



ENOUGH OF MORE

BETTER IS BETTER

Henry Mintzberg

Enough of MORE—

all this excessive production and consumption, with its destructive waste and warming. MORE is ravaging our enterprises, our societies, our planet, and ourselves. We can do *better*.

Creating an Enterprise

You have a compelling idea and lots of energy, though not much money. So, with the help of an understanding banker, alongside your own sweat capital—those 15-hour days—you build an enterprise. And you succeed! Your customers are happy, your employees are committed, you feel great, and the economy benefits. Everybody wins.

Okay, maybe you did this to make a lot of money, or to become celebrated, or to avoid having a boss. But if you are a serious entrepreneur, your incentive went further: to build something special—an engaging enterprise with its own sense of communityship beyond your leadership.

As the enterprise grows, however, you become concerned. *What if I get hit by a truck?* Or you want to grow faster than your existing resources will allow. Your financial friends tell you to do an initial public offering (IPO): cash out or get the cash in. Let shareholders fund faster growth. It sounds good, so you agree. This is the turning point.

Grabbing MORE

The first sign of trouble is the realization that, while you simply wanted more, the stock market is intent on grabbing MORE. It doesn't care about your ideas, your ideals, your customers, or your workers except as a means to relentless, one-dimensional growth—of Shareholder Value. You discover that this has nothing to do with decent values, your own included. You are running a publicly traded company now, so you must keep feeding the beast.

To take a particularly appalling example, in March 2015 a deranged pilot flew a Germanwings airplane into the face of a mountain, killing all 150 people on board. Barely a month later, a *New York Times* article reported from a shareholders' meeting that "at a time when Lufthansa faces urgent commercial challenges ... many shareholders expressed concern ... that the Germanwings tragedy risked distracting management from its turnaround efforts." One portfolio manager claimed that Lufthansa management "will have to come back to reality." The murder of 150 people was apparently a distraction; reality was getting back to managing value for the shareholders.

Let's get back to the reality of our entrepreneur: As a consequence of your IPO, a different feeling is enveloping your enterprise, replacing that sense of community. The market analysts are analyzing, the day traders are trading, the financial sharks are circling, and the wolves of Wall Street are demanding a performance report every three months. Every three months? How can anybody manage a company this way?

Was that IPO really worth it?

But it's too late. Anyway, you are getting greater growth, albeit accompanied by greater pressure. Eventually, however, you find yourself running out of established customers, and it's tough to

get new ones with the old ideas, or new ideas with this new Value. And so comes the key question: *How can I get MORE when there is no more to be had, at least not as I have built this company in the first place?*

Ravaging the Enterprise

The answers are all around you in the experiences of other publicly traded companies:

- Exploit the existing customers. Bamboozle pricing is a good idea: price so that the customers can't figure it out. Or charge excessively for servicing the products that your customers are stuck with.
- Trash the brand. This is particularly popular: sell to new customers who were not willing to pay for the quality of which you used to be so proud. By cashing in your legacy, you can get MORE by giving less.
- If you can't increase the revenues, you can certainly reduce the costs: cut maintenance, cut research, cut everything out of sight—except the executive perks.
- And don't forget to squeeze the workers, by putting them on short-term contracts at lower pay, without benefits. Better still, fire the whole lot of them and produce offshore.
- And when all else fails: diversify. Get into all kinds of new businesses you don't understand. So what? You're big now, with lots of money to throw at them.

Ravaging Society

Your enterprise has now become a global corporation, with obligation to no country, least of all your own, where it no longer pays much tax anyway. So why not go whole-hog, so to speak? Do well by doing bad.

- Collude with your competitors to create a cartel, or better still, buy them out altogether—in the name of competition.
- And in the name of free enterprise, lobby governments around the globe to grant subsidies to your industry and rid it of those annoying regulations.
- If you do go bankrupt, which happens eventually to companies that exploit, fear not: you have become “too big to fail.” Thanks to your bribes (called political donations), the government you betrayed will bail you out, shifting the costs of your failure to society at large. Economists right in step with such shenanigans call this an “externality.”

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Ravaging Yourself

Then, one day you wake up to the realization that you have become the victim, too: *Could I have been responsible for all this by doing that IPO? I used to love my business. We had a great time serving the customers I worked so hard to get. I had pride in our place, our products, our people. Now the customers write me nasty emails and the workers glare at me when I see them (which is rarely). Why did I build an engaging enterprise only to jettison its engagement? We used to be delightful explorers; now we are nasty exploiters. I have cashed in my legacy for a fortune that I can't even begin to spend.*

Imagine a country full of such corporations, let alone a whole planet of them. We're getting there. By hogging resources that could be recycled to build vibrant new enterprises, they are distorting our economies, debilitating our societies, and diminishing our communities. By playing countries against one another, they are also undermining our democracies. And by their relentless fostering of production and consumption, they are damaging our planet too. Not all corporations do this—just too many of them. How much MORE can we take?

One-dimensional companies, like one-dimensional people, are pathological. They are an invasive species that has no business in a healthy society. Edward Abbey said it best in 1978: *“Growth for the sake of growth is the ideology of the cancer cell.”*

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Getting Better

Take yourself back to that fateful decision about the IPO. You had been a leader in building your enterprise. Why did you become a follower with yet another IPO? Did you really have to become beholden to the mercenary stock market?

There are better ways to finance a growing enterprise, for example:

- Find some patient, decent capital that will allow you to grow responsibly and sustainably.
- Do an IPO but keep the analysts at bay by issuing two kinds of stock, as did the Tata group in India and many of the major corporations in Denmark, with foundations controlling a majority of the voting shares.
- How about converting to B (or Benefit) Corporation status, with a commitment to respect social and environmental needs alongside financial ones?

As for a new enterprise:

- If you don't need heavy investment, consider relying on funding from loans and retained earnings. Sweat capital is the real investment in truly entrepreneurial enterprises anyway.
- How about establishing the business as a cooperative, with one share owned by each of the customers, or the suppliers (as in a farmers' cooperative), or the workers (as in the Mondragon Federation in Spain, in operation since 1955, now with 72,000 people).
- Or give your existing company away to its employees—you know, those people who actually care about the place, unlike the day traders who supposedly own it. Much better than destroying the legacy you built up so carefully. The John Lewis Partnership of the U.K.

actually did this in 1950 and has remained successful, with its 84,000 “partners” in the tough businesses of department stores and supermarkets.

- Imagine creating a social enterprise—a business that is owned by no one. Look around; there are many. My better half is a rental agent in a building with 250 apartments for people over 50. It’s a not-for-profit, and is the mood ever different! Even many established NGOs are in the act: after all, the Red Cross sells swimming lessons.

Better is Better

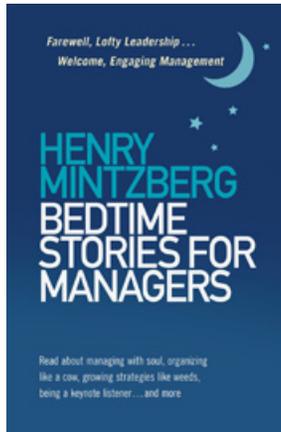
Economists insist that MORE is the way forward. No, it is the way backward, economically as well as socially. We don’t have to destroy our progeny and our planet for the sake of a senseless dogma. Sure we need development and employment, but responsible development with robust employment. A healthy society is sustained by a decent and diverse economy, not one driven by the mercenary force of one-dimensional growth. Stock markets have done enough damage.

There are impoverished people all over the world who need more: more food, more housing, more employment, more security. What they don’t need is the MORE that is dragging down the so-called developed world.

So let’s shift our economies from MORE to better—quality over quantity—to lift us up rather than drag us down. We can invest our efforts and resources in durable products, healthy foods, personalized services, and robust education. Rather than reduce employment, a shift to better can enhance it, with higher-paying jobs in healthier organizations. When we work better, we feel better, so we live better. **Imagine a world of getting better instead of grabbing MORE.** 📌



Info



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