

Interview for “Fortune and Freedom” by Jim Hirshfield

Today, Tyler R. Tichelaar of Reader Views is pleased to be joined by Jim Hirshfield, author of “Fortune and Freedom: The Entrepreneur’s Guide to Success.”

Jim Hirshfield, a successful entrepreneur for over thirty years, stands on a bedrock of experience. In 1973, he founded Summit Communications, Inc., a cable company that grew to employ 130 people. He was the CEO for twenty-six years until he sold the prospering company he had built. Today, Jim writes, consults, speaks, sails, and generally has a great life. He divides his time between his homes in Washington State and Hawaii.

Tyler: Welcome, Jim. I’m excited to have you join me today to talk about your new book “Fortune and Freedom.” To begin, I understand you are yourself a long-time entrepreneur? Why did you decide to become an entrepreneur to begin with?

Jim: It always was an option for me. That is, I never felt the need to have someone else tell me what my life was going to be. I call this “disintermediating yourself.” We think of a bank as a financial intermediary, taking in deposits from some people and using that money to make loans to others. Similarly, when you work for someone else that person acts as an intermediary for your labor, paying you and then selling the fruits of your labor to others. That is, they get to “mark up” your labor. As an entrepreneur you get rid of the middleman—i.e., you disintermediate yourself. I always understood this dynamic, and planned to become an entrepreneur unless some third party would pay me more for my labor than I thought I could make on my own.

Tyler: Did you find it frightening to own your own company and to rely upon yourself rather than a paycheck from an employer, and how did you overcome this fear?

Jim: In my thirties I was working as a senior officer for a large bank, having recently sold my first company. My wife remarked how nice it was to have the security of working for a large company. My reaction was different. I felt I had much less security than if I were running my own business. Large organizations have a culture and a political structure that only the most senior officers can affect. In the end it turned out to be much harder to do the right thing for the large company than it was for my own small business. So, in answer to your question, I guess I never had that fear to overcome. I did have lots of wakeful nights worrying about the problems of my business, so maybe that is where I experienced a bit of fear being an entrepreneur. My approach to this fear was to work harder than ever to make a good decision when faced with a big issue.

Tyler: What have you found to be the most difficult challenge of being an entrepreneur?

Jim: At the beginning, making payroll every payday. This is implicit in the “entrepreneurs bargain” discussed in the book, the fact that you can profit from your employees’ work as long as you honor your part of the bargain. The most important part of it is making payroll without fail.

Tyler: Does that include paying yourself?

Jim: Pay yourself last, after you have satisfied the bargain you made with your employees. If there is not enough money, you don’t get paid!

Tyler: What differences in entrepreneurship are there for people who want to be self-employed just for themselves as opposed to those who want to build companies with many employees?

Jim: Your question raises an important issue. If you are selling your labor and seeking the opportunity to keep all of it vs. giving some to your employer—i.e., disintermediating yourself—you are not creating value beyond the money you make each day. If you are a big movie star, this is a good approach, as you are probably paid tons of money. For most of us, however, such an approach brings greater risk than creating a business entity with other employees. The risk lies both in what happens to your family and your life plan if you are incapacitated, and in the increased difficulty you will have in creating value over time.

Of course lots of people go this route, and have good lives. I would suggest, however, that the risk of failure—defined as inability to execute your life plan—is higher going this route. This is just a risk factor, of course. As comedian David Frye used to say, the level of unemployment is only important if you do not have a job.

Tyler: What do you feel is the greatest reward of being an entrepreneur?

Jim: Freedom. Yes, you have customers, employees, banks and others who have a stake in your business. As an entrepreneur you can respond to these stakeholders in a way that suits both you and them, and gives you much greater freedom in business and in life than you might have working for someone else.

Tyler: Jim, what made you decide to write “Fortune and Freedom”?

Jim: This question is fun to answer. For decades I have been responding to calls from friends, children of friends, friends of our children, and lately grandchildren of friends. These calls have been something like: “Can I buy you lunch and run a business idea by you?” Thinking about all these visits, it seemed that whatever problem was being discussed, my response always presented a narrow range of things to consider. So I asked myself, “What if I wrote these things, these ‘keys to success’, in a book? Then when someone called to pick my brain I would ask him or her to read my book before we got together. You know what? I did this with a draft of my book a year ago, sending it to a grandson who then sent me a nice letter, said we no longer needed to get together, and he and his wife were significantly reshaping their life plan. The book worked!

Tyler: Jim, there are many books out there about how to make a million dollars, how to start your own business, how to follow your dreams. What makes “Fortune and Freedom” stand out from among those other books?

Jim: This book is not about how to make a million dollars. It is about how to have a good life and enjoy the freedom that can come with being an entrepreneur. Sure, you should make money, but that is not the first goal here.

Tyler: In the foreword to the book, William Sahlman, Dean of Harvard Business School, states: “This book is written for the entrepreneur as a person, rather than the entrepreneurial business being created.” Will you explain further what he means?

Jim: Dean Sahlman has a wonderfully acute sense of what works in business, as well as the ability to communicate his message succinctly.

Most books about business entrepreneurship deal with specific aspects of running a business. If you wonder why your marriage failed, you have to go to another section of the bookstore. “Fortune & Freedom” is written from the premise that you cannot separate the business aspects of your life from the rest of life. It is important to be a success with your entrepreneurial venture, and it is also important to execute the other portions of your life successfully.

Running a business takes more time than you have. So does participating in your marriage, raising children, doing community service, and so forth. How you reconcile these excessive demands on your one scarce asset, time, is at the core of “Fortune & Freedom.” This value underlies the keys to success that the book presents.

Tyler: Jim, will you give us a hint of the ways this kind of balance between work and family can be found?

Jim: In my approach you have to decide it is important to achieve this balance, and then schedule yourself relentlessly to give time to each endeavor you consider important. Time is the scarce asset, and time is what any endeavor requires if it is to be successful. Do not let others determine how you use your time.

Tyler: I understand you use examples in the book from your own career—will you give us one such example?

Jim: This story opens the chapter on the importance of developing leadership skills:

I was skiing with a group of old guys when one of the fellows peeled off and went down a trail. No one followed him. We did not meet up again until lunchtime, when we found him waiting for us at the agreed meeting location. “Why didn’t you guys follow me?” he said. For a moment there was silence. Then, from another of the old guys: “If you are not a leader, don’t lead.”

The chapter then goes into the importance of developing leadership skills, and some ways to do so.

Tyler: Do you think it is more difficult today than when you founded Summit Communications to become an entrepreneur?

Jim: When I was in my early twenties I remember discussing successful business people with my friends. Many of the comments were along the lines of “well, he was lucky to have been around when things were easier.” That is, when we look back at people’s success the road is always more

visible than when we look ahead into the unknown. In answer to your question, no, I do not think it is more difficult to become a successful entrepreneur today. The world has changed, the opportunities are different, but the ability to succeed still is there. And the keys to success are still the same. That is why I wrote “Fortune & Freedom: The Entrepreneur’s Keys to Success.”

Tyler: What do you think is the biggest difference today for entrepreneurs compared to thirty years ago?

Jim: Here are three. Clearly the opportunities are different. With globalization, many markets are much bigger than we ever thought they might be. And the technical tools available to the entrepreneur, such as computers and Blackberries, are much better.

Tyler: Jim, what would you say was the single greatest learning experience for you on the road to becoming an entrepreneur?

Jim: I first thought of becoming an entrepreneur in a class in my MBA program at Harvard Business School. We had read a business “case” about a fellow who had bought a small company ten years earlier. He came to class in a three-piece suit with his Phi Beta Kappa key on his vest and answered our questions about the case. Even though this guy was probably a lot smarter than I, he had made many basic mistakes. You did not have to be a rocket scientist to see them. Ten years after getting into his venture, he was still living hand to mouth, and his prospects were not bright. He was happy, though, because he was an entrepreneur. I felt that I could become a more successful entrepreneur. At the end of the game I could have more than the title “entrepreneur.” I could have the freedom a successful entrepreneur should have, and with it a personally and financially successful life.

Tyler: I assume your readers are people who want to become entrepreneurs themselves. What do you hope they will come away with after reading “Fortune and Freedom”?

Jim: Every person who reads this book comes away with a different input. It is like a weekend ski clinic, where you do not hope to go from zero to expert. Rather, you hope to take away two or three things that really speak to you in terms of the issues you are facing. That is why we keep returning to those ski clinics and why people will return to this book. As we progress through life, different times and places present different issues. “Fortune and Freedom” offers help along the way, a light in what sometimes appears to be a place of darkness. In essence, readers should come away with one or two approaches to big issues that are confounding them at their particular stage in life.

Tyler: Thank you for joining me today, Jim. Before we go, will you tell our readers a little bit about your website and what additional information they can find there?

Jim: www.fortuneandfreedomthebook.com is our website, and it will be in operation shortly. On the site you can get a look at me and my bio. You can look at the table of contents and read excerpts from the book to get a better idea about the messages it contains. You will be able to buy the book itself, or purchase by chapters instantly downloaded in pdf form or, to come soon, purchase chapters as podcasts. If you want to know what is on my mind at the moment there is a blog. You will be able to join our members’ forum and pose your own business and business related personal questions to me and other forum members.

Tyler: Thank you for being here, Jim. I wish you lots of luck in your future and I hope many people benefit from reading “Fortune and Freedom.”