

THE NEXT CENTURY: THE "ENTREPRENEURIAL AGE"

Historically corporate "Titans," like Rockefeller, Mellon, Frick, Ford, and more recently, Gates have been the superheroes of American Business. According to a survey commissioned and designed by Ernst & Young and in collaboration with Roper Starch Worldwide, "entrepreneurialism will emerge as the defining trend in the business world in the twenty-first century." Interpreting the study, Ernst & Young's National Director of Entrepreneurial Services, Gregory K. Erickson, claims that "the twenty-first century may very well be known as the 'Entrepreneurial Age,' in much the same way as the Industrial Age is associated with the Nineteenth Century and the Corporate Age with the Twentieth Century."

The survey polled "Influential Americans," who had participated in three or more items from a list of political and social activities developed for the survey. Entrepreneurs were defined as people who "start or grow their own business."

- 79% of those surveyed believed that entrepreneurialism will be the "defining trend of the business world in the next century."
- 78% believed that most Americans will "engage in entrepreneurial activities at some point in their lives" during the coming century.
- 76% see entrepreneurialism increasing throughout the world, even in non-industrial countries in Africa and the Middle East.
- 90% believe that entrepreneurs will be important to the next generation.
- 93% agree that they will be crucial to the U.S. economy.
- 89% foresee them being important to the global economy.

The Modern Hero

The survey revealed the entrepreneurs are widely admired. The top ten characteristics of entrepreneurs were defined in order of importance as:

1. Recognizes and takes advantage of opportunities.
2. Resourceful
3. Creative
4. Independent thinker
5. Hard worker
6. Optimistic
7. Innovator
8. Risk-taker
9. Visionary
10. Leader

The Leading Economic Driver

When asked to rank the contributors to the recent success of the U. S. economy the respondents cited:

1. Entrepreneurs---86%
2. Corporate America---78%
3. Government---57%

70% of the respondents viewed entrepreneurs as being more responsive to change in today's fast-paced global economy than large corporations. As a result 53% predicted a decline in Corporate America's impact on the economy.

Driving the growth of entrepreneurialism are:

1. Technology---98%
2. Economic conditions (i.e. low inflation and a bull market)---88%
3. Social conditions (such as two income families)---85%
4. A global economy---79%
5. Government deregulation---70%
6. The inability of large companies to innovate---68%

The Impact of the Entrepreneurial Age

Predicting what the "Entrepreneurial Age" will be like, the respondents identified:

1. More competitive work environment---73%
2. Decline of union influence---68%
3. More strategic alliances (minority participations and joint ventures)---63%
4. Minimal government intervention/regulation---60%
5. Higher pay/compensation---53%
6. Greater emphasis on personal fulfillment---90%
7. Major shift in value placed on "career" and "job security"---86%

Where are all these opportunities going to come from? The respondents were asked to pick one. Their choices were:

1. Technology or the Internet---53%
2. Medicine (medical technology, biotechnology, pharmaceuticals)---15%
3. Food service and hospitality---12%
4. Information services/management---11%

---Diana L. Schaney, CPA

Editor's Note---Diana is the Partner in Charge of the Firm's newest office in Erie. She was the Managing Partner of its predecessor firm, the Pashke Group. She is a provider of services to many entrepreneurial businesses. Diana is indebted to the January/February, 1999 issue of Corporate Controller, published by Warren, Gorham & Lamont for a synopsis of the results of the Ernst & Young study.