

## **We Entrepreneurs Are Called to Become Heroes**

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In truth, we are in a free society. Our income is earned through pleasing and serving our fellow man. We provide a service or goods, in turn customers give us dollars. We can think of dollars as certificates of performance. Dollar profits are a proof we pleased our customers. With these certificates of performance in hand, we go to our grocer and ask him to give us a baskets of groceries that our fellow man produced. In effect the grocer says, "You're making a claim on something your fellow man produced. You're asking him to serve you – but did you serve him?" We can say, "Yes I did." The grocer responds, "Prove it!" That's when we show him our certificates of performance – namely, the money our fellow man paid us to serve his unmet wants or needs.

Obviously, some among us are more effective at serving and pleasing their fellow man than others. You can pick them out and tell the difference about them. They are the ones who earn a greater number of certificates of performance (i.e., more dollars as certificates of their performance, thus higher income) and hence have greater claims on what their fellow man produces. Perhaps we should listen to them.

We, are in a free society, therefore we are people who can earn income beyond our basic needs if we decide to through effectively serving our fellow man. We must see to it that our society benefits far more than we did. We must do that in terms of the value of lives being more pleased, by having opportunity to buy up more free time. If we do please people with our goods and our services we can measure how much we did so. We measure our having done so by our profits. Our profits remain the proof of and therefore our certificates of performance.

### ***Capitalism Raises All Boats***

In our Western European Anglo Saxon Protestant culture, our wealth generated through free enterprise contributes to our having around us a more civilized and cultured society. Rather than letting our society around us spend most of their time simply eking out a living and letting their properties and interests dwindle and decline we can help them to save time and effort, then to free them to improve. The rise of capitalism by our profits gives a proportioned rise in our customer's human productivity that yields economic progress to our society. Enough of that and it becomes visible in improvements to property everywhere around us. It does so until it is no longer necessary for people to spend their entire day simply providing for their minimum physical needs. People should be enabled by our serving them well to satisfy their physical needs with less and less time. This makes it possible for them to have the time and resources to develop both spiritually and culturally. Spiritually, development is done by learning and emulating our Protestant culture. Culturally, development is done by the study of our best literature, science, industry, wars, victories, successes, heroes, our best examples of marriages and of raising the best of children. In the long run those two developments, spiritual by Christianity being taught to them and cultural by their self study will show good results that will remain longer in our society than if we pursue the improvements without the profits or without the proof of our performance certificates or that is, dollars. Should we direct efforts toward beautification without profits then in the end the beautification will fade and turn ugly. If we pursue and attain profits as proof of pleasing people and of serving their wants and needs, then our beautification

will result. Only then will our beautification be lasting. Our societal beautification will last as long as we entrepreneurs continue serving and meeting people's wants and needs. The more valuable thing between serving and pleasing people's wants and needs compared to providing beautification is obvious. The first before beautification is providing and serving people's wants and needs. First things must be first. The most valuable and longest lasting value must be pursued first. In business, that is profit. Profit is by pleasing and serving people.

In other words, our rise of capitalism's profits enables the gradual growth of civility to greater and greater numbers of people in our society. Do we look around and see a decrease of civility and a lowering of culture? Yes! Do we see a decay of appearance? Yes! We are called to serve the people and please them by saving them time. Governments can save them time by saving them from intrusive and burdensome taxation needed as a result of wasteful spending. Businesses can save them time by better goods and services. More of them having time available then to read their culture and heritage, to become well self-trained not just government educated in the liberal arts and having time left to gain more knowledge about our society around them will gradually result.

The greater our own profits, that is our own certificates of performance, the greater their free time and remaining monies which permits them to attend the arts, afford recreation, contemplate more fulfilling and interesting life activities and enjoy other culturally enriching activities that were formerly within the purview of only the well to do. Both their culture and their spiritual Protestant Christianity needs to be learned and this takes time, daily, continually all their lives. Obviously we entrepreneurs are thus called to save our customers both time and money. How can all this be achieved? In a market, even in a system of markets. The profits of each of our little enterprises are performance certificates. Our profits come about through a process of finding out what human wants are not being met and finding ways to meet them. We can aim at both a local market and an unlimited market outside our locale. We ought not to focus on either market to the exclusion of the other market. We must always find accurate ways to measure human wants locally and nationally.

Motivations inside each of us as wanna-be entrepreneurs will direct our efforts in such a manner as our products and services may be of the greatest value to persons with otherwise unmet wants and needs. While we are tending toward only our own gain, we in this sensible manner, as in many other cases, are led by an invisible hand of divine providence unto promoting an end result which was rightly no part of our intention, which is the resultant civility and cultural development of our society. We should be in this for profits. If we succeed at profits they will stand as proof of our performance that we have indeed been pleasing people whose wants or needs otherwise, without us were previously unmet.

### ***In Defense of Profit***

Profit is not a dirty word. Profit is performance measured. Profit protects freedom and a free market. As percentages of 2002 national income, after-tax profits represented about five percent and wages about 71 percent. The national economy was pleasing people's wants and needs. If the profits of the sum of our local businesses was ten percent, not five, then our local economy would be improving faster than our national and it would become visible here and we could not prevent its appearance being an improvement. Sustaining our local profits being larger than State and National profits would increase or improvements and beautification faster than theirs.

Whether we entrepreneurs make a profit depends essentially on two things. The first is whether we are producing a good that consumers value enough that they are willing to pay for it; the second is whether we are using the scarce resources of our community in the most efficient manner to produce whatever good our customers are willing to pay for. We must measure by their being willing to pay for the "goods". If we focus on doing "good" but not upon being paid then we will be distracted from making profit and will be destined to failure. Be continuing to exist without a profit we seek to institutionalize failure-to-profit and then spread failure around us and into our future and our community.

Profits are a good force to make us employ resources wisely. If we producers waste resources, time or material, then our costs will be higher. In order to cover our costs, we must charge prices higher than what customers are willing to pay. After a while we will incur unsustainable losses and go out of business. As a result, our company's resources, our location, our building, our employees, our materials and skills will become available to someone else who'll have a chance to put them to wiser use. That is a good thing. This process is short-circuited if government or agencies offer us bailouts and help in the form of guaranteed loans, subsidies or restrictions such as tariffs and import quotas on our competition. Government or agency "help" enables our failure spreading companies and uglifying companies to continue squandering local resources and breeding more failure. In this context it is important to remember that a business going bankrupt doesn't mean that its productive resources will vanish into thin air. It means someone else will own them and will have freedom to use them more wisely.

There is a modern day push for corporate social responsibility. Do corporations have a social responsibility? Yes! But not in charitable giving, or in paying higher and higher taxes. And Nobel Laureate Professor Milton Friedman put it best in 1970 when he said that in a free society "there is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud." Deception, even self-deception must end. It ends by good training. Fraud and fraudulent products and services must end. It ends by honesty. We must pursue honest profits by pleasing people's expressed wants and needs. They must express those wants and needs by how they spend their dollars, not by what they say.

It is only people, not businesses, who have responsibilities. Our failure to recognize this, and our willingness to engage in activities unrelated to the pursuit of profits, such as decorations, superficialities, deception by eye appeal, trying to appear as something we are not, means that our wealth will be lower, our product prices will be higher and the return on our investment lower, our profits less, and our beautification less. We will be left with less proofs of our performance in serving the unmet wants of our fellow man. If we pursue and receive the profits honestly first, before the beautification and superficial appearance of the same, then we will have the resources to attend to our own beautification, decoration and superficial eye appeal. Our attraction and attractiveness to people must become that indeed we actually do sell goods and services people want and can afford to pay for. What are people's wants? What are the proofs we met their wants? It can be no other than profit.

In good education this applies. The students want and need good training they can use to apply these principles. The school needs to provide the training, not the beautification and the expensive brick and mortar. The students whose needs and wants are met as proven by their

ability to gain proof of performance certificates, or dollars, must pay for the school providing them the training they wanted and needed and proved they received. The government can hinder this process but cannot help it.

If we care about people's wants, if we want to serve them and to help them, rather than beating up on profit-making businesses, we should help them. We should help businesses that can help us save time. If we want to oppose what needs to cease, we should pay more attention to government-owned non-profit organizations. Do non profit organizations care about pleasing people's wants? No! They cannot. A good example of unprofitable organizations or corporations are the government schools. Most if not all government schools squander resources and produce a shoddy education while administrators, teachers and staff earn higher pay and perks than we do as the average societal member who are taxed to pay them. We their customers (taxpayers) are increasingly burdened by their having shoddy performances, and yet they cry out for more dollars from government force upon taxpayers. Those dollars from our taxes they intend to use to prove that their performance pleased us, which it did not. The performance of schools did not please us. We did not get to vote with our dollars. Our dollars were forced from us and given to the displeasing schools. If their shoddy performance pleased us then we are far too easily pleased. Unlike other producers, educationists don't face the rigors of the profit discipline that we face, and hence they're not as accountable as we private businesses are.

Ditto the U.S. Postal Service. It often provides shoddy and surly services, but its managers and workers receive increasingly higher numbers of dollars (performance certificates) while we their customers pay higher and higher prices. Again, the wishes of us customers can be safely ignored because there's no bottom line discipline of profits. They get profits without pleasing us or with pleasing us, it matters not which, and tends toward increasingly not pleasing us, and yet they demand more money which they say proves they please us. This is not an attack on those unprofitable institutions of shoddy failure, this is proof of our aim toward profits as being our only legitimate aim and responsibility as businesses.

Here's Williams' monetary law: Whenever the profit incentive is missing, the probability that people's wants can be safely ignored is the greatest.

Our little businesses lack of profits (performance certificates) is guaranteed proof we are not meeting our customer's wants and needs. Our run down buildings prove we are not meeting our customer's wants and needs. If we can figure out their needs and then meet them, we will profit as a proof. If we fail to profit we must in good sense surrender our resources to others who may have their new found opportunity to prove that they are wiser than we are, are more productive, and more serving, and more helpful to our customers than we are. Whoever profits most will improve their buildings and appearance most. If more of us profit, then more of us will improve our marketplace appearances. By profits our downtown will become revitalized, once again valuable and lasting. Organizations and governments cannot help, but they can hinder beautification. The businesses must help save the customer's time. The customers must prove the business did so by paying them enough for the business to profit. The beauty will follow.

If a poll were taken asking people which services they are most satisfied with and which they are most dissatisfied with, the profit making organizations superstores, supermarkets, restaurants,

computer companies and video stores, etc., would dominate the first list while non-profit organizations such as government schools, offices of motor vehicle registration, bureaus, would dominate the list of those organizations people are least satisfied with. In a free economy, free market, free enterprise, the pursuit of profits and serving people are one and the same, inseparable. If we seek profits we seek pleasing and serving people. It is inseparable, pleasing customers and profits. Not being about profits is not being for pleasing customers. We must find their needs and wants and find how to fill them.

A temporary measure of their wants and needs is a vote dropped in a box with a dollar attached. A vote card could say "Here by my dollar is earnest proof of my wants and my needs and attached to this card is my dollar with my request for:

\_\_\_\_\_ . Our customer can fill in the blanks, and we can strive to profit by satisfying his wants and needs. A permanent measure that we indeed filled his wants and needs is our profits, our proof of performance.

No one argues that the free market free enterprise system is perfect, but it's the closest we'll come here on Earth to any system of perfection.

This article was an adaptation to local use of the materials in the article found below:  
<http://www.hillsdale.edu/newimprimis/default.htm>

From Dr. Williams article: The Entrepreneur As American Hero

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All credit is given to Dr, Williams who is worthy of learning everything from regarding economics.