

THE ENTREPRENEURS MANIFESTO



EMPOWERING
THE NEW WAVE

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AN INTRODUCTION

The Entrepreneurs Manifesto is a public declaration aimed at supporting the UK's 4.4 million small business owners and entrepreneurs.

Authored by Doug Richard, the high profile entrepreneur and former TV 'Dragon', the manifesto calls for a new deal for entrepreneurs as a "recession buster" solution for the UK.

The document consists of two sections:

THE ENTREPRENEURS MANIFESTO

A statement of principles highlighting the challenges that the UK must overcome to truly harness the potential of its entrepreneurs.

THE DECLARATION OF RIGHTS

A series of practical recommendations for the current and incoming Government to clear the path for an explosion in entrepreneurial activity.



THE ENTREPRENEURS MANIFESTO

And what it held
stood ready to be loosed
with all the power that being changed can give.

PHILIP LARKIN

A spectre is haunting the United Kingdom – the spectre of Capitalism.

As a nation we fear that nothing has changed; that greedy bankers will continue to be rewarded for their failure, that amoral corporations will continue to put profits in front of people and the environment, and that the State, however bloated and costly, is not only unable to control the beast but must compete with other nations to be its servant at an unbearable cost to itself.

We have banks so large that they dwarf the very governments whose guarantees they rely upon for our trust. We have become hostage creditors to their uncoupled risk taking. And worse, as nations we are reduced to acting like market stall vendors shouting our best price louder than the adjoining shopkeeper hoping they will purchase just one more night. They are not just too big to fail. They are too big to even let leave.

The largest corporations pit our tax systems against each other. Their capital alights like a wind born leaf ready to whisp away on the slightest breeze of taxation. In the failure of a global commons their profits shoulder a fraction of the costs of the infrastructure and shared society whose foundations support them.

The environment has no voice, the consumer has no collective; thus the largest corporations are neither charged for their cost to the world nor rewarded for building products that endure.

Yet our State continues to grow. It has devoured every pound of taxation and growls for more. Our civil servants earn uncivil wages. When the economy grew, it outgrew the economy. Despite a decade that has seen more than a 40% increase in welfare spending (i), our rates of poverty and joblessness have continued to climb. One in four UK citizens live in poverty; nearly three million children do (ii). Over the last ten years our index of production has fallen more than 10%. In the last two years our index of services has fallen over 5% as well (iii). Our national debt is now 60% of our GDP (iv). We are demonstrably poorer as a nation. The system does not work.

In their fear, and amplified by their impotence, our politicians rail against the excesses of the global financial system, the greed of the corporations and the system that drives it: capitalism.



Their fear reflects the real power of capitalism. It is the acknowledged force that respects no nation's boundaries and no politicians' calls for fairness.

But the current economic downturn, precipitated by the credit crisis in the financial system is neither proof of the failure of capitalism nor an endorsement of the profligate spendthrift ineffectiveness of our government.

It marks the first recession in a globally connected economy and the speed by which local folly is amplified into a global crisis. It demonstrates the short sightedness of permitting investment banks to co habit with retail banks thus coupling the low risk savings and loans business that underpin our citizens to the high risk and volatile business of financial inventions and speculation. And it is a vivid demonstration that much of what we call financial services adds little or no economic value to the nation.

UNLEASHING THE WEALTH CREATORS

But, the wealth of this nation, and of every nation rests on the shoulders of entrepreneurial activity. The innovators who open new markets, create new products, deliver new services and change the processes of business itself; by the very act of creation, destroy less efficient industries, create greater productivity and as a direct result create all new wealth.

The State is not our society. It is the largest servant of our society and to the degree it intends to deliver greater benefits and services to all of its citizen's in equal measure the greater its moral obligation to ensure that it harnesses the power of the entrepreneur to constantly improve the delivery of its services. The size of the State, itself, is not the enemy. Thus focusing on its size will not lead us to a solution. "Societies that try to reap the gain of creative destruction without the pain find themselves enduring the pain but not the gain." (v)

The tax receipts that flow from the entrepreneurs' efforts pay for all the services we receive. Yet the services we receive are not beneficiaries of that gale of creative destruction. The State, often operates from the flawed assumption that if it's the State's obligation to ensure we are safe, healthy and educated, then only the State can deliver a fair service. That notion of fairness is the fairness of the least: that no one can benefit more than the least the state can deliver. Thus, everyone gets the least, we cannot improve until we can improve everyone and we end up improving no one.

But to the smallest degree that the State aspires to deliver more than it can afford; it has no choice at all: it must recuse itself from the monolithic delivery of all services and create playing fields upon which entrepreneurs can be unleashed. Harness the collective creative self interest of our entrepreneurial output for the benefit of meeting our social objectives and we can ensure that they will improve at the fastest possible pace. We will see a flowering of ideas, a manifold unfolding of new approaches and a gale of creative destruction that sweeps the Kafkaesque bureaucracy and sclerosis from the implementation of government.

Beyond the state, the promise for the United Kingdom is to lead the world, not follow. To create the economic freedoms necessary to nurture innovation and entrepreneurialism and to realise that entrepreneurs, like teachers and doctors are key contributors to the healthiest societies. That is the promise of entrepreneurship. That is the opportunity for the United Kingdom. We stand at a crossroads. The United Kingdom has the potential to remain a central economic and political power amongst the world's nations or it can sink slowly beneath the weight of its problems and the impotency of its remedies.



THE ENTREPRENEURS DECLARATION **OF** RIGHTS

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e are a nation that has everything it needs to enter the 21st century on a wave of growth and prosperity. But to do so we must harness the only force for growth, for prosperity and for fairness and social justice that exists: the entrepreneurial culture.

This is not about capital. This is not about the few getting rich at the expense of the many. This is not about the preservation of privilege. If anything it is the key to the opposite: the creation of ladders of social mobility, and increasing of the wealth of the nation so we can afford the services we believe are the rights of our citizens: to be healthy, to be educated, to be safe and to remain free.

But harnessing entrepreneurialism first means understanding it: an entrepreneur takes on the risk of innovating in the expectation of being rewarded for success. Reducing the incentives of being rewarded, increasing the obstacles to create new enterprises, limiting the shape and type of entrepreneurial activity and not investing in the key infrastructure upon which the next wave of innovation will depend, all combine to emasculate our nascent entrepreneurs.

Thus we call for our government to change its priorities.

We must increase economic freedom for new businesses and small businesses and all businesses that take new business risk. We must cut the time it takes to start a new business. We must radically streamline the effort of complying with government regulation and exempt the smallest businesses from many of the regulations entirely.

We must sweep clean the entire government funded industry of business support and leave behind solely an institution whose remit is to expedite and simplify the effort of small business to manage the burden that government places upon it.

We must free up the savings of our families, friends and communities so that they may give, invest or lend their own small capital into the nascent businesses of their children, their friends and their communities with credits and exemptions that radically encourage the activity.

We must stop paying people to be un employed and begin to share the cost of them being taught to be employed. Apprenticeship is not solely for the trades; it is for any job in any company. We face a lost generation of students and young graduates with no hope for jobs whilst employers have no means to underwrite the period they need to make those students into productive employees.



We must recognize that the largest customer in the UK is the government itself. The government must adopt a requirement that a specific percentage of all of its procurement will be through small and medium businesses. It must place the responsibility for compliance with industry and at no cost to itself drive revenue to our entrepreneurs and open the doors of government to innovation.

We must broaden the scope for social entrepreneurs by creating new legal frameworks that explicitly encourage a broad range of social businesses from co ownership models such as John Lewis to for profit businesses that seek to achieve a social bottom line as well as a traditional profit.

Finally, we must recognize the centrality of connectedness in the competition amongst nations. The United Kingdom must wire itself and do so urgently. Just as our roads and trains are a public service and a natural monopoly; so too is true broadband. True broadband is not 1MBof information trickling down to some of our homes. It is 100Mb to every doorstep in this country. It is the key infrastructure that will kindle a wave of creative destruction and increased wealth that will match the industrial revolution. It will reduce the stress on our crowded transport systems, it will re vitalize neglected sections of our nation, it will place the key tools in place to amplify and distribute scarce resources in education and health care. And it is achievable now.

Finally, we must understand that we do not understand. People are not empowered to step out on their own, take risk, hope for reward, and move on from failure. The corrosive impact of an overprotective State is not merely the loss of our sense of responsibility to a civil society; it is the even more profound loss of our sense of capacity to change society, to have an impact, to be, in short, an entrepreneur.

Entrepreneurship can be taught and must be learned.

SOURCES

- i Centre for Social Justice report “Dynamic Benefits: Towards Welfare That Works”
- ii Households Below Average Income (HBAI) survey for 2007/08
- iii Office of National Statistics – Index of Production & Index of Services charts
- iv Office National Statistics – November 2009, UK public sector net debt was £829.7 billion (59.2% of National GDP)
- v Joseph Schumpeter, economist



ABOUT DOUG RICHARD

Doug Richard is a successful entrepreneur with 20 years' experience in the development and leadership of technology and software ventures, Doug featured in the first two TV series of Dragon's Den. He is the Founder and Vice Chairman of the Cambridge Angels and Chairman of the Conservative Party Small Business Task Force.

Between 1996 and 2000 Doug was President and CEO of Micrografx, a US publicly quoted software company. Prior to that he also founded and subsequently sold two other companies: Visual Software and ITAL Computers.

Doug holds a BA in Psychology from University of California at Berkeley and a Juris Doctor at the school of Law, University of California at Los Angeles. In 2006 Doug was an Honorary Recipient of The Queen's Award for Enterprise Promotion. In 2007, Doug became a fellow of the RSA. In 2009 he received an honorary Doctorate from the University of Essex for his contributions to the teaching of Entrepreneurship.

Doug has always been a champion for startups and small businesses. Even before founding School for Startups he actively mentored, coached and supported many entrepreneurs. In 2008, after teaching a one day class in entrepreneurship, Doug decided to found an enterprise dedicated to helping people start better, more profitable, businesses. Since 2008 he has taught thousands in face to face and on-line classes across the UK.

His wry, candid, practical and ultimately upbeat courses in how to start a business quickly, with a minimum of outside investment and how to market and grow a business efficiently make him a sought after speaker.

As Doug says, "Entrepreneurship can be taught and must be learned."