

Change Agents

30 years ago, corporate was king--but the business landscape has changed. Here's a closer look at the forces that have shaped the face of entrepreneurship.

By Carol Tice | [Entrepreneur Magazine](#) - [May 2007](#)

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Of all the amazing changes the past three decades have brought, which were the most important? Five trends stand out as the entrepreneurial landscape's most transformative.

Technology

Travel back in a time machine to 1977, and you'd find few of the devices businesspeople rely on today. Into the early 1980s, most personal computers were bulky things such as RadioShack's notorious TRS-80, known to users as the "Trash 80."

As the '80s progressed, PCs and printers got cheaper and more reliable. Computer-processing power that had cost tens of thousands of dollars and taken up entire rooms could fit on an entrepreneur's kitchen table, says Kenneth Lipartito, history professor at Florida International University in Miami. Now a computer system could be had by any would-be business owner with a credit card or a sympathetic relative willing to lend some cash.

Programs such as 1977's VisiCalc spreadsheet software turned computers into more of a business tool. With the advent of Aldus PageMaker in the mid-'80s, computers became printing presses.

By 1982, the home computer was *Time's* "Machine of the Year." That year also saw the FCC authorize commercial cellular phone service.

From there, the revolution was in portability. By the late 1980s, lightweight laptop computers were hitting the road with executives and cell phones were starting to grow out of everyone's ears. It was easier than ever to launch a business from anywhere.

Also by the late 1980s, CompuServe and a few other early e-mail providers were saving savvy business owners on postage costs. Of course, the person you wanted to e-mail might or might not have an address yet.

The road to entrepreneurship had gotten cheaper and smoother. Only one thing could have made life better: the ability to tell the entire world about your company at very little cost, without ever leaving your desk.

The Internet

In 1993, the first widely used commercial browser, Mosaic, was released, and overnight, a little-known network linking the computers of a few university and government scientists became a tool for everyone. The World Wide Web was up and running.

While many big corporations slumbered, entrepreneurs were quick to launch companies that capitalized on this new way to reach customers. In 1995, both Amazon.com and eBay opened for business, and the e-commerce era had officially begun.

The rise of e-commerce was a boon to women and minorities, notes Seattle University business professor Barbara Parker. "On the internet, nobody knows who you are, so their prejudices don't matter," she says. "There are very few barriers to web-based entrepreneurship. You can find a market for something like industrial music by selling to customers who like it, even though they're scattered all over the world."

That's basically what Greg Selkoe did in 2002 when he developed an online marketplace for the urban "street" fashions he liked to wear. Having watched other hip fashion sites disappear in the dotcom bust of 2000, Selkoe saw an opening and launched Boston-based Karmaloop.com. He scraped up \$75,000 from family and friends to purchase inventory.

Selkoe, 32, now has 27 employees and expects 2007 sales to top \$16 million--double last year's take. These days, up-and-coming designers pay for the privilege of being included on Karmaloop's Kazbah area, which showcases new underground brands.

Karmaloop's success underscores the continued potential of the internet, says David Kirsch, assistant professor of management and entrepreneurship at the University of Maryland in College Park and a collector of failed dotcom [business plans](#). The famed dotcom crash, he says, was but a blip in the financial world. In fact, Kirsch's studies showed that the five-year survival rate for dotcoms of the internet-bubble era was a very healthy 48 percent.

Since the so-called bust, an entirely new internet-based business opportunity seems to have arisen every 18 months or so, Kirsch says. Just think of VoIP sensation Skype, online-video hit YouTube, podcasts and blogs. "[The net is] like this giant heart that keeps pumping and shooting out new things," Kirsch says.

The rise of wireless broadband has huge potential to fuel entrepreneurial activity, says Lipartito. He points to plans in many municipalities around the country to create their own free broadband networks. "Such public infrastructures have often been a boon to entrepreneurs," he says. "Think of railroads, telephones, electricity and good public roads."

Mary Cronin, a Boston College professor and author of the 1994 book *Doing Business on the Internet*, couldn't find a link to the book, so just italicize sees the explosive popularity of social networking sites such as Facebook and the increase in sophisticated mobile phones as two trends set to revolutionize e-commerce. "Marketing money is starting to follow mobile commerce," she says, "to convince people to start using their phones for e-commerce."

Globalization

In the 1970s, selling around the globe was mostly the province of large corporations. They had the bankroll to navigate the mysteries of other cultures, pay massive overseas phone bills and deal with complex import/export laws.

Even for the big guys, there wasn't as much of a globe to sell to. All of Eastern Europe was closed to U.S. business, and even Western Europe wasn't easily penetrated, says Andrew Bernard, senior associate director of the Center for International Business at Dartmouth College. "A lot of Asia was closed off to Western trade," he says. "China was off the radar. India was restricted."

That would change dramatically over the next 20 years, as rounds of the General Agreement on Tariffs and Trade gradually removed trade barriers. In 1978, China began a slow trend toward openness to foreign companies. After the fall of the Berlin Wall in 1989 and the breakup of the Soviet Union in 1991, Eastern Europe was suddenly wide open.

As telecommunications became cheaper, barriers to foreign trade for small businesses were lessened, Bernard points out. As people and ideas began to flow more freely between borders, immigrants to the U.S. arrived with the know-how to trade with their countries of origin.

In 1994, Hugo Almeida took his experience helping Matsushita sell electronics in Latin America and formed a company that eventually became [ABItronix](#) in Flanders, New Jersey. A U.S. citizen who spent much of his childhood in his parents' native Ecuador, Almeida was able to use his contacts and knowledge of South American languages and cultures to establish his company as a prominent supplier.

That was the same year the North American Free Trade Agreement took effect, and by trading with NAFTA participant Mexico, Almeida, 40, learned how to penetrate other Latin American countries' trade barriers.

Though he's faced intense competition from cheap overseas producers, Almeida has found a niche in selling higher-quality connectivity products for communications solutions. His company's sales jumped from \$840,000 in 2005 to \$1.2 million in 2006.

They protested the Vietnam War in the '60s. They celebrated Earth Day in the '70s. Then the baby boomers graduated from college and set off into the business world, bringing their anti-establishment attitudes along.

"I was a child of the '60s, so I viewed business as the source of all things bad when it came to the environment," says Gary Hirshberg, co-founder of Stonyfield Farm. Hirshberg had spent some time working for a small environmental nonprofit, but by 1983, he grew frustrated with its limited impact. To reach more people with his message, he realized, he had to be in business. So with a \$35,000 loan, part of which was from a group of Catholic nuns, he and partner Samuel Kaymen bought a small farm with a few cows in New Hampshire and started making organic yogurt.

Nearly 25 years later, Stonyfield is a \$260 million company Hirshberg still controls, though it's now majority-owned by yogurt giant the Danone Group. "I came in with a social and environmental mission, not a money-making mission, and that is what made it a success," says Hirshberg, 52.

With their question-authority attitude, boomers such as Hirshberg ripped up the business playbook and wrote their own rules, says Deborah Nelson, executive director of Social Venture Network, a progressive-business nonprofit in San Francisco. "When they were told the role of business is just to generate profits, they rejected that and said business can be a lot more than that," she says. "It can be a positive force for change, and we're going to show you how."

Boomer entrepreneurs connected with consumers of their generation. Smash successes such as The Body Shop, Ben & Jerry's and Tom's of Maine proved there was a mass audience for companies with mission statements that included caring about the environment and paying suppliers and workers well. The boomer influence is now being seen in the X and Y generations, who grew up with boomer parents, Nelson adds. These younger entrepreneurs also seek to balance profit with social good.

Individualism

For decades after World War II, most middle-class American workers snuggled in the bosoms of big companies that provided dependable jobs and pension security.

That all started to change in 1981, when President Ronald Reagan ordered the firing of 12,000 striking air-traffic controllers. Until then, says Blaine McCormick, associate dean at Baylor University's business school in Waco, Texas, mass layoffs were taboo.

But after Reagan's action, companies were emboldened to shed workers. After decades of a business climate McCormick describes as "sunny and 72," global competition was increasing and companies were facing challenges to operate more efficiently. Dozens of major corporations laid off employees at 10,000 a shot through the '80s.

"There was an orchestrated economic and political assault on the idea of the job," says Boston College sociology professor Charles Derber. "It was a deliberate and successful campaign to redistribute risks from companies to workers."

Laid-off workers often had severance packages that provided startup capital for new businesses. Millions more workers, though still employed, realized they couldn't depend on their employer for a lifetime. The age of the individual had begun. Workers began laying plans for their entry into the world of entrepreneurship.

That's exactly what Janis Dalessandro did, working on her sauce company on the side while she toiled for nine years at hair-care giant Paul Mitchell. A second-generation entrepreneur, Dalessandro, 43, never considered spending her entire career at a major corporation. "As I got older, I understood the beauty of creating your own path," she says.

Dalessandro went full time with her Tarzana, California, company, [d'Oni Enterprises](#) in 2003. She expects sales to jump from \$200,000 last year to nearly \$600,000 this year as she taps new markets for her unique, fat-free sauces. Dalessandro slogged through hundreds of in-store demos before her products were picked for an appearance on the Food Network. Says Dalessandro, "My mother pushed me to be stronger, bigger, better, more tenacious."

Carol Tice is a Best in Business award winner from the Society of American Business Editors and Writers.

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