

Can Entrepreneurs Save the World? In Hard Times, Entrepreneurship as a Social Force for Good

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In light of recent events, the subject of entrepreneurs and how they live may seem marginal. But in fact, it is central.

That is because no figure presents a more complete and compelling argument against the powers of totalitarianism, of bigotry, and of intellectual slavery, than the modern entrepreneur operating in a free and open society.

That's a lot of baggage to put on the backs of such an eccentric, prickly and downright contrary group of men and women. And yet, having grown up in Silicon Valley, the heartland of American technology entrepreneurship, having reported on entrepreneurs as a journalist for a quarter century, and not least, having been an entrepreneur — failed and successful — myself, I believe this truth more than ever.

Entrepreneurship is not just the emblematic profession of the modern digital economy; it is also the most liberating and life-enhancing activity that civilization has yet produced.

That probably sounds utterly crazy. What about vicars and emergency room physicians and schoolteachers and drug counselors? What about social activists and pharmaceutical researchers and AIDS nurses and soup kitchen volunteers? What about prime ministers and presidents, judges and test pilots?

How dare I compare — unfavorably at that — the work of these fine and noble people against the activities of arrogant young plutocrats-in-training who care little about consequences in their pursuit of stock options and market share? I do dare — and it's important that you understand why I do.

A Legend, Retold

Let's start with a familiar story: the legend of Bill Hewlett and David Packard.

Two young men start a company in a Palo Alto garage, grow it to billions of dollars in sales and in the process sell millions of test and measurement devices, computers, calculators and printers. They die old, rich and covered with honors. It's one of the great business stories of the 20th century.

But let's look again at the story of Bill and Dave, this time not in terms of technology or financials, but as a story of social activism and cultural contribution.

Two young men, a few years out of Stanford University, with little more than an idea, establish an institution that over the next half century, provides education, lifetime employment and a secure retirement for a quarter million people . . .and given the multiplier effect of their families, perhaps a million people in total.

Even as they are doing this, Hewlett and Packard transform the daily lives of these individuals — and tens of millions of other working people around the world — by instituting such enlightened

practices as flex-time, profit sharing, employee stock options and a special kind of trust in and empowerment of people called the HP Way.

The HP Way proves to be not just a management technique, but also a radical and democratic new approach to work and to the structure of organizations. Forever underestimated, it may be the most powerful critique of absolutism, in all of its forms, ever devised. Best of all, it works — and has been adopted to some degree by every successful technology company.

Bottom Line of Good Works

Those achievements alone would be extraordinary. But this activist institution that Hewlett and Packard built also manufactured a vast catalog of life-enhancing tools.

Its fetal monitoring systems have saved tens of thousands of premature babies. Its analytical devices do everything from capture criminals to save neighborhoods from toxic wastes. And the company' s calculators have transformed education, putting advanced mathematics into the hands of the average citizen for the first time.

For all this, Hewlett and Packard were rewarded with billions of dollars, with which they then built an engineering school at Stanford University in the name of their favorite professor, constructed one of the world' s great aquariums and founded two of America' s biggest charitable foundations — all of which in turn have improved the lives of millions more.

Now, let me ask you: How many famous activists or civic leaders in last 50 years — once you subtract the hype and the unintended side-effects and the downright mistakes, and look only at the bottom line of net good works — have accomplished even a fraction as much as Hewlett and Packard?

Bad Character Theory of Entrepreneurship

Ah, one may reply, but those two men were unique. That' s why they are so celebrated.

I call this the good character theory of entrepreneurship. It is the notion, usually propounded by people who hold business in contempt, that entrepreneurs who accomplish good works do so because they are good people, and in spite of all that nasty capitalist stuff they do during the day.

This explains why much of the admiration for entrepreneurs comes only after they stop being entrepreneurs and start giving their money away. And that admiration is usually in direct proportion to how nebulous, naïve and worthless those contributions are.

Let me propose to you instead a bad character theory of entrepreneurship. It says that no matter how rotten a human being you are, if you are a successful entrepreneur in a legal enterprise, and commit no violent felonies, you will make a net positive contribution to mankind.

In fact, you will probably do more good than most of the people — besides other entrepreneurs — who despise you.

A Liberating Tyrant?

Another classic example: As you may know, I am no fan of Steve Jobs. And yet, no one has done more than Steve Jobs to introduce the personal computer to the world. The implications of that one act are almost immeasurable.



Certainly the personal computer made possible the World Wide Web. What will be the value of that in this new century? The personal computer has also enabled millions of people in the industrialized world to work at home most of the week. What will be the value over the next generation of having parents at home with their children?

Jobs may be a petty tyrant himself, but the personal computer has done more for freedom in the world over the last 20 years than any new political theory or liberation theology.

But wait: Apple Computer, after all, like Hewlett-Packard, is a giant company. Of course the impact of companies like these is going to be enormous. What about all the other entrepreneurs, the men and women founding software companies or microbreweries or opening Web page design firms? How about the newly arrived immigrant down the street opening a dry cleaning store or a Thai restaurant? How are these activities life-enhancing or liberating? What is their net positive contribution to humanity? ■

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