, but maybe not determinative. I approached this issue with another of my simplistic analyses. I knew that I wanted to be successful and personally fulfilled in my job so I reasoned that everyone else who worked for me did, too. Consequently it was my responsibility to create as best I could the conditions that allowed each employed person to understand the importance of his or her job to the whole enterprise. There were no unnecessary jobs and no positions without dignity. Over the years, first out of necessity and then by design, I found it paid off to always have more work to do than people to do it. It is hard on the perfectionists, but for those who can live with ambiguity it pushes them to creativity. Amazingly enough good work is accomplished and in a timely fashion. You never have employees who know they don’t have enough work to do and protect themselves in unbecoming ways.

Again the entrepreneur must face realities. No situation is perfect. In all calculations the neuroses quotient plays a part as well as incompetency. If all your decisions about personnel are correct you are functioning far above the norm. Unless confronted with criminal activity I always wanted those without skills or attitudes useful to the university to be let go with enough time and monetary support to make the best transition possible. This has some financial cost, but it is made up by the trust management engenders in the organization. Never overlook, however, that the authority to dismiss always brings with it an element of fear, and that also can work for ill or good depending upon how it is managed.

There is another rule of employment I practiced. Always fill positions with people who can do their tasks better than you. As an organization grows, the CEO
becomes less involved in the hiring, yet he or she always has direct control of several key positions. Upon reflection over thirty-two years of filling positions I can think of only two people whose jobs I could have done better than they did, and they didn't last long. Nor do I believe that the people who served the university well for many years, doing their jobs better than I could, were as able to do my job so well as I did it. I realize, however, many CEO's rise to their position through high achievement in ones that report directly to a CEO. My success depended on two excellent colleagues; a Provost and a Financial Administrative Vice President. We worked together in our positions for over 25 years. It was like a marriage. We became dependent on one another, and our enterprise benefited from it. No circumstances are exactly alike, but the entrepreneur on the way to success benefits by forging mutually dependent relationships. I think of my high school classmate Edgar Prince, of Holland, an entrepreneur of the best kind, and John Spoelhof who helped him run his company. Some of you entrepreneurs are highly skilled in accounting and financial management. Others of you are product-centered and wizards of production. For the latter, particularly, you want protection from money surprises. I consider myself well-informed in areas of finance, yet I had other tasks that required my time in building the university, nor did I have the skills to analyze the intricacies of our finances as the institution became more complex. I was never blindsided by financial embarrassment because of the skills of my colleague who understood that my objective was always to have an operating budget in balance. For me there was always the possibility of political discomfiture; for the business person caught unaware it can lead to the brink of failure.

Let's assume that you have done whatever it takes to be a successful entrepreneur. Your idea is molded into a practical money-making business, and
your passion has paid off. What do you do now? You may want to consider if the next generation of the family has the capacity to carry on. This again requires a heavy dose of reality, and with it, total objective honesty. If there is no one, and no one outside the family, the entrepreneur should probably look for a buyer. Even if there is a possible successor, the entrepreneur still may consider selling the business. Profits from the sale can come into play elsewhere or provide a generation or two a good living until the law of diminishing returns kicks in for the extended family.

But there may be another alternative. A great idea or two, hard work, practical achievement, accumulation of assets do not protect an enterprise from the inevitable change and fluctuation of economic factors. So after initial achievement the entrepreneur who seeks to continue to achieve must be ready to adjust his or her ways, reconsider his or her commitments to what has worked in the past, take new risks or begin limiting risk. He or she must again look realistically at the market, and adjust accordingly using all the old creative energy that helped realize earlier objectives. This is not the early entrepreneur flush with the satisfaction of winning early battles, it is the mature entrepreneur more able than before, knowing where to go and when because he or she still wants to be in the game.

The entrepreneur in the field of business is there to make money through the development of product and service. With the accomplishment of that object our society benefits in several ways, perhaps the most important by the creation of jobs. Support for the positive effects of such a process was expressed interestingly by Ralph Waldo Emerson in the 19th Century. He wrote, “Money which represents the prose in life and which is hardly spoken of in parlors without apology is, in its effects and laws as beautiful as roses.” He uses the word apology which hints at
something considered sinister about money though that view is not his. The sinister is expressed unequivocally in the Bible, I Timothy, verse 10. "The love of money is the root of all evil." What does this mean for the entrepreneur whose passion about a product or a service is connected by necessity to making money? Does it create a dilemma? Let's hear what George H. Lorimer, an early editor of the Saturday Evening Post said, "It's good to have money and the things money can buy, but it's good too, to check up once in a while and make sure you haven't lost the things that money can't buy." Not bad advice. One of the views that I like best about money is the earthy proverb, "money like manure does no good till it is spread." But you can't spread it if you don't make it. Here is where the successful entrepreneur comes into play.

When I was appointed by Jerry Ford, then minority leader in the House of Representatives, to a Federal Commission on Foreign Policy, I had an opportunity to visit the French Deputy Foreign Minister who had served for several years in the French Embassy in Washington. The only remarks I remember about that interview are ones he made about American philanthropy. "Your nation's greatness," he said, "rests to a large degree on the philanthropic nature of Americans." Our history proves that true. Our churches, our schools, our colleges and universities, our hospitals, our research capabilities, at times our assistance for the less fortunate, and yes, the readiness of people with assets to take a risk on people with ideas for the future, all confirm this view. This commitment to philanthropy is a concept for each budding entrepreneur to keep in mind for the time it can be put into play. The first task is to make entrepreneurship work, the other can come gradually. We have good examples of successful entrepreneurs who have made our community whole through philanthropy. Some are mentors in
this group and obvious ones are the DeVoses, the late Van Andels, and the late Peter and Pat Cook.

I realize this advice is gratuitous unlike my earlier suggestions founded in experience. If I am an entrepreneur I was not one who was able to sell my enterprise for my own profit and embrace charity with large amounts of money for the improvement of the community. Though we try to do our bit, I was more practiced in providing the opportunity for successful entrepreneurs to do theirs. In asking that every successful entrepreneur take unto herself or himself a pledge to continue in the way of American philanthropy I seek a most practical commitment. For support I turn to leaders of the past. Franklin Roosevelt, not much loved by many in business, said, "We have always known that heedless self-interest was bad morals; we know now that it is bad economics." Given what transpired amongst some of the financial elite in recent years, even we free enterprisers should insist that Roosevelt's insight should guide Wall Street and our government. William Gladstone, a long serving British Prime Minister, said, "Selfishness is the greatest curse of the human race."

And so I close, expressing my greatest support and admiration for those of you who are engaging in ventures that our economy and, therefore, our culture must have to survive on a level that is commensurate with our desires. You can go a long way to diminishing the selfishness curse by good business practices interwoven with morality; all a part of the American way. Finally, you will be well served by Winston Churchill's admonishment, never, never, never, ever give up.