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Entrepreneurship in the Food Industry,

1972-2000 A. D

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Examines the entrepreneurship activity within the food industry and concludes that such activity will be forthcoming from outside the existing food industry complex with appropriate structural adjustments.

Change is a word which has almost lost its meaning in modern day useage because of the rapidity with which advances are being made. Change is also a word that is on the mind of most people involved in the food industry. To some in the industry this ever increasing torrent of change is viewed with discomfort and pain. For they are either not in a position to utilize these advances or are not willing, for one of many reasons, to accept change. The majority of people in the food industry look at this situation with some fear and concern, but with a realization of the inevitability of the developments. These people are more or less prepared to, in varying degrees, absorb the changes as they come along and adjust to them as best they can. A relative few in the food industry, anticipate the virtual explosion of change, which will most surely be forthcoming, as a unique challenge. For it is these people, in the ordinary exercise of their extraordinary talents, who will guide this impending metamorphosis in the food industry. They are the entrepreneurs.

One of the purposes of this paper is to look at the role the entrepreneur will play in the food industry during the period 1972-2000 A.D. But also more importantly, consideration will be given to such issues as how these people will be identified and where they will come from. In addition, discussion will be presented relative to who will train the entrepreneur for his task and how he will be trained.

THE ENTREPRENEUR

Webster (1) defines this person's function as follows: "The organizer of an economic venture. esp. one who organizes, owns, manages and assumes the risks of a business for the sake of profit."

Joseph Schumpeter (2) visualized the entrepreneur

*This paper was written while the author was on sabbatical leave with the University of Hawaii, following an East-West Center Conference on Entrepreneurship.

as one who purposefully introduced a "new production function" (a new good, new method of production, or new market, a new source of supply or new organization of an industry) into an "equilibrium" situation. The entrepreneur assumes the personal, but not necessarily the financial, risk of the venture.

There have been many other attempts to identify this rather illusive person and to describe his behavior and attributes. Since the author does not wish to become bogged down in definitive arguments and since experts in the field do not seem to be able to agree, the following will present a partial listing of the elements of entrepreneurial activity as viewed by the writer:

1. The essential characteristic of innovation, not in the sense of technical invention, but in the sense of unique combinations of elements.
2. Future and external (environmental) orientation.
3. Ability to anticipate and isolate opportunities for exploitation.
4. A sense of proper timing for optimum advantage within the current opportunity structure.
5. Pareto's "inherent instinct of combination" applied to factors of production.
6. Exertion of leadership in a sort of catalytic role rather than in the sense of day to day enterprise management.

Thus, we will not be considering the inventor, the creative organizational manipulator or even the manager of change. There is no intent, however, to minimize the importance of these activities. The purpose here is to concentrate on general directions of change. The subject of this discussion is the relatively few uniquely qualified people who will, in fact, determine the destiny of the food industry in the future.

ROLE OF THE ENTREPRENEUR IN THE FOOD INDUSTRY 1972-2000 A.D.

Quite simply stated, the role of the entrepreneur in the food industry will be to use the elements previously mentioned, plus other here-to-fore mystical components, to set the general direction for industry development during the stated period and beyond.

Why the great concern about the entrepreneur now?

During the long evolution of the food industry, entrepreneurs have come and gone; (largely unnoticed) emphasis has shifted from foraging for food, to pastoral agriculture, to intensive cultivation, to preservation and distribution without much fanfare. Why get excited now?

The crucial point of concern evolves around element number four – proper timing within the current opportunity structure. A bit of background information is necessary. Until a relatively few years ago, man derived his sustenance through various schemes to exploit the natural resources of the earth. His diet consisted of "natural foods" – fresh, cooked, preserved or combined in a variety of fashions. Until recently the natural resources of the world have been able to support man (some admittedly at very low levels) in his ever increasing numbers. There have been many temporary problems, but existence of some three and one half billion human beings on the earth is proof that it can be done.

Hence the crux of the issue appears. Given the assumption that man is not willing to or cannot check the growth in his numbers, during the period 1972 – 2000 A.D. the point will be reached where the present system of delivering nutrients will become unsatisfactory for large numbers of people. In terms of the impact of this population-resource crisis upon nutrient delivery systems, the situation will dictate "radical departures" from present methods. Drastic changes in form in which nutrients are delivered to man are quite possible. "Natural state preservation," synthetic supplement, totally synthetic foods, nutrients from aquaculture and many other combinations of nutrients not even thought of yet must be forthcoming to efficiently provide mankind with adequate levels of nutrients.

Thus we come back to the entrepreneur. The individual or group of individuals who will determine the broad course of development in nutrient delivery systems over the next thirty years. The time is right; the stage of crisis is forming rapidly; the technology is forming or developing. These are some of the reasons for the author's concern with entrepreneurship. Others will become apparent as this paper develops.

ORIGIN AND IDENTIFICATION OF ENTREPRENEUR

Since criteria for identification and origin are closely related, they will be considered together. The section on definition of the entrepreneurial function noted the difficulties that have been experienced in establishing uniform criteria for identification of entrepreneurs or potential candidates. The major thrust of present criteria are based on certain behavioral traits. Unfortunately, these are after the fact. If the only way we can identify an entrepreneur is by some behavior he exhibits, then how do we identify him before he acts as an entrepreneur? It may be possible to assist in his intellectual development if we knew how to identify him. We may be able to assist with the further intellectual development after he once exhibits his entrepreneurial talents. However, he may not want any assistance or he may never

act in an entrepreneurial capacity again. The chances are that he will exhibit these talents only a limited number of times. Hence, this is another area of concern.

Origin of the entrepreneur does not refer to physical locality in this discussion. The area of concern pertinent here is whether the entrepreneur of the future will come from within the existing "food industry establishment" or from without. The author wishes to avoid a lengthy damnation of the shortcomings of the existing "food industry establishment" because it would serve no useful purpose. Instead suffice it to say that the "establishment" spends little of its time in any of the six elements of entrepreneurial activity nor does it encourage or provide the proper atmosphere for such activity. In fact, from this author's point of view, much of the inward looking, protectionistic, preservativist activities of the "establishment" in recent years have actively discouraged any sort of entrepreneurial activities. Or, possibly more accurately stated, has driven any one with such "radical" ideas outside of the establishment. Unfortunately, for mankind this sort of behavior has been repeated time after time – ad infinitum. The established institution resists change to the bitter end and in the last stages of the fight they spend their entire energy in justification of their own existence and internal bickering. Again, unfortunately, much of the "existing food industry establishment" presently stands in or precariously near to these final stages. The only real issue to be decided is the length of time necessary before the death knell sounds. This admittedly pessimistic statement is meant to apply to the outdated institutions and concepts held within the food industry. Despite what it may seem, the author holds a firmly optimistic view for the food industry as a whole. Otherwise there would be no purpose in attempting to bring about changes in the food industry for the future based on relevancy to human needs.

If, indeed, the entrepreneur of the future will not come from within the "existing food industry establishment;" then to complete the truism – he must come from without. The response is immediate and resounding, so what!! So just this. Given the assumption that the entrepreneur of the future will set the broad guidelines for future food industry development and that he will come from outside the "establishment," then the establishment has lost control of its own destiny. That may not appear to be significant to most, but the impact of the potential agony from such changes upon the "establishment" is readily apparent to the author.

TRAINING OF FUTURE ENTREPRENEURS HOW AND BY WHOM?

Since there is little alternative, in this country especially, the entrepreneur of the future will most probably go through the normal primary and secondary educational system and chances are very good that he will complete an undergraduate degree. The author is not attempting to belittle the United States educational system, for he considers it to be, en masse, the best in

the world. However, it is not specifically designed to fully develop the talents of the entrepreneur. As we have already positioned him outside of the "establishment," the entrepreneur of the future in the food industry will most probably be educated in liberal arts with as broad a range in his education as possible. This is also true because the majority of the problems which he will face are not technological but sociological and psychological.

It is highly unlikely that he will pursue graduate work. This is mainly due to the "analysis paralysis" which has gripped most graduate schools. Unfortunately, this condition minimizes problem or opportunity selection and application of results in favor of infinitely complex analytical procedures — many times to the disservice of the student, the faculty and to the citizenry in general. Also, he will probably feel the urge to gain some work experience immediately after graduation.

It is probable that he may return for advanced work at some future time. However, it is also quite probable that he will become extremely frustrated with the system. At this point he might best profit from loosely structured workshop type sessions with his own kind which minimize professorial interference and maximize mutual stimulation.

The picture painted here concerning the role of the land-grant agricultural school (part of the "establishment") in positively influencing the food industry entrepreneur of the future is not a bright one and this might not be the role that society wants this institution to play in the future. However, the discourse does not say that these institutions have not contributed significantly to society in the past. And it does not say that these institutions do not contain a wealth of talented and energetic people. But it does say that these

institutions are not equipped to help develop the individuals who will shape the destiny of the entire food industry. Further it does say that, continuing on their present course, these institutions will most probably not be in a position to contribute to the society of the future — regardless of the form it takes.

Before summing up, let's regroup our thoughts and focus upon the theme of this paper. The issue under discussion was whether or not the existing food industry establishment (with special emphasis on the land grant agricultural college) can influence the entrepreneur of the future who will purposefully or indirectly determine the destiny of the entire industry. The discussion was also limited to broad directional changes and did not involve itself with the physical operation of the food industry. The results of this exercise was that the author believes the existing food industry establishment can not positively influence the entrepreneur of the future, and thus will lose control of its destiny with the corresponding physical and structural changes being imposed from the "outside".

AN OVER-VIEW

So what is the author trying to say? In reality, this discourse has been a plea for change of perspective by the institutions existing in the food industry establishment. The discussion of entrepreneurship while important and logically sound, was really a vehicle to push the quest for relevance. The trip from "hindsight" to "foresight" can be a long and painful journey, which few survive unscathed. However, it must be made or most surely a situation of greater pain from forced readjustment will be our lot.

REFERENCES

- (1) Webster's Third New International Dictionary, (Unabridged), G. C. Merriam Co., 1965
- (2) Joseph A. Schumpeter, *The Theory of Economic Development*, Cambridge: Harvard University Press, 1934.