



Randy Ataide

ENTREPRENEURS: UNDERTAKING MORE THAN BUSINESS

While in the Harvard Business School program six years ago, several classmates read my bio in a class packet and sought me out: “Talk to us about this,” they said. “How is it that you’ve run a successful company for many years and have a master’s degree in theology? We don’t see the connection.”

I couldn’t blame my colleagues for not seeing a relationship between faith and business. I, too, had many times struggled to find connections between what I was hearing from the pulpit on Sunday and my work as a businessperson.

“Religious leaders speak inadequately about business,” writes professor Richard J. Goossen of Trinity Western University, “more so than almost anything else they preach on. Their professional vocabulary, for the most part, so misses the point that it is painful to listen to them. The alarming state of the church’s ability to be a relevant force influencing business can be summed up in a simple observation: we already see many signs of Christian businesspeople from every denomination rejecting religion, and religion overwhelmingly rejecting businesspeople.”

In the book, *Church on Sunday, Work on Monday*, Dr. Laura Nash of Harvard Business School and Scotty McLennan, dean of religious life at Stanford University, suggest that business is not as simple as religious leaders tend to think it is. Capitalism is frequently reduced to a monolithic concept labeled as “The Market,” which inevitably exploits all participants except the most powerful. In my own experience, misconceptions about the marketplace create hurtful and inaccurate stereotypes that portray even Christian businesspeople as uncaring, unthinking, exploitative, and unengaged. What is needed is a richer and more accurate

view of business – one comprising numerous relationships and actions, full of nuances and complexities.

This is not to say that the business world is beyond criticism, for the events leading up to the current economic crisis underscore the need for serious reflection and correction among those of us in business. Indeed, many companies and business schools are vigorously discussing these failings, and some political reforms and restrictions on business practices have already been implemented. The fact remains, however, that all too often, the business world does not look to sound, biblical principles to inform business practices. In truth, many Christian businesspeople have found it easier to go along with

the status quo in their organizations and not rock the boat with their own set of ethical principles. To complicate matters, the Christian businessperson’s set of values may be founded on the latest pop culture book instead of biblical wisdom, in part because they have not themselves made a connection between their faith and their work.

While I serve in various roles at PLNU connecting business,

economics, and students as the executive director of the Fermanian and Business Economic Institute (FBEI), I am also an entrepreneur, perhaps one of the most misunderstood types of businessperson. I did not necessarily seek the entrepreneurial path; my undergraduate education is in communication, and I once thought I would become an educator. Instead, I did what the research shows holds true for most entrepreneurs – I came upon my career almost entirely by accident. Since joining PLNU in the fall of 2005, much of my academic research and personal writings have sought connections between the church and the entrepreneur. What I have observed is a tremendous opportunity for connections, but what I have experienced is significant misunderstanding and mischaracterization.

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DEFINING THE ENTREPRENEUR

Perhaps part of the misunderstanding stems from the lack of clarity around what an entrepreneur really is. The dominant media images of entrepreneurs are visionary inventors such as Bill Gates or Steve Jobs who start transformational businesses in a garage and ultimately achieve staggering riches, power, and influence. This no more accurately represents the realities of entrepreneurship than do televangelists represent the rural pastor of a small congregation or the U.S. presidency compares to the local civil servant. In the field of entrepreneurship, this mistaken typology is called the “entrepreneurial myth.”

In sharp contrast, 17th century European economist Richard Cantillon offered the French term *entrepreneur*, meaning “one who undertakes.” Considered the first definition of the term, it distinguished the “undertaker” from landowners and hired labor because the undertakers had to adjust to risks and live with uncertainty. There was no distinction in class or status for the *entrepreneur*, but simply the recognition that a third actor was emerging between the farm worker and landowner, one who sought additional opportunity, freedom, and flexibility.

With no direct translation for the French word, it was very early rendered in English as “master,” “speculator,” and “projector” – all inadequate to convey Cantillon’s work. This inaccurate representation likely contributed to the entrepreneurial myth and grew out of the publicity and attention given to a small number of entrepreneurs who achieved great success. Throughout the rise of the industrial revolution and beyond, headline-grabbing inventors, financiers, and capitalists who achieved incredible success while taking great risks became the archetype for the entrepreneur. Ironically, while the specific motivations

that drive entrepreneurs are complex, success is not typically the entrepreneur’s driving motivation.

Professor Scott Shane of Case-Western University has written that “[t]he real reason most people start businesses...has nothing to do with wanting to make money, to become famous, to better their own communities, to seek adventure, or even to improve the world. Most people start businesses simply because they just don’t like working for someone else.” While Shane’s research is insightful, it has common limitations: it does not fully appreciate the movement of contemporary entrepreneurship far beyond the traditional boundaries of for-profit business ventures, and it does not account for the impact and influence of personal religious faith upon the entrepreneurial processes.

The Kauffman Foundation, a highly influential voice and research group in entrepreneurship, released in 2008 a comprehensive study that described entrepreneurship as “...a process of fundamental transformation: from innovative idea

to enterprise and from enterprise to value... As a distinct mode of thought and action, it derives from business but can operate in any realm of human endeavor.”

Research and experience show that embedded in most Christian entrepreneurs are strong missional, communal, and faith-driven principles that make them natural allies for congregations seeking new insights and solutions. When we consider the Kauffman definition,

we begin to see how the entrepreneurial personality might be helpful in three areas where the church is currently engaged: critiquing the dominant culture, serving the poor and doing justice, and building relationships with people and groups outside the church.

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CRITIQUING THE DOMINANT CULTURE

Artists, poets, and activists are some of the strongest voices calling for renewal in the Christian community. These voices are frequently at the forefront of re-imagining the church, for they speak out against the dominant culture's influence on the church. In many cases, however, these artists, poets, and activists appear to be overly academic, radicalized, or impractical, using language and imagery that draws from sources unfamiliar to the typical churchgoer, rendering their valuable message irrelevant.

Yet, to the ears and minds of the entrepreneur, some of this activist language resonates deeply. Why? Because the entrepreneur is, in many ways, the voice of renewal within the business community, constantly challenging the dominant culture of business and propelling it forward through innovation, flexibility, and a dynamic nature. The entrepreneur waits from the fringes, impatient and desiring to engage in ways of doing business that are not yet imagined. This is not a reckless personality but rather an observing character. And from this observation come new products, firms, and services. These entrepreneurs are people sitting in our local pews each Sunday. They are the often overlooked small businesspeople – the farmer, restaurant owner, financial professional, building contractor – who must go beyond the poetic imagery portrayed in the pulpit and face the realities of meeting their payroll in the coming week, dealing with an emerging competitor, or resolving disputes among employees.

In light of the current economic crisis, renewal and change are on many people's minds. It appears that a profound economic "reset" of some sort is underway, its exact scope and implications

not yet fully defined. A significant number of us are making economic and lifestyle choices that are turning away from the excessive consumerism of recent decades. Economic reality has collided with our own personal lives.

Entrepreneurship has the power to respond and then transform society in the midst of this new economic reality. It is, in fact, the primary driver of economic activity in the U.S. and worldwide, far more effective than governmental policy or corporate expansion. Nearly 70 percent of U.S. economic growth can be attributed to entrepreneurial activity. Over the past 20 years, two-thirds of all jobs within industrialized countries can be attributed to entrepreneurship.

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Conversations between church leadership and entrepreneurs would be groundbreaking, for there are few others with the kind of practical experience and appreciation for the value of "time, talent, and treasure" as the entrepreneur. The typical entrepreneur exists largely without the governmental protections that generally favor publicly held corporations, public employee unions, and other organized groups. There are no bailouts for the small business or aspiring entrepreneur. But the entrepreneur compensates for this lack of formalized power by being dynamic, imaginative, and flexible, thereby sharing numerous characteristics with the artist and the activist. They, too, can envision new possibilities and are uniquely positioned to act.



SERVING THE POOR AND DOING JUSTICE

The past decade of entrepreneurial research has done well in chronicling the rise of social entrepreneurship and microfinance, both of which contribute to global economic justice. While social entrepreneurship and microfinance are not a distinctly Christian notion, there is certainly a ripe opportunity for the church to support and nurture the entrepreneurs who stand to align their goals of justice and mercy with those of the church.

Social entrepreneurs look at the intractable problems facing society and feel great frustration at the lack of progress toward solving them. Bill Drayton, widely regarded as the founder of the modern social entrepreneur movement, has written, “The core psychology of a social entrepreneur is someone who cannot come to rest, in a very deep sense, until he or she has changed the pattern in an area of social concern all across society.” Famine, clean water, housing, education, and the administration of justice are just a few areas of great importance to these contemporary entrepreneurs.

Mike Mellace, founder of Mama Mellace’s, is in the snack business – nuts to be exact. His products can be found in retail stores throughout the U.S. Mellace has been a friend

to the Fermanian School of Business and FBFI for several years, and his company employs several PLNU alumni. At his manufacturing plant in Carlsbad, numerous ministry events, including a church’s primary sanctuary, co-exist with snack production. Mellace and his partner, Mike Runion, are an impressive example of traditional entrepreneurs who are taking a business idea and shaping it around serving the world in the name of Jesus.

Besides providing wholesome snacks with natural ingredients, a positive mission in itself, Mellace’s nonprofit foundation has also developed a product that could help end world hunger. Using surplus nuts, Mellace created a peanut-based paste fortified with minerals and vitamins that World Vision plans to use to fight malnutrition globally. Statistics have shown that a child who eats two to three packs a day for 30 days has a 90 percent survival rate compared to the 5-10 percent survival rate without the product. Mellace and his partners are using their professional talents and passion, combined with a creative, solutions-oriented entrepreneurial spirit, to fight hunger.

What Mellace and his company and foundation do is certainly bold and dramatic, but it is not an aberration. There are



elements of justice, grace, and service in many entrepreneurs in a wide variety of industries if we just take the time to look.

At PLNU, Dr. Rob Gailey, director of the Center for International Development (CID), is helping students make connections that will enable them to make this same kind of impact. The CID, based in the Fermanian School of Business, provides opportunities for aspiring social entrepreneurs to learn from those already in the field. There is groundbreaking collaboration between key microfinance and social entrepreneurial practitioners, university faculty, and students from throughout San Diego. This collaboration, the San Diego Microfinance Alliance (SDMFA), is no theoretical platform – students are shaping and being shaped by practitioners who are directly involved in serving the poor not only in San Diego, but globally.

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The most significant impact is probably the influence these CID activities have on students. For many students, these activities provide their first exposure to the idea that poverty alleviation and sound business practices can go together.

They discover that they can use a PLNU degree to pursue careers in the nonprofit and social innovation sectors. These are transformational moments in a student’s life.

My hope is that as more and more students aim to fulfill Jesus’ call in Matthew 25 to serve “the least of these” by combining viable business solutions with a conscientious and compassionate mindset, we will find more and more connecting points between church and business – connections that will help us, together, navigate global challenges.

Business Matters

by Sharon Ayala

PLNU alumni are connecting profit with social responsibility. The following three businesses are about more than just yield; they’re about making a difference.

Brothers **Shea Parton (07)**, **Stenn Parton (08)**, and **Raan Parton (04)**, along with **Shea Foley (07)**, founded Apolis Activism in 2004, a for-profit company that’s connecting quality design with social activism. When someone purchases a shirt, bag, or canvas grocery bag from Apolis, some of that money is directly impacting various causes in countries like Bangladesh, Nepal, and Uganda. Apolis also partners with nonprofits to maximize the good that its profit can do.

Apolis is not just creating funds to give away. The products themselves are being sustainably produced to create jobs. For example, its highly popular Philanthropist Briefcase not only turns a profit, but employs three Ugandan farmers who can now utilize a year’s worth of their cotton harvest.

Blake Armstrong (07), director of operations at EduLeap, is using microfinance to make a difference. He co-founded EduLeap with Chris Crane, and they are making private education possible for young people in the developing world. They provide loan capital and business training to those “edupreneurs,” as EduLeap calls them, who want to start private schools abroad. When EduLeap invests in “edupreneurs” and their schools, they are creating businesses while also investing in the next generation.

“Microfinance may be nonprofit, but they’re giving loans to for-profit businesses all over the community – providing them with access to financial capital that they can then turn around and use to support their businesses,” said Dr. Rob Gailey, associate professor of business and director of the Center for International Development.

“EduLeap itself is a nonprofit,” said Gailey, “but the work they’re doing is supporting social entrepreneurs in various countries.”

Microfinance is also happening locally. **Travis Vaughn (08)** helped found the Microfinance Club at PLNU, and he is now working with CDC Small Business Finance, a nonprofit organization that partners with commercial lenders to provide loans to developing businesses in San Diego. Its community loan program targets women, minorities, and veterans who face difficulty securing capital.

Breaking out of traditional lending by coming up with unique capital solutions and strategizing with clients to set up the most fitting financial plan, CDC makes small business development possible, where less-than-stellar credit may otherwise secure a “no” for the development of innovative business.

In his book, *Creating a World Without Poverty*, Muhammad Yunus, founder of the celebrated Grameen Bank, calls ventures like these “social businesses.” They are not nonprofits because they’re making money, but they are also not for-profits that are maximizing shareholder wealth. “Rather than seeking to amass the highest possible level of financial profit to be enjoyed by the investors, the social business seeks to achieve a social objective.” ⊕

POINTS OF CONNECTION

The use of entrepreneurship to point people to Jesus is near to my heart. In my own life, business interactions and people's interest in entrepreneurship have led to spiritual conversations and relationships in many different settings and countries. These opportunities to share my faith would never have been achieved through traditional evangelistic methods.

Our Personal Impact

Business is an opportunity to show people the impact of our faith. When we have strong character, conduct business honestly and fairly, show transparency and generosity, and care about the needs around us, we open up opportunities for relationship. Our conduct gives us a voice.

Much of my work at PLNU occurs in an off-campus role, where I meet with business leaders from throughout the region. Since San Diego is fundamentally a small business and entrepreneurial community, I have been able to connect with people in diverse settings, including faculty colleagues at great regional public universities, businesspeople in companies of all sizes, and leaders of local churches and ministries. These connections often deepen into significant opportunities for spiritual conversations.

I recall a meeting two years ago with a group of leaders from a very prominent San Diego organization. Lunch was served, and the senior executive from the organization asked if I would pray for the meal. What was originally intended as a business lunch turned into a time of fellowship, and my relationship with the organization has blossomed on all levels.

Global Opportunities

These surprising points of connection have developed in other areas. For the past five years, I have been working with ministry friends in France and Portugal on how entrepreneurship can become a common meeting ground when traditional tools or language fails. In October 2009, I was asked by the nonprofit organization Coherence, created by Parisians Stephen and Joy Johnston, to speak to a group of businesspeople in France on the topic of entrepreneurship. Coherence partners with Greenhouse, a traditional evangelical ministry operating for over 20 years in the heart of Paris. Coherence has a complementary purpose – it connects local businesspeople who are interested in supporting sustainable development projects in the French-speaking world, such as Africa and Haiti, with experts in their field. The ability to talk to secularized Parisians – those who literally think that

Christians are mentally deficient – is an exciting breakthrough, leading to unprecedented open doors in Paris.

“Too often we approach people outside the church with an attitude that says, ‘we know something you don’t,’ and the implicit message we convey is ‘we’re better than you,’” said Stephen Johnston. Joy Johnston added, “We also forget that we all share the same deep longing for something meaningful. One way a lot of people outside the church express this longing is through altruism. When we remember that true religion is to help orphans and widows in their distress (James 1: 26-27), all of a sudden this altruism becomes a place where secular values intersect with the heart of Jesus, and that’s a meaningful place for us to connect with people outside the church.”

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Through Coherence, Parisians from inside and outside the church are meeting at that intersection. Together, they make donations that encourage social entrepreneurs around the world. And they make these donations while attending

events where they dialogue with experts in various fields. This makes for a lot of meaningful interaction and a lot of conversations that Jesus can enter.

In an increasingly secular and hostile world, entrepreneurship is a platform with broad potential application, allowing us to connect with communities that have generally turned away from the traditional voice and vision of the church.

CONCLUSION

Meaningful connections abound. At the intersection of faith and entrepreneurship, we can, together, seek out opportunities to be salt and light in profound ways. We can envision new methods of engaging and transforming our culture, we can love the poor through compassion and solid business ideas, and we can build relationships with those who might not otherwise ever enter the doors of a traditional church. This is an opportunity ripe with possibility. ☪

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