

Where are the entrepreneurs?



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IN THE PAST YEAR, WISCONSIN HOSTED THE Wisconsin Entrepreneur's Conference, the Wisconsin Life Science and Venture Conference, the fourth Wisconsin Economic Summit, the Evolving Healthcare Technology Conference, and the Governor's Conference on Economic Development.

These events were attended by people representing the now familiar government agencies, community development organizations, schools and universities, law firms, accounting firms, investment bankers, venture capitalists, journalists and a host of consultants who play a support role in our economy.

I think it is noteworthy that there were very few entrepreneurs at any of these events.

So, where are the entrepreneurs?

It might be that entrepreneurs are almost extinct in Wisconsin. They have either died off or been driven away by taxes and regulation. I don't believe that, although it seems so from all the blame that is being heaped on government and education these days.

I think it is time we stopped blaming those who aren't responsible for the problem — our public institutions don't lead our economy, they follow it.

Our culture in Wisconsin may be more at the heart of the problem. We may be dealing with the long-term effects of an overprotective social climate that discourages risk-taking.

When our young people grow up with the persistent influence of overweening parents and media obsessed with finding fault, is it surprising that we produce so few entrepreneurs? The lesson is clear: You cannot be too careful because no mistake goes unpunished.

We may have encouraged all our young people to pursue secure jobs that support conventional families and avoid risks associated with running their own business.

We may also have socialized our most talented and ambitious young people into careers that focus them on serving others rather than creating wealth. Our economy may be overgrown with highly talented professionals with outstanding careers in law, accounting, finance, education and government. These jobs involve a person in business without requiring a commitment to it, and therefore they promote a passive rather than an active role in the economy.

A recent study by the California-based Milken Institute shows that Wisconsin has more economic development offices and business incubators per capita than almost every other state, including California. By my calculations, we have a ratio of business-support people to entrepreneurs of about 100 to 1. When I include educators the ratio exceeds 1000 to 1. All these helpers with no one to help!

The interesting thing about entrepreneurs is that they are hard to help — they prefer

to go it alone. Such people are undaunted by the knowledge that the system is stacked against them.

Entrepreneurs don't fear failure because they don't see it as an option. They enjoy solving problems as an outlet for their imagination and creativity. They like living on the edge where stress is high.

They know that business is a rapidly moving river of change, and they love it.

While others are seeking help, entrepreneurs dive in and see what happens. As the late Harry Quadracci used to say, "You have to be in the rapids to run the rapids."

If we need more entrepreneurs in Wisconsin, maybe we should stop looking for them in the usual places. While some of our future business leaders will no doubt come from well-ordered suburban, predominantly white communities, it seems more likely that most of Wisconsin's future entrepreneurs will

come from those communities that missed out on the prosperity of the late 20th century.

They may come instead from low-income urban and rural communities where life is hard and prospects for the future are not good. We may find the best entrepreneurs in our underprivileged and immigrant communities. Our future business leaders may be a diverse group of African-Americans, Asians, Eastern Europeans and other immigrants from the Middle East, Pakistan and India.

Talented people of color may well provide the needed entrepreneurial push for our sagging economy. In this sense the inner city in Wisconsin may not be our biggest problem, but our best hope. ▣

John Brynes founded Mason Wells, a leading Milwaukee-based private equity investor in growth-oriented middle-market companies.

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