ENTRERPRENEURIAL EXPERT

HOWARD H. STEVENSON

THE DIMENSIONS OF ENTREPRENEURSHIP

By

Richard J. Goossen

At Harvard we define entrepreneurship as the pursuit of opportunities without regard for the resources controlled.

Howard H. Stevenson
Interview with Rick Goossen

INTRODUCTION TO HOWARD H. STEVENSON

KEY DATA:	
Name	Howard H. Stevenson
Title	Sarofim-Rock Professor of Business Administration
Affiliation	Harvard University, Cambridge, MA
Education	BS (Stanford), MBA., DBA (Harvard)
Experience	He has been the Sarofim-Rock Professor since its inception in 1982; he has also been Chairman of the Owner/President Manager Program in Executive Education. He was a founder and the first president of the Baupost Group, Inc. which manages partnerships investing in liquid security for wealthy families (the assets of Baupost exceeded $400 million when he resigned as President).
Notable Publications	He has authored, edited, or co-authored twelve books and forty-two articles, including *New Business Ventures and the Entrepreneur* (with Michael J. Roberts and H. Irving Grousbeck), *Just Enough* (with Laura Nash), and *The Entrepreneurial Venture* (with William Sahlman). He has also authored, co-authored, or supervised over 150 cases at Harvard Business School.

Biographical Highlights

- Harvard, one of the world's most elite business schools, has been a leading institution for entrepreneurial education since the 1930s.
- He has steered the study of entrepreneurship education at Harvard, which has over thirty faculty members in its Entrepreneurial Management Unit.
- Stevenson co-authored one of the leading textbooks in the field, *New Business Ventures and the Entrepreneur*, through six editions.
- He has combined his academic expertise with the practical experience of being a founder, the first president, and now co-chair of the advisory board for Baupost, Inc., an $8 billion registered investment company.

Stevenson – The Entrepreneurial Culture at Harvard Business School

What are the goals and objectives of Harvard in terms of its entrepreneurial programs?[1] Harvard's approach to teaching entrepreneurship is rooted, quite naturally, in its well known case-method approach. The school, which requires its nine hundred first-year students to take a course called "The Entrepreneurial Manager," and offers nearly twenty elective courses in entrepreneurship to second-year students,[2] also develops case-method resources. Since 1999, Harvard's Entrepreneurship Unit has developed nearly six hundred sets of course and curricular material, including nearly four hundred teaching cases. A total of 1,800 cases on myriad aspects of entrepreneurship are now available.[3]

"There are many different mechanisms that we integrate into our teaching of entrepreneurship," Stevenson describes. "We use exercises, field studies, case studies, and participant-centered learning." He goes on: "I recently ran a course for 60 Eastern European teachers of entrepreneurship. They came in thinking they knew the case study method as a means of business school teaching, but their eyes were opened to the fact that the requisite knowledge, skills, and attitudes are acquired through how people really learn, rather than how we typically teach them."[4] Such unique methods draw attention to the entrepreneurship program.

In fact, Harvard promotes entrepreneurship as something that should be considered by all students. Stevenson notes:

> One of the critical things we do in developing courses is to introduce people who aren't larger than life, with whom students can identify. Very early, we build cases around both female and male entrepreneurs of all types and all ages. The opportunity to provide a course where students can identify with the protagonists in a case is an important part of the pedagogy.[5]

At Harvard, students learn that entrepreneurial management is a viable and promising option.

"What we are trying to do at Harvard Business School is plant a 'time bomb' that will go off in 10 – 15 years," Stevenson explains.[6] In other words, when opportunities arise for MBA students, they will know how to exploit them. Stevenson continues, "If we can infuse the students with the right attitude, we will have a tremendous impact on their ability to make a difference."[7]

In saying this, he places entrepreneurship under the umbrella of Harvard's institutional mission: to train leaders who make a difference in the world. Not only is entrepreneurship under the umbrella, though; it seems to help hold up the umbrella. Stevenson notes that it is "an important part"[8] of Harvard's international mandate.

One of Stevenson's three tenets of teaching entrepreneurship at Harvard is to convey to students that entrepreneurship is an opportunity-focused orientation to general management, one which is applicable in many situations, regardless of near-term career aspirations.[9] He encourages students that an entrepreneurial career may be a more interesting alternative to a standard-issue investment banking or management consulting job. According to his philosophy, students can learn that "controlling your own life is something an entrepreneur does."[10] Stevenson believes students need to be exposed to an entrepreneur-friendly culture and positive entrepreneurial role models.[11]

> Entrepreneurship is like having children: it requires a moment of enthusiasm, followed by decades of hard work, in order to be successful.
>
> **Howard Stevenson**
> **Interview with Rick Goossen**

As Stevenson expresses, Harvard Business School teaches three simple attitudes: "Every situation can be improved; you can make a difference, no matter how minimal your power or your current resources; and, experts and experience may be wrong."[12] Stevenson believes these attitudes have helped Harvard generate more high-profile, successful entrepreneurs than any other school. He also notes that Harvard had a high share of the MBA market in 1945, and that many of these individuals have achieved great success over time. (Since 1945, however, the number of MBA programs has multiplied and Harvard's proportionate share of the MBA market has dropped significantly.)

According to Stevenson, the core of Harvard's approach is, "While the world has its share of problems, if I solve them for other people, I will make money—and just because I don't presently have the resources, doesn't mean I shouldn't try to solve the problem."[13] In essence, his teaching approach is, "Don't tell me what you would do if you were God; instead, what are you going to do as a product manager with inadequate power and resources?"[14] He also advises students, "If somebody tells you it hasn't been done that way before, treat that as good news rather than bad news."[15]

Stevenson likens many so-called trade publications to diet books: both offer recycled "easy paths to success," but at best have only a minimal effect. "How many people actually lose weight?" he states frankly. "It is easier to buy the book than it is to go on the diet!"[16] Similarly, he cautions students to remember that entrepreneurship is very complicated, and they shouldn't look for simple solutions.

Instead, Stevenson points students to the fundamentals of the entrepreneurial process. With a witty sense of humor, he remarks, "I tell students not to start a business, because the only one they are qualified to start right now is a lemonade stand."[17] Instead, he recommends, "Learn an industry, get known in your field, get people to respect you, and then when you are ready to launch a venture, you can do so in a high potential field."[18]

By "high potential field," he means "[a business] that has a chance of actually making a difference to you and to the world."[19] In his view, "We are dealing with students that are gifted, otherwise they wouldn't be at Harvard. We are trying to help them think that one of the right things they might do is enjoy entrepreneurship."[20] Though his approach may not be suitable for all aspiring entrepreneurs, it reflects the outlook of one of the world's most prominent and accomplished institutions.

9.1 THE SIX DIMENSIONS OF ENTREPRENEURIAL MANAGEMENT

> The six dimensions of entrepreneurial management include: strategic orientation, commitment to opportunity, commitment of resources, control of resources, management structure, and compensation and reward policy.

Stevenson's succinct definition of entrepreneurship, as noted in Chapter 1, is "the pursuit of opportunities without regard to the resources controlled."[21] He focuses on the process, not the person. Furthermore, he highlights a "behavioral phenomenon" of entrepreneurship with relation to the following six critical dimensions of business practice: strategic orientation, commitment to opportunity, the resource commitment process, control over resources, the concept of management, and the compensation policy.[22]

Stevenson argues that these six dimensions of business practice reveal a range of behavioral responses, with two types of individuals on opposite ends of the spectrum. At one extreme is the "promoter," who "feels confident of his or her ability to seize opportunity, regardless of the resources under current control."[23] At the other extreme is the "trustee," who "emphasizes the efficient utilization of existing resources."[24]

Stevenson's definition sees entrepreneurship within the context of existing business practices. In addition, he individually characterizes entrepreneurs, based on their tendencies toward certain ends of the spectrum. Thus, he sees entrepreneurship as similar to, rather than different from, conventional business.

"I think part of Harvard's success is that we don't say entrepreneurship is different," he observes. "What we say is that entrepreneurship is the pursuit of opportunity beyond the resources you control—and that is absolutely critical for every organization. A start-up needs to do this, as does a larger company."[25]

Stevenson's six dimensions:

1. Strategic Orientation

Strategic orientation is "the factors that drive the firm's formulation of strategy."[26] In this context, the promoter is "opportunity-driven," concerned with new possibilities and not constrained by lack of resources. The trustee, on the other hand, is "resource-driven," focused on best utilizing the resources under his/her present control.

Stevenson points out that this dimension of business practice has led many people to see entrepreneurship as innovation. However, in Stevenson's definition, entrepreneurs include those who are not only innovators, but also those who pursue opportunity through a "new mix of old ideas or the creative application of traditional approaches."[27]

Stevenson refers to a collection of "pressures" that pull a firm to one of two "sides" of behavior, either entrepreneurial (promoter) or administrative (trustee). The pressures that pull a firm to the entrepreneurial side of behavior are consumer economics, social values, diminishing opportunity streams, rapid changes in technology, or political roles. Conversely, the pressures that pull a firm to the administrative side are the 'social contract' (a responsibility to use existing people and resources), performance criteria (rewards for growth or for resources utilization), and planning systems and cycles (can new opportunities change the allocation of resources in a three- or five-year plan?).

Strategic orientation addresses the entrepreneur's situational reality and motivating factors. It asks what resources are attainable, and how a person could best manage them.

Stevenson illustrates, “If you have $500 million, your best opportunity is to figure out how to invest that money wisely. But most entrepreneurs who start a firm do not have $500 million at their disposal.” Many entrepreneurs start with limited resources, and their desire to pursue an opportunity often arises from a practical standpoint—from their ability to exploit the current situation. Stevenson gives examples: “If you are a black person from the inner city, you may have started playing baseball or basketball. And if you were a Jew living in the early 1900s, you weren’t going to join a bank and rise to the top, because they didn’t let you.” The challenge for Stevenson is to convince talented Harvard MBA students that entrepreneurship opportunities are worth pursuing, despite the parallel option to join secure investment banking and consulting firms.

2. Commitment to Opportunity

This second dimension of business practice steps beyond “strategic orientation” and begins a process of practical implementation. Stevenson comments, “There are innovative thinkers who never get anything done; it is necessary to move beyond the identification of opportunity, to its pursuit.”[28]

A promoter, who is willing to pursue an opportunity quickly and with gusto, may not be as committed to the project as a trustee, who moves deliberately and with great thought. The promoter’s commitment level depends heavily on initial results.

Pressures that pull a firm to the promoter side of the spectrum include action orientation, short decision windows, flexible deployment of financial resources, and limited decision constituencies. By contrast, a firm moves to the trustee side because of multiple decision constituencies, strategy dependent upon compromise and evolutionary agreement, study and analysis to reduce risk, or projects needing to fit existing corporate resources.

3. Commitment of Resources

A third dimension of business practice that separates promoters from trustees is the commitment of resources. Promoters attempt to maximize value by committing the minimum amount of resources for the greatest possible return. Their perspective, as Stevenson affirms, is, "Entrepreneurial management requires that you learn to do a little more with a little less." Promoters straddle a fine line between exploiting an opportunity and having barely enough resources to do so.

Trustees, on the other hand, deploy resources after careful analysis and large-scale commitment.[29] The pressures on the trustee side of the spectrum are lack of predictable resource needs (the entrepreneur commits less up-front so more will be available later on), lack of long-term control, and the ability to allocate resources when required. In a large company, the trustee faces pressures related to resource intensity, such as personal risk reduction (through increased resources), incentive compensation (because excess resources increase short-term returns), managerial turnover, capital allocation systems (designed for one-time decision making), and formal planning systems.[30]

4. Control of Resources

With respect to the control of resources, an entrepreneur must be able to deploy resources when necessary, instead of retaining control through ownership. In other words, a promoter only needs to bring resources together at deal time; otherwise, they are a drain on overhead. Thus, a promoter has a very utilitarian view of the resources required to run a business or complete a deal. High-tech companies in their early stages may employ a "CFO in a box"—a person with a level of expertise that the young company cannot afford, but who works on a part-time basis. As the company grows, they can then transition their CEO to a full-time position. Thus the pressures toward the entrepreneurial side of the spectrum come from increased resource specialization, risk of obsolescence, and the demand for increased flexibility.

The trustee, on the other hand, prefers to control his/her own resources, as this enhances certainty of planning. The pressures toward the trustee side of the spectrum are the distinct appeal of power, status, and rewards (may be determined by resource control and ownership); the advantage that ownership facilitates a quick response (as control rather than negotiation is critical); the ability to maximize profit (by capturing all proceeds associated with an operation); inertia and the cost of change (control of resources reduces risks); and industry structures (ownership prevents pre-emption by competition).

5. Management Structures

A promoter functions through an array of informal relationships, called upon when necessary, in order to pursue possibilities and facilitate the use of resources. As a result, he/she does not delegate authority, but rather assembles resources. On the contrary, the trustee views relations more formally, with specific rights and obligations attached to particular positions. Only owned resources can be organized in a hierarchy.

Does being a good manager (trustee) preclude someone from being an effective entrepreneur (promoter)? Stevenson explains, "Although the managerial task is substantially different from the entrepreneur's, management skill is nonetheless essential [in entrepreneurship]. The variation [between the two] lies in the choice of appropriate tools."[31]

Thus, "entrepreneurial management" is an effective combination of both skill-sets. It is also a result of several pressures: for promoter-types, the need to coordinate resources outside the firm, the desire for flexibility through a flat organization, and, the fact that employees accept authority based on competence and persuasion; for trustee-types, the need for clearly defined authority and responsibility, and the desire for organized culture and clearly-specified reward systems.

6. Reward Philosophy

The last dimension of business practice that distinguishes the promoter from the trustee is differing approaches to reward and compensation. Entrepreneurial firms focus on generating capital and providing a return to shareholders that is commensurate with the perceived risk of the venture. Moreover, entrepreneurial firms tend to reward all those who create value. They attain their goal, an opportunity to sell the business or go public, when the reward is sufficient. And if this occurs, the entrepreneur is typically confident that he/she can start another venture subsequently; thus, he/she has no loyalty to the existing business.

The trustee, on the other hand, makes decisions based on a desire to protect his/her position, which is his/her career and personal sense of security. An individual's compensation may be tied to specific targets within the established hierarchy; his/her success and longevity may exist to some extent apart from the overall health of the organization. Compensation may be tied to increased responsibility within a firm, rather than specific value creation, which can be more difficult to quantify. The pressures toward the promoter end of the spectrum include the following: individual compensation in proportion to contribution; investor expectations of immediate returns; and increased demand for talented individuals requires adequate compensation. The pressures toward the trustee side are as follows: loyalty to an organization is a counterweight to a focus on compensation; individual contribution to value creation may be difficult to segment out of an organizational structure; and public shareholders may resist perceived excessive compensation.

The six dimension of business practice, and the ends of the spectrum of the promoter and trustee, are summarized below. Stevenson's approach is that entrepreneurship is more than the behaviour model of individual traits and is not only an economic function—instead it is a "cohesive pattern of managerial behaviour."[32] Entrepreneurship is an approach to management that can be applied in start-ups or in large corporations, although in view of the spectrum established, it is more difficult in a "trustee" environment. A practical point emphasized by Stevenson is that entrepreneurial management involves a lot of perspiration and not just inspiration: "you actually have to run the numbers. You learn to tell a bad deal from a good deal."[33]

A PROCESS DEFINITION OF ENTREPRENEURSHIP

ENTREPRENEUR	KEY BUSINESS DIMENSION	ADMINISTRATOR
Driven by Perception of Opportunity	**Strategic Orientation**	Driven by Resources Currently Controlled
Quick Commitment	**Commitment to Opportunity**	Evolutionary with Long Duration
Multistage with minimal exposure at each stage	**Commitment Process**	Single-stage with Complete Commitment Upon Decision
Episodic use of Rent of Required Resources	**Control of Resources**	Ownership or Employment of Required Resources
Fiat with Multiple Informal Networks	**Management Structure**	Formalized Hierarchy
Value Based & Team Based	**Reward System**	Resource-Based; Individual and Promotion Oriented

SOURCE: "Why Entrepreneurship Has Won!" USASBE Plenary Address

9.2 ETHICS AND ENTREPRENEURSHIP

> An ethical approach to the six dimensions of business practice is a critical success factor for entrepreneurial management.

Stevenson explains that in view of his definition of entrepreneurship, a finely tuned sense of ethics is critical to individual and organizational success. If entrepreneurship is about pursuing opportunity beyond the resources you presently control, then "unless you create a sense of real trust with others who control resources then the individual will never succeed."[34] It is critical that an entrepreneur have a sense of fair dealing and a sense of just proportion when dealing with other people. Taking this high road will not necessary make you successful: "that doesn't mean you cannot succeed by cheating."[35] But, the bottom line, is that for most people, "when you are going out to raise money or launch a venture the entrepreneur has to develop both an implicit and explicit sense of trust among those people—and if you do not, you will not be able to access their resources."[36]

Stevenson argues that most entrepreneurship texts do not place a sufficient emphasis on the role of ethical behaviour.[37] In fact, the notion of ethics needs to permeate the entire curriculum. One outcome of a lack of ethical sensitivity relates to business plan competitions routinely held at universities. Many of these are fundamentally flawed. The objective, in Stevenson's opinion, is to "hide the fatal flaw."[38] In a sense, students are operating on the premise that they can "fool the person who is only going to spend an hour reading the business plan."[39] This is not good ethical training:

> That's absolutely not the way the world works and it's certainly not the way you succeed. Because if you find a fatal flaw and you don't disclose it you are going to be the one that bears most of the consequences.[40]

Entrepreneurs (or promoters as Stevenson calls them) need to be even more sensitive to ethical matters than managers (trustees).

Entrepreneurs, with their greater degree of personal responsibility for the success of the business venture, also therefore suffer the greater temptation to make things work—possibly cutting corners along the way to do so. Since they will benefit from increased upside, there is a strong incentive that does not exist for trustees in their more stable environment. In fact, entrepreneurial trade publications often gleefully recount the tales of now-successful entrepreneurs who launched themselves through deception: misleading suppliers as to their financial creditworthiness; making involuntary financiers of creditors; and exaggerating their backgrounds, financial capabilities and connections. Stevenson concurs: "When things are going badly for an entrepreneur there is a natural inclination to think about cutting closer to the line."[41] While the past financial shenanigans on a grand scale, such as Enron and Worldcom, have demonstrated that large companies have ethical issues, "the internal pressures for an entrepreneur of being personally at risk creates a lot of ethical tension."[42]

While being an ethical person is not a recipe for success, it is a better way to live with yourself and others. And likely the majority of successful entrepreneurs are those who indeed do that a good sense of ethical behaviour:

> Most of them who succeed in the long run, and this isn't the Donald Trumps of the world, actually do have a very strong sense of ethics because they know that their ability to do a deal twice depends on treating people fairly the first time. I don't think that's naïve, although some might say it is. I don't think it's 'the reputation effect;' rather you operate on the basis that our paths will likely cross again.[43]

To some degree good ethics is an extension of knowing how to treat people properly—not to manipulate or mislead others. In other words, what does the other person want for their business and how can I help them succeed.

In an organizational setting, successful companies look at failure in a unique. Stevenson advises that a successful manager must distinguish between moral, personal and uncontrollable failure. Moral failure is "a violation of internal trust or of societal rules."[44] Individuals that violate the internal trust mechanisms set up within an organization, through deception, thievery, or other moral transgression, affect not only their own relationships but also those existing among others. Successful organizations treat these transgressions seriously even if the goal was noble and the results positive to the bottom line. A moral failure is difficult to remedy and typically has permanent consequences for the transgressor—who almost always leaves the organization. With respect to "personal failure," this results from a failure of skill, dedication, or application. Since there may be ways for both the organization and the individual to readjust the work performed and the set of expectations, there is scope to rethink how to move forward together. Lastly, an "uncontrollable failure" is one caused by external factors, such as a parent corporation re-shifting resources; in this instance, the organization will have to exercise extreme fairness in assessing the performance of the manager.

Frank Batten of The Weather Channel

"One of the most inspirational entrepreneurs I have come to know is Frank Batten, who founded "The Weather Channel" in 1982. He's created a number of very successful businesses, but more importantly he's created an organization that functions well. He's not a guy where it all has to be about him.

Frank often says that the most important thing for employees to remember is that they serve customers at a profit. And both parts of this statement are very critical. We have got to serve our customers well because if we don't we won't have them. But we have to do so at a profit or we wont' be in business. I think that simply reflects a very clear understanding of the reality of being in business every day."

Frank Batten's launch of the The Weather Channel, an around-the-clock cable channel devoted to weather was poorly received. Despite initially losing a million dollars a month, Batten persuaded cable system operators to bail out The Weather Channel and give it another chance. Today, The Weather Channel reaches 80 million customers, and is one of the great cable programming success stories. And Batten proved to be one of the great entrepreneurs and leaders in the world of business.

Batten began his media career in the family run Landmark Communications Inc. (and its earlier incarnations), in Norfolk, Virginia. He started as a copyboy for the *Norfolk Virginian-Pilot*, then owned by his uncle. After graduating from the University of Virginia, a stop in the Merchant Marine, and earning a Harvard MBA in 1952, Batten returned to the newspaper as a reporter and ad salesman. In 1954, at 27, he was named publisher of the *Norfolk Ledger-Dispatch* and the *Virginian-Pilot*.

In 1964 the company purchased its first cable television system, the precursor to dozens more cable system acquisitions over the following decade. He bought or started eight daily newspapers, more than 100 non-daily papers and magazines, and several television stations. He partnered with Cox Enterprises to start Trader Publishing Co., a national publisher of classified advertising publications. But he didn't stop there. He bought ten daily newspapers, more than 100 non-daily papers, magazines, radio stations, and more television systems, combining them all under the name Landmark Communications in 1967. In 1994, Landmark sold its TeleCable systems to Tele-Communications Inc. (TCI) for more than a billion dollars.

The Weather Channel was born in 1982. After barely surviving its early years, TWC has thrived ever since. In 1996 The Weather Channel expanded internationally with interests in Europe and Latin America. Its companion Web site, weather.com, averages more than 300 million page views per month.

Source: "Frank Batten: Thriving on Challenge" HBS Working Knowledge (April 1, 2002)
http://hbswk.hbs.edu/pubitem.jhtml?id=2864&t=new-entrepreneurs

Practice & Theory as recounted by Howard Stevenson

The Entrepreneur to the Professor: "If you're so smart, why aren't you rich?"

The Professor to the Entrepreneur: "If you are so rich, why aren't you smart?"

SOURCE: Stevenson Interview.

9.3 ENDURING SUCCESS

> Success is not about maximization, but about balancing your work and life; this can be managed through an approach of "just enough," which will create enduring success.

Is a necessary part of entrepreneurial success an imbalanced life with as a result of an all-consuming focus on business? At the same time, entrepreneurs generally acknowledge that the one-dimensional pursuit of financial success does not make for a content person. More commonly over the past decade or so, work and life have become viewed as inseparable. The compartmentalization of the past is no longer acceptable to business people. Workers are more self-focused. The corporate employer will no longer look after them for the long term, so the individual takes on that responsibility. The "free agent" mentality of employees, lack of allegiance from company to employee, the independence afforded by the internet, and the ongoing growth of entrepreneurship have allowed workers to carve out a means to seek a work and life balance.

Stevenson (and co-author Laura Nash) state in the preface to *Just Enough* that, "You cannot separate individual success from the success of the organizations in which we are embedded: family, work, community, and the world. Our goal is to enhance your ability to handle legitimate performance difficulties in today's business environment and to help you to understand how this skill depends on deeper commitments to an authentic view of success."[45] Thus, work and life are truly intertwined; the "whole person" sits at his cubicle or her corner office every day.

Each person needs ongoing, achievable success in multiple forms. Nash and Stevenson define four important outcomes in order to generate what they refer to as "enduring success:" achievement, happiness, significance and legacy. First, achievement means striving toward the extraordinary in some form. This is an ideal of excellence, an innovation, a personal stretch, an expanded capacity beyond that of your competitors without the frustration at partial victory. Second, happiness is experiencing pleasure or contentment in and about your life. Third, significance is giving value to others, contributing something valued by society and the people you care about. Fourth, legacy is the sustained impact that will build other people's success. This is not a flash in the pan achievement, but having an impact beyond your present influence on the lives of others.

Within this framework of the four factors of success, Nash and Stevenson propose a concept of a "kaleidoscope strategy" to address goals in each of the four categories without shortchanging other goals. This is a method for allowing individuals and business to "switch" and "link" between the goals. Nash and Stevenson argue that enduring successes are people who are actively engaged in hitting moving targets and yet do it in such a way that they create a set of coherent set of satisfactions for themselves and for others. The outcome is that, "When you achieve these goals, success feels satisfying and worthwhile: Just enough."[46]

Nash and Stevenson stress two major themes in *Just Enough*. First, they "caution against the assumptions of celebrity and thinking that what you expect from success can be gained by putting your all into the One Right Target."[47] While bookstore shelves are replete with titles that highlight the power of focus, Nash warns that this type of approach is likely to create an imbalanced life and an unstable basis for financial performance over the long term.[48] Second, the co-authors argue "that everyone needs to construct a success framework."[49] Those who do not think through their priorities and how to manage them are likely to be subsumed by society's stilted notions of success. They become slaves to the demands of short-term shareholders or to expectations of over-consumption in one's personal life.

A significant point raised in *Just Enough* is that lofty goals are great for motivational purposes, but may be debilitating in the long-term if they are not considered in light of the total picture of success. Setting your sights unrealistically high may lead to severe disappointment. The enthusiastically-uttered aphorism that "what the mind can believe, the mind can achieve" sounds quite nice when cannonading from the front of an auditorium to an adoring audience, but it is a tad impractical the next morning. As a result, "It's important to bring your goals down to the admired but possible reality."[50] An important tool is the self-definition of success, according to one's individual commitments, rather than as defined by external norms.

In terms of practical applications, Nash states that the book can be used on a personal and organizational level. First, *Just Enough* has a "fractal" value. There is the "private application" of the book whereby an individual can use the tools for their personal life management. An individual, depending upon his or her role within an organization, will have differing degrees of control as to how to implement the concepts in *Just Enough*. An entrepreneur in charge of a small, high-growth company could structure his or her lifestyle around a suitable balance. On the other hand, a mid-level manager might be fighting against the culture of his or her department or organization in order to achieve a balanced life. Solutions will have to be explored in the domain of life outside work—or the job must be changed. In either scenario, the individual takes the initiative to create a work and life equilibrium.

A second aspect is the "systematic application" of the tools in the book to be applied on an organizational level. This would mean creating a work environment in which the multiple dimensions of a person's being would be recognized. An adaptation of this approach from an organizational perspective can be useful, because an imbalanced leader will likely have similar expectations of his or her executive team. Nash mentioned that, "if you are an uberachiever who puts your own interests first, last and always and you are leading a company, you will sap other people's ability to develop beyond a supporting role-- if you don't burn them out first."[51] This is "not a sustainable model."[52] Perhaps not all executives want to sacrifice everything for a company they have not founded nor in which they have the same ownership stake and for which their entire ego is on the line.

Overall, Stevenson emphasizes that success should not be achieved through personal aggrandizement. We live in community. An orientation to the needs of other will serve entrepreneurs best in the long-term:

> I think anybody who thinks it's all about me by studying economics has got it wrong. And I think almost all people who are successful have an understanding that it's about more than them. That includes an ethical approach to other people. It also includes a notion that we are all servants to other people in terms that we will only succeed when we meet other people's needs. It's also the relationship to our employees. In short, I believe we must teach that entrepreneurship is not just an economic transaction with the purpose of making money. We need to teach that it's not all about you.[53]

<u>Stevenson's Key Points</u>

8.1 – The six dimensions of entrepreneurial management include: strategic orientation, commitment to opportunity, commitment of resources, control of resources, management structure and compensation and reward policy.

8.2 – An ethical approach to the six dimensions of business practice is a critical success factor for entrepreneurial management.

8.3 – Success is not about maximization, but about balancing your work and life; this can be managed through an approach of "just enough," which will create enduring success.

ENDNOTES

[1] See Jeffrey L. Cruikshank.
[2] Arthur Rock Center for Entrepreneurship, Harvard Business School.
[3] "Entrepreneurship Program at Harvard Business School Wins Top Award." News Release (January 22, 2004) www.hbs.edu.
[4] Stevenson Interview.
[5] Arthur Rock Center for Entrepreneurship, Harvard Business School.
[6] Stevenson Interview.
[7] Ibid.
[8] Ibid.
[9] Ibid.
[10] Ibid.
[11] This is the second tenet of Stevenson's approach to teaching entrepreneurship.
[12] Stevenson Interview.
[13] Ibid.
[14] Ibid.
[15] Ibid.
[16] Ibid.
[17] Ibid.
[18] Ibid.
[19] Ibid.
[20] Ibid.
[21] Stevenson, New Business Ventures and the Entrepreneur, 5.
[22] Ibid., 5.
[23] Ibid., 5-6.
[24] Ibid., 6.
[25] Stevenson Interview.
[26] Stevenson, New Business Ventures and the Entrepreneur, 6.
[27] Ibid., 6.
[28] Ibid., 7.
[29] Ibid., 9.
[30] Ibid., 10.
[31] Ibid., 13.
[32] Ibid., 15.
[33] This is the third tenet of Stevenson's approach to teaching entrepreneurship.
[34] Stevenson Interview.
[35] Ibid.
[36] Ibid.
[37] Ibid.
[38] Ibid.
[39] Ibid.
[40] Ibid.
[41] Ibid.
[42] Ibid.
[43] Ibid.

[44] "Preserving Entrepreneurship as Companies Grow." (with Jose Carlos Jarrillo-Mossi), Journal of Business Strategy.
[45] Nash & Stevenson, Just Enough, p. xii.
[46] Ibid., p. xviii.
[47] Ibid., 277.
[48] Nash Interview.
[49] Nash & Stevenson, Just Enough, 278.
[50] Ibid., 209.
[51] Nash Interview.
[52] Ibid.
[53] Stevenson Interview.