

**Team Work in the 10<sup>th</sup> Millennium B.C.:**  
**Entrepreneurship as a Force for City Building and Development**

*Introduction*

How do Cities form and what drives their development? Today, more economists are beginning to ask that question because they recognize that there is merit in Jane Jacobs' assertion that 'all economic development comes from towns, cities and villages.' Well, maybe not all but a lot does.

Think about that for a minute. What is so special about cities, towns and villages?

Well, it's by proximate cohabitation that we learn about each others strengths and weaknesses and learn to share and divide tasks according to individual skill sets.





Many people have the view: "More pie for you means less for me."

The folks fighting a couple of years ago on Canada's East Coast at Burnt Church over lobster quotas clearly believe this old economy saw and, maybe they are right.

But it is possible that they aren't.

Economic growth derives from a multiplying of options, from specialization, from comparative advantage, from the development of standards and, in the new economy, from network effects, disintermediation and scalability.

Now let us go back in time to the land of Ugh, Nnn and Zll.

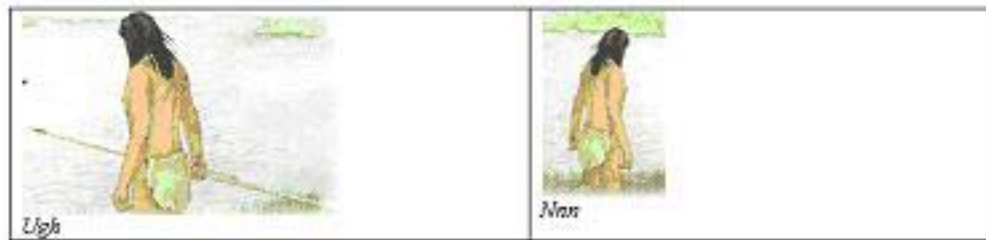
Before Village Formation	After Village Formation
<p>Ugh produced</p> 	
<p>Nnn produced</p> 	

*The Local Economy of Ugh and Nnn*

In the land before time, the family of Ugh lived by themselves in the savannas. Ugh was an expert antelope hunter providing his family with four antelopes a month. His carving skills, however, were poor, producing only one set of flint knives per month. A mile

away, the family of Nnn is hungrier- Nnn is a good flint knife producer, producing three sets of flint knives per month but only bagging one antelope.

The families of Ugh and Nnn decide to co-locate to form a village, at first, for the protection of both. By co-locating and forming the first primitive village, they also open up the possibility of observing each other and cooperating and trading between the families.



*Ugh Carrying Spear, Nnn Looking for Flint Material*

The result is that after a few months, they decide that Nnn will concentrate on producing flint knives and Ugh will focus on hunting. The GDP of the two families before the co-location is five antelopes and four sets of flint knives. After co-location and specialization, the GDP has increased to seven antelopes and six sets of flint knives each month. This represents a phenomenal increase in the well being of the two families. So much so that this first village is producing goods surplus (profits again) to their needs. This sets up the possibility of trading with a third family, the family of Zll, who are expert in producing textiles (animal skins) resulting in a further substantial increase in value for the emerging regional economy.

This simple example demonstrates why the 'more pie for me' doesn't necessarily mean less for you. You will note too that this primitive economy works because information about Ugh's hunting prowess is flowing from Ugh to Nnn and information about Nnn's skill with flint knives is flowing from Nnn to Ugh. What this means is that it is the beginning of an information economy and it shows how improved communications even in the 10th Millennium BC causes economic growth through the multiplication of options and opportunities. After all, it was after 1994's introduction of the Mosaic Browser turned the PC into a mass communications tool that productivity took off and the long promised payoff from huge investments in computers finally arrived.

But notice that this regional economy was created because certain decisions were taken, namely:

- a. Ugh and Nnn had to decide not to fight upon first acquaintance;
- b. They had to see there could be greater advantage in cooperating with each other instead;
- c. Then they decided to co-locate;
- d. The after months of observation, they had to agree to specialize;

- e. And, finally, once they were generating a surplus, they had to decide not to attack their neighbors (the Zlls) but *trade* with them instead.

All of these decisions didn't happen by themselves; these decisions were made by someone—a leader. So, one could say that it is leadership that created the opportunity to try new things and it was those new things that led to a huge increase in human welfare in this primitive community. Leadership does make a difference to results.

People need people like no other animal on the planet—we are uniquely codependent on each other. Skill sharing is the most fundamental reason for the improvement in the human condition. What we seem to be missing in many of our communities is the feeling of belonging to the 'tribe'; that feeling of belonging to 'Team Ottawa' or 'Team New York'. We get that feeling during times of great stress like the September 11th, 2001 bombings of the World Trade Center Towers.

I have given a lot of thought about how to engender more of this type of fellowship in our cities and towns. It is about more than just feeling good about yourself and your team. It's about improving living conditions and productivity too. Sports teams, festivals, artist colonies, the performing arts, entrepreneurs, researchers, all those people involved in creative pursuits seem to add to the feeling of belonging which leads to higher team spirits. People working in teams can create far more than the individual working alone.

*City-State Creativity + Productivity = FUNCTION (City-State Team Spirit)*

*City-State Team Spirit = FUNCTION (Bohemian Index)*

*Bohemian Index = FUNCTION (Festivals + Performing Arts + Universities + Entrepreneurs + Researchers + Artists + Sports Teams)*

For example, the Tulip Festival of Ottawa celebrated its 50th anniversary in 2002 by creating five-foot high tulips (partly in answer to the wildly popular Toronto Moose). Cities and towns all over vie to have the biggest something-or-other: hockey stick or whatever.

Some towns have big slogans like Biggar, Alberta: "*New York is big, but this is Biggar.*" (Just a little bit better than Ottawa's former \$200,000 slogan: "*Technically Beautiful*", don't you think?)

It wasn't that long ago that City Councils understood that putting in public infrastructure and building up the inventory of public goods was the key part of their mandate. Now City Governments seem to be about building bureaucratic fiefdoms rather than performing their fundamental duties.

A public good, like a bridge or health care or a Festival, creates more value for society the more it is used. Once a bridge is in place or a school erected or a health infrastructure is built, the marginal cost for the next customer is small or zero. That is exactly why

some goods should be produced by the public sector—having a well-educated, healthy, mobile population are some of the most important factors in economic takeoff. (For those who wish to read more on this, please visit:

<http://www.dramatispersonae.org/KiwanisEntrepreneurshipAndSustainability.pdf>, see pp. 4 – 10.

I believe that the City of Ottawa has failed to understand its mission and is failing its residents as a result. Cut the Festivals, cut the Arts, cut Social Programs and Health Care. Cut out support for Christie Lake Camp, sure, why not? It's easier to cut off Christie Lake Camp than fire under-employed bureaucrats in the City office—I mean they might actually take to the streets and cause a media storm. Those Christie Lake kids, aged 9, 10, 11 and 12 won't be in the streets embarrassing the Mayor and his Council, now will they?

(Note every kid who attends Christie Lake Camp has to be referred there by a Police Officer or Social Worker. It costs \$880 to send a kid to Camp for two weeks. The average parent or guardian contribution to that cost is \$33, that's right \$33. The rest has to be raised. Do you have any idea how much it costs to arrest, process, prosecute and imprison an adult? Hundreds of thousands of dollars. So let's get to troubled kids early—it's a lot less expensive and we are not throwing away our most valuable resource—our kids.)

People are always talking about limits but ideas aren't limited. They are for all intents and purposes infinite. Maybe it is the only thing that is infinite. There are no limits to human ingenuity. But you need a great team to make these ideas actually work for you.

### *The Role of Leadership and Leaders*

Ok, so we agree now that cities, towns and villages are important for national development—that they are the engines for growth. But we also need to understand that this doesn't happen automatically just by cramming people together; there is a catalyst at work here and that is called leadership as provided by *leaders*.

A catalyst, in terms of your high school chemistry lab experience, is an agent for change that when added to a process speeds up that reaction process while remaining unchanged at the end of the process. Hmm, that sounds suspiciously like what a leader does. He or she does not necessarily do any of the work but somehow they act on the process to make it work faster—to get results sooner...

I remember when we were campaigning to Bring Back the Senators and there was a great deal of speculation as to which *city* or *cities* would receive franchises. I used to marvel at the profound analyses of why City A would get a franchise and City B (read 'Ottawa'), would not. Which City had more population, which had the better sports writers, which had the most political clout ...?

The day before we won the franchise for Ottawa, the Citizen ran a headline "Dewey Wins". Just kidding. It was: "The Winners are ... Milwaukee and Seattle". Actually, folks it was Ottawa and Tampa.

The reason why Ottawa and Tampa ‘won’ is because the Board of Governors of the NHL gave the franchises to Bruce Firestone and Phil Esposito, two tireless campaigners. I realized early in the process that the NHL was a private club and to become a member only required the approval of its existing members. So our campaign was focused on visiting with the then 21 Governors of the NHL and its President.

Now how many people in our community are its leaders? My guess is that there are fewer than 500 real leaders in Ottawa and probably less than 300 that really make things happen here.

I would also guess that even in much larger places like Toronto and NYC, the number is greater but still less than a 1,000. One sees the same faces at these charity functions; the same faces on committees formed to solve civic issues...

It is my belief that in Ottawa it is time for the next generation to step up—the 25 to 35 year olds have to screw up their courage to start new ventures and to take their turn making the community a better place. Heaven knows that Ottawa needs leadership now.

Where are the next generation Terry Matthews (Newbridge), Irving Greenbergs (Minto), Mike Cowplands (Corel), Kris Singhal (Richcraft) Rod Brydens (SystemHouse, WorldHeart), Michael Potters (Cognos), Bill Mulholtras (Claridge), et al?

I believe that Ottawa is currently suffering a crisis of leadership. But there is more on this elsewhere in this paper.

Right now it is popular to criticize former Prime Minister Mr. Chrétien due to recent events surrounding a sponsorship program that went terribly wrong under his regime. But try to remember the situation facing Canada when Mr. Chrétien became PM—Canada faced a 42 billion dollar deficit and was perhaps just a few months away from a default on our national debt. Do you like today’s interest rates at historic lows? What do you think interest rates would have been if Canada had become an international pariah, forced to borrow from the IMF and, in effect, having its national debt fall to junk bond status? Well, have a look at the interest rate on your over-extended credit card and you’ll get some idea. It would not have been pretty.



*Don't Worry, Be Happy*

So how did Mr. Chrétien do it—go from a \$42 billion deficit to a surplus? Well, he came in and cut everything in sight, right? Well, actually, no he didn't. In the middle of the most profound financial crisis to ever hit this nation, he increased spending. He introduced the Infrastructure Program—a program to invest money in important infrastructure across Canada. I don't remember the actual figures but the program had a budget of one or two or three billion; a lot of money to you and me but not very much in a one trillion dollar national economy; maybe .3%. That would be like you earning \$100,000 per year and deciding to spend an additional \$300 that year. It wouldn't make much of a difference really.

And, in fact, the Infrastructure Program itself wasn't really much in terms of really getting the economy moving; no, it was Mr. Chrétien's "Don't worry, Be Happy" shtick\* that really made a difference. What Jean Chrétien really did was change the psychology of our people—he gave them renewed *confidence* to go out and do new things and for that, we should be grateful to Jean.

(\* This was Mr. Chrétien's less elegant way of conveying the same message as Franklin Delano Roosevelt's "*The only thing we have to fear is ... fear itself.*") This was FDR's key message that was very much responsible for taking the USA and the rest of the world out of the deepest Depression we have known in the Modern Era.)

So while the Infrastructure Program was probably window dressing; it was still critically important to ending the recession. \$5 million of the IP funds went into the Corel Centre, for example, Again, not very much in terms of a \$240 million budget—but it was psychologically important to the Banks that backed the new building: "Oh, if Canada thinks this is an important project and is willing to invest in it, then we should be too."

Banks like most industries and most people are inclined to exhibit herd behaviour (or put less charitably, sheep-like behaviour). They are very influenced by media coverage, popular opinion, 'expert' views and so forth. So if you want to get a country moving again, you need to influence the key gatekeepers of the Canadian economy—those who hold the purse strings (Banks) and those that start new enterprises (Entrepreneurs).

You know yourself if that you feel good about yourself and your prospects, you spend more and invest more than when you don't. So recessions and boom times are largely related to the psychological outlook of millions of people making millions of tiny decisions that, either way, lead to BIG changes in the rate of change in the rate of change of economic activity (i.e., accelerating it or decelerating it). So Mr. Chrétien was right—change the psychology of Canadians and he could (and did) change the outcome.

If you take out just three entrepreneurs from the history of Ottawa (the 'Butterfly Effect', if you will): Irving Greenberg, Mike Cowpland and Terry Matthews, how many people would not be working in Ottawa? A lot.

Individuals count, leadership matters, leaders are key.

## *Developing Leadership*

I teach Entrepreneurship at Carleton University's Sprott School of Business and I get asked all the time: "Can you teach people to be Entrepreneurs?"

I think this is similar to the question: "Can you teach Leadership?"

I am not 100% sure. Maybe.

I am pretty sure I can teach Entrepreneurs to be better Entrepreneurs. But I am not sure that I can teach non-Entrepreneurs to become Entrepreneurs. I suspect the same might be true for Leaders—you can probably teach Leaders who have some or all of the characteristics I describe below to be better leaders but I am not sure that you can teach people who do not have most of these characteristics to begin with to be Leaders.

We have developed a short quiz that predicts whether you could be a prospective entrepreneur. It's an online test posted on my Personal Web Site at:  
[http://www.dramatispersonae.org/ECQTest/ECQ\(ns\)TestAuto.htm](http://www.dramatispersonae.org/ECQTest/ECQ(ns)TestAuto.htm).

Take the test yourself. Don't game it. Just fill it in honestly and see how you score. The test is for you—to help you develop some self-knowledge.

It isn't 100% foolproof so if you don't score well, don't worry, it could be wrong about you. But the test has proven quite robust and for people who don't score well, they certainly tend to struggle more to become successful entrepreneurs than others who score from 75 to 85, say.

I scored 72 and I know that I am a not-bad entrepreneur but certainly not amongst the great ones in Ottawa. That's probably why I am teaching and coaching more these days rather than doing...

What are some of the sttributes of successful leaders? Well, here is my list:

- a. a bit vain,
- b. visionary,
- c. creative,
- d. proud,
- e. angry,
- f. impatient,
- g. driven,
- h. rebellious,
- i. good psychologists (they understand people),
- j. manipulative,
- k. emotional,
- l. risk taker,
- m. inspirational,

- n. charming,
- o. bully,
- p. changeable,
- q. moody,
- r. sensitive,
- s. funny.

Now look at this list. Is this someone you would like to spend a lot of time with? Probably not—leaders are exhausting people to be around for any extended period of time. But they can be inspiring to be around. I remember hanging around with Rick Bowness, Ottawa’s first coach upon its return to the NHL in 1992/93, when we were on a West Coast trip to play the LA Kings.

The first thing I notice about Rick was that he spent a lot of time around other people and was rarely alone and yet he was always alone. There was an invisible wall around him—made of respect for the person and the position. The second thing I noticed was that he made everyone around him feel better about themselves. This is the magic of a good coach—people like to be around them because they do something strange for you. It’s weird; it’s magical but also true.

Look again at the list. Did you notice that many of the characteristics of a leader (according to moi) are those we try to socialize out of our kids?

I think it quite amusing that when candidates are vying to become President of the US today, the media puts them through a scrutiny that requires them to be holy saints, when, frankly, we don’t want holy saints to be our leaders.

When we put people through this media sieve, we screen out the Captain Kirks of the world (that womanizing, cunning, manipulative, charming adventurer), we get instead the Dick Nixons, who haven’t had nearly as much success, say, with persons of the opposite sex.

I mean who would you rather have as President, that womanizing, non-inhaling, brilliant charmer, William Jefferson Clinton or Richard Milhouse Nixon?

I really enjoyed that episode of Star Trek when Captain Kirk was split into two people by the Transporter beam—a good guy Kirk and a bad guy Kirk. At one point, Dr. McCoy (I think it was ‘Bones’) said: “Why don’t we just kill the bad Kirk?” The logical first officer, the Vulcan Spock accurately replies that they can’t do that—it would effectively kill Jim Kirk as Captain.



### *Spock Understood the Captain*

The good Kirk sure is a nice guy but he is an indecisive, wishy-washy, new age water-fountain kind of guy. Not the kind of person you would put in charge of a starship with 100s of crew lives at stake.

Note that there is one caveat here and that is the 'Good Kirk' has to be able to control the 'Bad Kirk', otherwise you get the negative characteristics become dominant and that creates Tyrants and Dictators. It is difficult to say non-trivial things about Leadership because there is a lot of subtlety to the discussion. And like so many things about Leadership and Entrepreneurship, there are unavoidable internal inconsistencies in the philosophical discussion of these things.

I tell my students to prepare to learn the '25 Steps to Business Success' and then to prepare to become frustrated with the process because it requires the use of 'fuzzy logic' to make sense of it all.

There is an old saw in the military that any decision is better than no decision. A friend of mine who served in Vietnam told me that when the Americans first experienced jungle ambushes there, their inclination was to hunker down and see what's what. That got a lot of GIs killed. They later learned that it was almost always better to attack the ambushers.

A young Prince Charles, upon receiving his first command in the Royal Navy, was rumored to have used a simple numbering decision system—for the first few weeks or months on board during which time any new commanding officer is constantly being tested by his crew, Charles would answer every odd numbered question 'No' and every even numbered question 'Yes'. The crew came to have confidence in their new Skipper, who was a decisive chap, indeed. In most instances, Leaders and Entrepreneurs believe it is better to make any decision rather than no decision.

In sales, I teach my Entrepreneurialist Culture students that the three answers that they can get when they ask for a sale are:

- a. YES
- b. NO
- c. MAYBE.

And I tell them that 'Yes' is better than a 'No' but a 'No' is better than a 'Maybe'. If they hear that word 'Maybe', I tell them to tell the client that they will take that as a 'No' so that they won't waste their time and the client's time further. Trust me on this; either they will change their mind and say 'Yes' or they were never going to say 'Yes' anyway. People have a hard time saying 'No' so you say it for them. Smile, say goodbye and get on with the rest of your life.

You'll notice that not very many military personnel get elected these days to anything (see for example, Wesley Clark's pursuit of the Democratic nomination for President

circa 2004). Why is that? Well, why was Sir Winston Churchill such an effective war time leader and then unceremoniously thrown out by the British electorate in 1945? The fact is that good leaders are trained for emergency situations and they are often bad managers.

I believe that is also why entrepreneurs are good at starting things but after the Company or Organization gets to a certain size, they get bored and restless. That's why you so often see a change in Management and Ownership when a business grows to a certain size. The business has grown beyond the entrepreneur or the entrepreneur has lost interest or both.

Being a celebrity and being a leader has its pluses and minuses. As Owner of the Senators, I found it hard to buy my own drinks in a Pub or pay for a meal anywhere in Ottawa. That was nice. But there is another side to the intense media focus that comes with owning one of only 30 special businesses that mean so much to people.

I had one Leaf fan call me up and tell me that he was going to shoot me and any of my staff that stood in his way... all because we had banned mid-week Toronto broadcasts in our Franchise Territory. Incidentally, we had paid \$50 million USD for that right and privilege so we weren't about to let the Maple Leafs exploit our market without reciprocal rights in their market. (That is how we resolved things with the Canadiens—they could broadcast into our market provided we could broadcast into theirs.) This obviously favored the Montreal team in 1992/93 (the eventual Stanley Cup Champions) while the Sens were getting 24 points for the year (beating by 3, thank God, the worst ever record established by the Washington Capitals team of the early 1970s.)

Celebrities can get some very unwelcome attention from the media and from strange people like this deranged Toronto fan and it can cause untold worry—I found it was especially hard on my wife, my kids, my family and friends, more so than on me. And I didn't like that at all. More than anything, this drove me out of Pro Sports.

I am pretty sure that if Martha Stewart's last name was 'Smith' that she would not be on trial right now for what, at most, is an inappropriate, minor stock trade. However, I completely agree that huge frauds like Enron should be dealt with in the harshest manner possible because of the terrible devastation the actions of a handful of executives have caused for laid off employees, pension-less retirees and small shareholders, many of whom lost their life savings in this *Ponzi* scheme run by Enron.

I'll bet Martha spent less than two minutes on the phone with her junior stock trader, who told her to dump her shares in Imclone because he had heard that the President of Imclone was dumping his. I'll also bet that he never told Martha where he got that information from; that he was in possession of illegal information and that he she follows his advice she would become part of a conspiracy to defraud the public markets. Hmm, bet he never said that and for a woman then worth over \$400 million listening to a man she pays to study the markets for her, she probably never gave it another thought.

This is all speculation on my part but it brings out the point—celebrities and leaders get held to a higher standard than others. One also has to ask whether it had ever occurred to the ambitious prosecuting attorney that daily front page coverage and 24/7 media saturation might help his next campaign (rumored to be for the Governorship of the State of New York)?

### *Anti-Leadership*

Many people say that they are pursuing success but I actually think far people fear success. It is my experience that the biggest obstacle to success is staring you in the face very time you look in the mirror. In fact, I am sure of it.

You can see in loads of kids. Here's how it works:

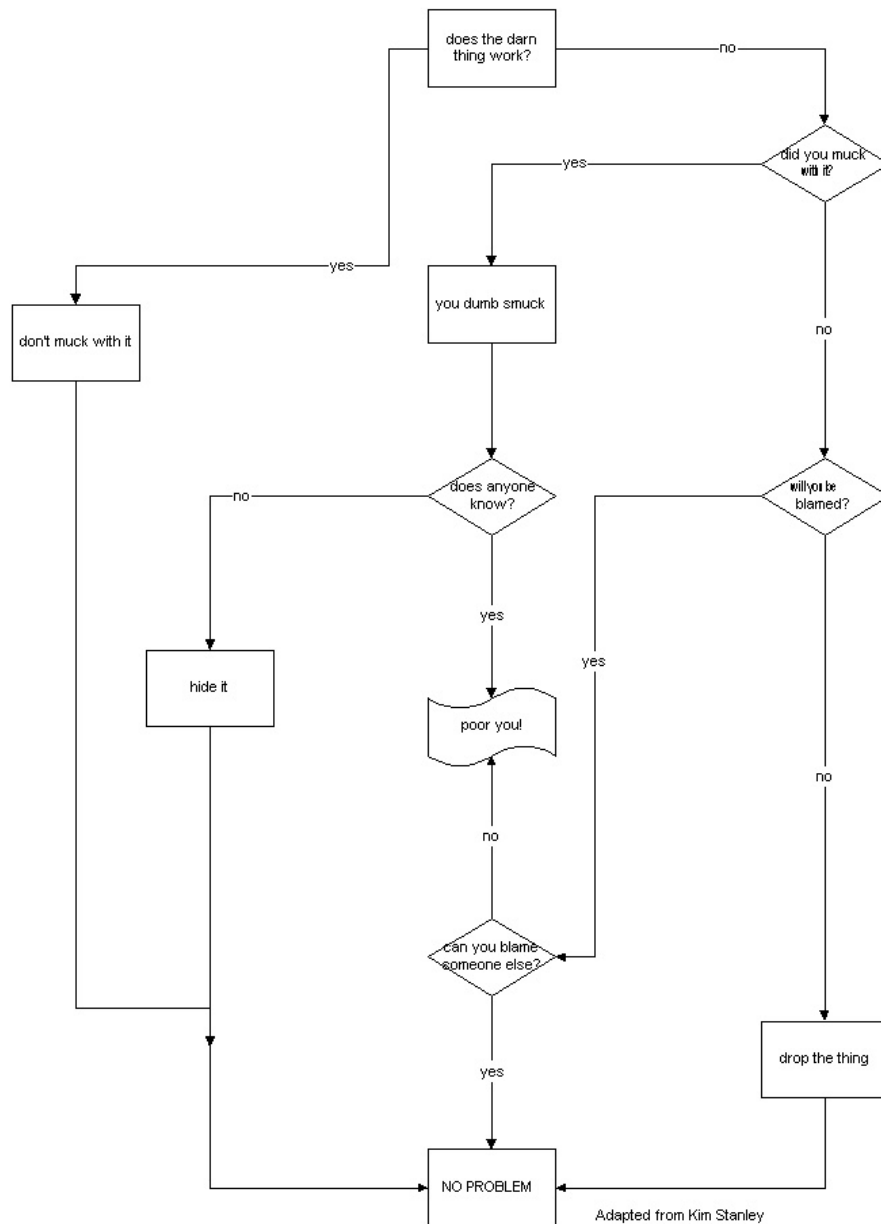
- A. "I won't try hard."
- B. "That'll show them."
- C. "If I don't try hard and I fail, well I can always say that I failed because I didn't try hard."
- D. "But if I had tried hard I could have succeeded."
- E. "I won't take any risks."
- F. "My ego is protected because I have a safe fall back position—i.e., I didn't really want to do it anyway."
- G. "no one can make fun of me even if I am a failure because I didn't want it anyway."

Did you notice how perfect the reasoning is, how circular it is?

Guess what? It isn't just kids that do this. By not really trying, they are protecting their egos but they are also guaranteeing that they will fail. Therefore, they are not really seeking success, they are seeking failure. I see this all the time—real leaders are willing to put themselves out there, work at it furiously and succeed at all costs, or fail for all to see. Now that takes guts.

Here is one of my favourite charts from an engineering perspective on responsibility avoidance (I cleaned up the language somewhat, sorry fellow engineers about that):

**Anti Leadership  
Flow Chart**



Adapted from Kim Stanley  
Robinson, *Antarctica*,  
Bantam Books, 1999.

One of my friends, Bill (not his real name) has a very successful tech business but he had one problem which I went to study—he had an incredibly high staff turnover. Now that is expensive—they had a full time HR person who spent all of his time recruiting techies to replace those that had left.

Now it turned out it wasn't a problem with their compensation plan (which was generous), nor was it a problem that the work wasn't interesting, it was.

The problem was at the leadership level. Bill is a terribly bright guy and has most of the characteristics of leadership I wrote above. But he is a true Libertarian, which means that he believes that it is enough that he pays people generously and they exchange their hard work for his money. Being nice to them, being concerned with their families, taking care not to offend them, not embarrassing them in front of their colleagues, all of these things are irrelevant to Bill.

My recommendations went something like this:

“Bill, I want you to be nicer to your employees.”

“Why should I, I pay them well enough, don’t I?”

“Well, I’ll tell you what. I want you to *fake* being nice to them. Go into their office and ask about their kids. Smile once in a while. And you’ll do it so that you make even *more* money—so you are being consistent with your own internal, personal philosophy. You’ll make more money because they will *want* to work even harder for you. You’ll save money because you won’t have to replace so many of them (a costly process) and you won’t lose so much time in product development when your key techies leave and you have to stop while you train-in new people.

And, you know what? After a few months, you might even get to like it.”

Staff turnover dropped like a stone and productivity soared. I am not sure he ever got to like it though.

*Challenge to LeadershipOttawa.org*

I almost forgot this part of my speech today—a challenge to LeadershipOttawa.org—it must be because I am writing it at 5 am the day before I give the speech. But I am a believer in doing stuff not just talking about doing stuff. There are enough talkers on the planet.

When I was three they started calling me ‘Citizen Bruce’ because even then I thought life might be about more than just helping yourself. Now don’t get me wrong, I am a strong believer in the fundamental moral principle behind Adam’s Smith ‘The Invisible Hand’ and, indeed, the underlying moral principal behind Libertarianism and capitalism—

*“That one’s first duty is take care of oneself and one’s family.”*

Now something I learned the hard way is that there are often two ways of saying the same thing—one that is politically correct and one that isn’t and the former is better than the latter because you don’t get roasted by the media. I learned from a tough successful litigator (Scott McLean) that this is the difference between the truth and the smart truth and one should always tell the smart truth.

So we could say:

*“Capitalism is all about getting as much as you can for yourself and your family.”*

Or we could say:

*“That one’s first duty to society is to not become a burden on it.”*

That is, take care of yourself and your family first so you do not become a burden on your fellow human.

Same thing (almost) but different media coverage.

So, when I met with LeadershipOttawa.org’s Founder, Kathryn Andrews-Clay, I challenged her to provide leadership, not just study it and teach it. And certainly our City needs leadership right now. To me, it is appalling that the City of Ottawa is proposing to cut funding for Festivals, the Arts and other worthwhile investments while we have a bloated bureaucracy that is eating a huge portion of the City’s budget. I think that the City’s current leadership from its Council is the weakest it has ever been, at least in my experience.

But that is a subject for another speech and as a teacher now I am wont to talk far too long. I simply have lost the ability to speak in 8-second sound bites. Just ask my kids.

No, today my challenge to LeadershipOttawa.org is simpler and more direct:

I think this organization should make a commitment to helping make Ottawa-Gatineau a better place to live and the group should adopt one of my personal goals that formed part of the campaign of an (unsuccessful) candidate for Mayor in 2000, namely:

**Preserving and Extending our Urban Forest**

Throughout history, cities and nations that denuded their lands of trees became impoverished. By contrast, villages, towns and cities that preserved and extended their urban forests enjoyed above-average economic levels of well-being and a better environment for their residents, children and visitors. The new Mayor of the new City of Ottawa should call for private grants, both corporate and individual, to fund a new initiative supported by City staff to add 1,009,000 new trees, one for each resident of the National Capital Region, to our urban forest before the year 2010.

Hey, LeadershipOttawa.org—become the *Johnny Appleseed* of Ottawa and put your organization on the map and make Ottawa-Gatineau a better place to live.

(To read more on this idea, please visit:

<http://www.dramatispersonae.org/Treescapes.htm>)

*Conclusion*

We have been entering the Ottawa DragonBoat Festival for the last four years and have had great fun doing it. This interest in DragonBoating grew out of our family's involvement with Red Pine Camp (RPC) over the last dozen years. RPC is a wonderfully special place that I believe helps develop the leaders of tomorrow. It has certainly helped our five kids become the kind of young adults that they are today.

Last year we had two boats racing—the *Misfits* (the successor to our original RPC boat) and an all-rookie boat, *Exploring the Wilderness*. The *Misfits* were capably led by Fred Carmosino and Anne Makhoul. Amazingly, the *Misfits* came first in the Challenge Cup with the 11<sup>th</sup> fastest overall time (out of 180 entries). This showed me that doing well in DragonBoat racing was not all about youthful strength but more about teamwork and timing and technique—even fit middle aged Red Piners can contribute to success.

I was looking after the other boat—the all-rookie boat. We had more paddlers than we needed and so in the first qualifying race (you get two races to qualify—only the top 60 boats advance from the Saturday heats to the Sunday finals). Well, I have been-there-done-it so I let the others take the boat out without moi.

As a sidebar, none of the boats we have ever entered have failed to qualify for the finals. Well, *Exploring the Wilderness* came in 135<sup>th</sup> and the crew came in off the water arguing with each, bickering actually.

After that, I sat everyone down on the ground in their positions in the boat and we did dry-land practicing for an hour. I tongue lashed them. I harangued them. I told them: “For smart people, don’t tell me that you can’t count to six, then sixteen and then three, f@3\*&%#!!???” These are the strokes they have to remember to get the boat started, ‘out of the water’ and planing. Without absolute precision and timing, these huge boats (there are 22 people in each boat and they weigh a lot—over 1,000 lbs. empty) wallow: it’s like plowing the water. You could have a boat full of paddlers as strong as *Hercules* but if they are out of sync, they will be beaten by the meekest group of stringy techies on the water.

Never, in two previous hour long practices on the water and in one race, had these guys *ever* got it right. They were hopeless.

When we got into the boat for our last qualifying race, I told everyone to be quiet, focus, and get in the zone. I had never coxed before but I was in the front of the boat to call this race and I have a BIG voice.

Well, they got the start exactly right and went from 135<sup>th</sup> to 52<sup>nd</sup> (by far the largest improvement of any boat on the day) and they qualified for the Sunday Finals. The only difference between the first and second race results was ... leadership. It makes a huge difference to real world results.

My wife, Dawn always raises her eyebrow at me when I tell stories like these; Mr. Big Shot. Sorry about that. This is a self-serving story no doubt about it. But the fact is that

leadership is an intangible but very real force. I noticed it from the time I was a little boy. When things got hot, everyone in the room looked at me for the answer.

As I get older, I like this less and less and now try to avoid those situations. But it does follow one around, possibly forever.

I asked Peter Patafie, a self-made millionaire who runs hugely successful Patafies Inc., a moving and packaging supplies business in Ottawa, to come speak in the Magic from a Hat Lecture series I run at Carleton with Professor John Callahan. Peter said that his priorities in life were:

1. His business.
2. His family.
3. Himself.

I could hear my class suck in their collective breath when he said this. Where's the balance in his life? Well, Peter wouldn't mind me saying, he is proud of it, in fact, that he grew up poor. He was the youngest ever employee of the Chateau Laurier Hotel—at age 12 he worked slop in their kitchens to support his family.

Peter asked: “What is the number 1 cause for the breakdown of marriages in NA?” “Is it that you fell out of love with each other?” “Is it that you found someone new?” No, it's money troubles. You think you know pressure, just wait until bill collectors are calling you, hounding you day and night for money on unpaid bills. See how long your marriage lasts.

So Peter said take care of your business first so you can take care of your family and yourself too.

If you want to be a Leader and you want to be an Entrepreneur, forget about balance.

John Kelly also gave a speech in the Magic series and he talked a lot about balance. John had a hand in creating Nabu, SystemHouse, JetForm and many other organizations. After hearing his speech and his talk about getting a balance in your life, I asked John how many hours a week he is working now? “Oh, I don't know, between 70 and 80 per week,” he answered. Some balance and John is not a young person anymore.

One of the things I do now is I give others the courage and confidence to start new things, to go out on their own and take some calculated risks. That is what good coaches do. So while I am not on the field throwing pitches, I can be in the dugout helping send in the plays (or whatever Baseball Managers do...)

But it is up to the Entrepreneurs and especially the next generation of Entrepreneurs to throw strikes.

Copyright. Dr. Bruce M. Firestone, Ottawa, Canada. February 2004.

[www.DramatisPersonae.org](http://www.DramatisPersonae.org)

[www.Exploriem.org](http://www.Exploriem.org)

*Appendix A—the Ottawa Senators Are (Re)Born*

It took a great team of unimaginably dedicated people to BRING BACK THE SENATORS.

The night before we won the franchise, one of the voters (i.e., a member of the Board of Governors) told me (at a NHL dinner thrown for the nine bidders) with his face just centimeters from mine: "You'll never, ever get a franchise for Ottawa."

I can remember Norm Green, then Owner of the Minnesota North Stars, coming over to my table and asking: "What's wrong." "Nothing," I said. "Well, get that smucky look off your face, kid, and get out there and hustle."

Good advice. Lydia Leeder, in Ottawa, on hearing that comment from her spouse, Cyril later that night said: "You can't stop now! It's just like the Canada/Russia series of 1972. Canadians never quit. Everyone is running to their radios every half hour for an update ... We're counting on you." Now that's pressure!

We did just that and in fact the last thing the Board of Governors saw before they shut the door to consider the matter the next day at 8:00 am was my nose and the faces of my whole team.

We never stopped.

At about noon that day, the pressure was enormous and frankly getting to me; so I went for a run along the beach (this was Palm Beach in December- actually December 6, 1990). I returned at about ten to one and saw some of my team members waving frantically to me. "What's up," I asked. "The NHL has asked all bidders to be in their suites at one for an announcement," said Connie Cochran. "What announcement?" "They didn't say."

Without a shower, I changed into a suit. At one, NHL security took us down to the basement of the Breakers Hotel, a huge antique of a hotel. Next to rotting garbage and standing under dripping pipes, I turned to my colleagues to say: "Fellows. This doesn't look too good. You have done everything that you could do. I am proud of you. If we have lost, we are going to thank the NHL for allowing us to join this process, we are going to congratulate the winners and then we're going to have a press conference to announce- 'we'll be back!'."

Then NHL security took us up to the meeting room. Marcel Aubut (of the Quebec Nordiques) gave Randy Sexton, a big hug: "Felicitation, mon ami," he said. We thought he was congratulating us on a good try!

When I went up to the front of the room and sat next to John Ziegler, I saw the words: "The NHL is proud to welcome, as conditional Members under the Plan of Sixth expansion, the cities of Ottawa ... and Tampa." It was a magic moment.

Winners never quit and quitters never win.

(Footnote: After collecting myself for a few minutes, I asked Mr. Ziegler what the final vote was and he told me with a nonchalant shrug: "*It was unanimous, 21 to 0.*" About six weeks later, I did call the Governor who had told us that we would never, ever get a franchise. He told me that his comment was part of a plan by a few Governors. They told each bidder the same thing; it was a character test designed to see how each bidder would react. Two of the bidders stormed out; they weren't successful. Only two bidders got up the next day to continue lobbying until the last possible second—Phil Esposito (leader of the Tampa group) and us.)

The Ottawa Senators formally returned to the National Hockey League on October 8, 1992 after a 58-year absence; it was another great day for Ottawa. I was at ice level at the old Ottawa Civic Centre when the team was introduced. The people in that arena applauded those players—they gave them a standing ovation—for six minutes. I realized that they weren't really applauding the players, they were applauding themselves. This City came of age that day—there was a feeling that 'we did it, we did it together'. It was that special feeling that only comes from being part of something greater than ourselves. Professional sports can do that. But surely, we can add more days like that. It is a challenge for you to take up. *Carpe diem.*

Let me leave you with a quote on the role of hope in human affairs, which frankly does not get enough attention. Human beings need to have hope to live.

*"Most of the important things in the world have been accomplished by people who have kept on trying when there seemed no hope at all,"* Dale Carnegie.

## *Appendix B—Development Economics and Entrepreneurship*

I met Walt Rostow when he visited Ottawa in the 1960s and enjoyed listening to the great man hold forth on his ideas about how to establish the preconditions for economic takeoff in Developing Nations. Walt Rostow's work of the 1950s and 1960s and recent work by Hernando De Soto and others (I have dared to add in a few suggestions) that what is needed for economic take-off in DCs today includes:



### **Preconditions for Economic Takeoff**

1. education
2. health
3. supply of and private ownership of housing (safe, affordable, privately owned)
4. clear title to housing and accurate addressing and surveying
5. tolerance of and legalization of cottage industries
6. tolerance of mixed use neighborhoods where people can work, live, shop, trade, play, entertain all in the same location
7. effective legal system, respect for the rule of law
8. moderate levels of taxation and avoidance of confiscatory levels of taxation
9. re-integration of black and gray markets (deeding of lands and title in squatter settlements )
10. active capital markets (borrowing circles and financial recycling of savings and investment, home mortgage availability)
11. culture of and support for entrepreneurship and innovation
12. wide spread Internet access and effective communications system
13. sound public infrastructure
14. extensive private ownership of economy
15. respect for human rights
16. protection of private property rights
17. good, honest and transparent government
18. social peace and harmony
19. strong civic institutions
20. civil defense
21. trust, courage, hope and faith

I added in point # 10 above—the need for a culture of and support for entrepreneurship and innovation. I have become convinced that this is an important ingredient to unlocking

development potential not only in DCs but first world countries as well. More on this later.

Respect for the law including contract law is an important pre-condition. Former President Bill Clinton, when asked to comment on why it was taking so long for the ‘new’ Russia to be fully accepted into the community of trading nations, he responded that this would have to wait until contract law was widely accepted as binding by the people and institutions of that country. People doing business in Russia in the 1990s needed to carry around briefcases full of USD currency—they couldn’t rely on Russian banks to ‘give’ back any money they deposited there.

It’s hard for an economy to takeoff without trust. I have learned as an entrepreneur that you can have rooms full of legal paper but if the other side has no respect for a contract, the legalese is generally pretty useless. Having to go to court to force someone to live up to their agreement is not only expensive and time consuming, it is soul destroying too.

### *Hope and Courage*

Another one of the pre-conditions for economic takeoff that I added above is the need for hope and courage in the population. It takes courage to start new ventures—one must have faith that things will somehow work out and hope for the future. I loved the line from the film *Shakespeare in Love* about how a play actually all seems to magically come together at the last minute and that how this happens is, well, “*It’s a mystery.*” The same is true of entrepreneurial activity—how any of these initiatives work out at all, gee, it is a mystery.

I know that most entrepreneurs who have started a successful business never would have started if they actually knew beforehand: a. how long it was going to take to become successful, b. how much money would have to be spent to get there, c. the risks they took to do it, d. how hard it was, e. how much work it was, and f. how often they were naysayed and criticized for it. To paraphrase rock singer Bob Seger, if you’re going to be a serial entrepreneur, sometimes you might say to yourself: “*I wish I didn’t know now, what I didn’t know then.*”

One day in the mid 1990s, I was walking around the Carleton University Campus in Ottawa, Canada and I ‘discovered’ a train tunnel running under Dow’s Lake, which is adjacent to the Campus. Curiosity got the better of me and I scrambled down the embankment. The foundation stone circa 1960 was impressive to read.

Later on, a few minutes of research uncovered an interesting story—Canadian National Railways had needed a new cross-Ottawa line and the only way that the then Chair of the National Capital Commission (NCC) would agree to it was if the CNR would bury it under the lake. The NCC apparently wanted to protect views in the National Capital Region. Now I realize this is kind of frivolous when compared with the enormous challenges that DCs are facing but I was struck by the courage it took on the

part of the NCC to take this position. This got me to thinking about an earlier trip to Calgary, Alberta and the foothills of the Rocky Mountains.

If you have ever looked at the Rockies from the eastern side and thought about the idea of running a rail line over those mountains as Van Horne did beginning in January 1882 and completing the crossing just three years later in 1885... what courage these people had.

*William Van Horne, 1843-1915*



While it is true that Government concessions helped Van Horne, it was heroic efforts on his part that made this possible:

“Van Horne worked himself harder than his crews, arranging steamship service to distribute materials and supplies, seeing to the opening of stone quarries and three dynamite factories, which supported the building of the transcontinental. ... He managed to continue the building of the railway when there was *no money left for payment* (my italics). He himself went without pay for months. Directors used their personal fortunes, businessmen advanced credit and supplies and construction forces went without pay,” North America Railway Hall of Fame.

Courage, hope and leadership. These are preconditions needed for entrepreneurial success. Van Horne had them in abundance. Do you know the story of how King Clancy got the original MLG (Maple Leaf Gardens) built in the Great Depression of the 1930s? He had no money. But he had vision and guts. He offered out of work ironworkers and other skilled trades people ‘scrip’. If the building was successful, Clancy would redeem their scrip for cash but only after the building was open and producing cash.



*Maple Leaf Gardens built by a 'King'*

Well thousands of construction workers bought in to the King's dream and the result was a fine new home for the Toronto Maple Leafs and a building that earned the nickname, the 'Carlton Street Cashbox'. All of the scrip was redeemed btw.

There *are* the things that governments can do as well as or even better than the private sector. They may not be as good as the private sector at the *doing* of a thing but they can provide the right conditions or environment for it to be accomplished. To my mind, this is the true mission of government—providing for the right conditions to allow the private sector to achieve desired social, economic and environmental goals.

#### *Micro Entrepreneurship and Development Economics*

I read an interesting article in the Globe and Mail (by Luke Harding of the Guardian News Service, February 10, 2003) about micro entrepreneurship in Kalandhai, India.

There, slum dwellers erected two latrines—one for men and one for women and a third for children only. Charging just one cent per use, they built a profitable business using just \$900 USD in capital advanced to them by UK based WaterAid.



#### *We Can Do Better Than This*

Who would have thought that you could make a successful business out of a latrine but this is apparently what the women of this village did. I was intrigued so I sat down and did a spreadsheet on it this morning and here is what I conjectured:

Sanitation Improvement  
 Village of Kalmandhai, India  
 With assistance from WaterAid, UK

**Cost of Construction of New Latrine**

Men's	\$450
Women's	\$450
Children	\$0
<b>Total</b>	<b>\$900 USD</b>

**Revenues**

Per Use	\$0.01 USD
Daily Use	
Men	300
Women	375
Children	400 (free)
<b>Total Use</b>	<b>1,075</b>
Total Paid Use	675
Total Daily Revenue	\$6.75 USD
Annual Revenue	\$2,463.75 USD

**Expenses**

Maintenance	\$90
Night Watchman	\$450
Cleaning Staff	3 \$1,350
Net Revenues	\$573.75

**Return on Investment**

**64% p.a.\***

(\* Assumes the \$900 from WaterAid is a loan not a grant and must be repaid; otherwise, the ROI is infinite.)

Other Revenue Sources

Herb Garden with Gourds	Use of excrement as fertilizer
New Shower Block	6 cents USD per use

Purchase of red worms from State of Kerala Making Compost for sale  
Money Lending (Banking) To women in Neighboring  
Communities other revenue  
generating Latrines

Wow, a (possible) 64% p.a. rate of return on this investment is impressive. Just as importantly, there are huge health benefits that accrue to these people from proper disposal of human wastes. Plus they have generated additional activity including:

- a. The construction of a shower block (and more fees);
- b. The use of their 'product' in their herb garden (for self use and third party sales);
- c. Startup of a composting business;
- d. Money lending to women in other villages to start similar enterprises.

Think about the number of jobs they have also created—from a latrine!

So micro-Enterprise Loan Funds focus on helping low-income people start their own businesses. Using a peer-lending model, each borrower is paired with other borrowers who are starting their own businesses. Together the loan recipients are responsible for each group member's loan and collectively benefit from education and technical assistance provided by the micro-enterprise fund. Many organizations around the world have created banks and loan funds based on this model.

*"Give a human a fishing rod, not a fish," Anon.*

### **Property Rights, Human Rights and Economic Development**

In Canada at the beginning of the 1980s, then Prime Minister Pierre Trudeau wanted to entrench property rights in the Canadian Constitution in the Charter of Human Rights. He was vigorously opposed in this by most, if not all, of the Provincial Premiers. Why? Because they felt entrenching such rights would or could encroach on Provincial authority of eminent domain- the ability to expropriate land, regulate land use, pass rules and regulations concerning mineral extraction, set environmental standards and so on.

I always found it interesting the Province of Ontario, for example, banned billboards along major highways in Ontario (the 400 series roads) because they were considered a dangerous distraction for drivers and visual pollution (i.e., ugly) and then they turned around and gave a monopoly to an American-controlled company with the ugly name of TODS (Tourism Oriented Destination Signage). TODS has monopoly rights for all signage along 400 series highways within 400 metres. This was a huge one-time shift in value from landowners along 400 series roads to TODS. In my view, it was expropriation without compensation and if the Canadian Charter of Rights had included protection of property rights, I am sure someone could have successfully challenged this.

Mr. Trudeau felt, I believe, that property rights are also fundamental to human rights; that unless people are protected from unreasonable infringement of their property rights, there

can be no real personal freedoms. If governments can grab your land, take your business, well, it isn't a big step to taking away your personal freedom or even your life.

Property rights are also fundamental to economic development. To this day, most startups are, one way or another, financed with home or other building and land equity. If an entrepreneur owns a home, he or she will pledge it for startup capital from a bank. If Mom or Dad or rich Uncle Buck is helping out, their homes or other personal property is probably somewhere in the loop as collateral.

In many developing countries, they either don't have a sophisticated and extensive enough banking system to bring mortgages to the masses or they discourage private ownership of property. In Mexico, one of the goals of President Vincente Fox is to bring the financial system into line with North American standards so that home ownership becomes an attainable goal for the middle classes. Even if they have 50% or even 75% cash equity, people still find it hard to get a home mortgage in Mexico today.

This is a big problem because there is a huge amount of capital tied up in land and buildings that can't be leveraged in support of entrepreneurial ventures; this locked-in capital affects developing countries to a great extent.

Government policies often exacerbate the problem. Even micro amounts of capital available from vacant or agricultural land mortgages can make a big difference to a peasant economy or developing economy.

In Egypt, it is against the constitution to place buildings on agricultural land. By one count, there are 4,000,000 illegal structures on such land in Cairo alone. So there is no possibility of placing a mortgage on such 'non existent' buildings. This locked in capital used in the entrepreneurial economy would help start, well, up to 4,000,000 new businesses.

*HUMAN RIGHTS AND ECONOMIC DEVELOPMENT = FUNCTION (Property Rights)*

Should Every Man, Woman and Child on the Planet Have a Personal Business for Life?



## ***Putting Your Stamp on Something***

I have become increasingly certain that people in the 21<sup>st</sup> Century are going to need what I can only call a Personal Business. It seems to me that there are so many changes in the local, national and global economy going on and so many things can and do go wrong, that it might not be a bad idea after all to have a fallback position.

I have been stressing to my students how important it is for them to have a Personal Web Site for life—a place where they can collect their personal IP over their lifetimes and careers and one day, maybe, they could even find a way to make money from it too—while they are ‘lying on a beach’.

But something else has struck me recently—just how many people have little sideline hobbies, gadgets, gizmos ... micro businesses really that make a bit of money. It also struck me that this could be a highly useful thing to have.

Let me give you an example. I recently met with Richard Rutkowski who is a candidate to replace retiring Kanata Councillor Alex Munter on Ottawa City Council. Richard is a former City of Kanata Councillor.

Richard is an intriguing person—he is confident, a good marketer, a good promoter and a sure handed politician—prepared to make the time investment in being a City Councillor (which is a 24/7 J.O.B.).

I asked Richard what he does between political jobs and, sure enough, he hauls out this cute little magazine called The Best of Kanata. Now this is really low tech—businesses advertise in it, so that is one revenue stream for Richard. It costs about \$600 for a half page and there are lots of pages. Then, people buy these things for 20 bucks and in the back of the magazine, there is a ‘member’s card’, the size of a credit card, which entitles them to 10% off at all stores and services featured in the book.

When I did a Google search, the only mention I got was:

<http://www.ncf.ca/gcuc/food.html>

So, Richard hasn't even bothered with a web site. (The Kanata Food Cupboard sells the book for 20 bucks and keeps 10).

Well, this is a pretty simple business and folks advertise in it like crazy because they like Richard and it works for them and it is pretty inexpensive. Richard sells 5,000 copies of the thing, so you can pretty easily figure out for yourself its economics.

There have got to be a zillion of these kinds of ideas. Do you know what I told Richard: "NEVER, NEVER sell this thing—it is like a sinecure, a franchise, a license, a concession ... it is your 'pixie dust' forever."

It is low tech and low intensity to manage this particular micro business and it is a kind of concession because it is so local, so focused and Richard is so well known locally that everyone who is anyone in the 'urban village' that is Kanata is going to be in it.

So while I have told you to create businesses through entrepreneurship that will provide you with more value than if you just had a J.O.B., maybe there is a subtler message here that I could provide you. Maybe, we should each have one micro business that we hang onto for life—that never gets shared with anyone, no partners, never is pledged to a Bank for a loan and, thus, something that we can fall back on in troubled times.

Maybe [StreetPaddleTennis.com](http://StreetPaddleTennis.com) will be that for my 14-year-old son, Matthew, who knows?

It would be pretty cool if every man, woman and child on the planet each had a Personal Business (PB) that stayed with us throughout our lives and, if things get messed up, well, we have (as my father would say): “a fallback position” or “an iron reserve”. My father lived through two World Wars and he really understood the need for both.

I was thinking that a number of the students in Entrepreneurial Culture (one of the courses I teach at Carleton University) in 2003 already have this type of thing going on. I mean if those ladies in India can make a go of it by turning a \$900 investment in a latrine into a thriving micro business for goodness sake, all these talented, educated and very privileged students of mine ought to be able to do it too.