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Raising Entrepreneurs

How combining business principles and Biblical character can help our kids become the successful entrepreneurs of tomorrow

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Part 1: Taking a Look at Business and Success

THROUGHOUT LIFE, OUR CHILDREN will meet many opportunities—in education, in relationships, and in business. God recognizes growth by giving us greater opportunities, as Jesus taught in the Parable of the Ten Pounds. “And he called his ten servants, and delivered them ten pounds, and said unto them, Occupy till I come . . . Then came the first, saying, Lord, thy pound hath gained ten pounds. And he said unto him, Well [done], thou good servant: because thou hast been faithful in a very little, have thou authority over ten cities” (Luke 19:13, 16–17).

Knowing these principles of growth and stewardship, it has been important to me that my son learn how to be successful as a Christian businessman, and I have partnered with other homeschooling parents to teach entrepreneurship to our children. I currently enjoy serving as an executive in one of the 100 largest corporations in the country; however, it is through starting small businesses that God has given me real insight into the fundamental factors required of any business to be successful. Most importantly, in small business we have the opportunity to clearly and freely exercise obedience to God’s revealed will for our lives as stewards of all that He has given us.

Our initial effort was to take a year to study the “Seven Disciplines of Biblical Business Success.” In this class, we studied seven disciplines of business: strategy, innovation, marketing, serving customers, operations, finance, and leadership. In each area, we also studied a biblical quality required for success: humility, creativity, honesty, servanthood, excellence, stewardship, strength, and compassion. Along the way, we formed teams, and each team developed a business plan for an entrepreneurial idea, applying the lessons as they wrote. At the end of the class, each team presented their business plans.

Immediately following completion of the class, my son Kevin and I took our business plan for an Online Social Network for Christian Homeschooling Families and began to lay the foundation for executing the plan. This past fall, we recruited two other homeschool students to participate as interns, and we launched the initial version of Hschooler.net. Brian is responsible for product development, Austin manages marketing, and Kevin manages revenue generation.

The business is beginning to grow. Although it is not yet profitable in monetary terms, the reward of our sons learning how to run a

business—and more importantly, how to apply their Christian faith in real-life actions and decisions—is immeasurable.

In the rest of this report, I hope to share with you the lessons we’ve been learning and how you may teach your children to become godly entrepreneurs.

BASIC PRINCIPLES

For starters, we need to understand the concepts of work, business, and success.

Many Christians wrongly view work as a curse of the Fall, but in reality, work is a blessing. It was enjoyed by Adam and Eve in Eden. “And the Lord God took the man, and put him into the garden of Eden to dress it and to keep it. And the Lord God said, It is not good that the man should be alone; I will make him an help meet for him” (Genesis 2:15, 18).

We will enjoy work for all eternity: “And they shall build houses, and inhabit them; and they shall plant vineyards, and eat the fruit of them . . . and mine elect shall long enjoy the work of their hands” (Isaiah 65:21–22).

Although it is true that work has become a burden due to the Fall (Genesis 3:17–19), God calls each of us to a vocation (1 Corinthians 1:1). Gene Edward Veith, Jr., in *God At Work*, makes the point that “Though human beings tend to be oblivious to the spiritual significance of the ordinary things they do, and though their work is tainted by sin, the Christian, walking by faith and resting in Christ, can live and work as a channel for the gifts of God. The whole purpose of every vocation is to ‘love your neighbor as yourself.’”

Wikipedia defines a business this way: “In economics, a business . . . is a legally recognized organizational entity existing within an economically free country designed to provide goods and/or services to consumers.” Or, to apply the principle of vocation, a business is an organized entity that is a channel for the gifts of God, including skills, talents, and resources, to be applied in meeting the needs of the people He has created in His image.

Does God desire for us to have success in business? I believe He does. Jesus often used stories of successful businessmen as positive parables to teach about God’s kingdom and our relationship with God. For example, the Parable of the Faithful Servant in Luke 12, the Parable of the Shrewd Manager in Luke 16, the Parable of the Ten Pounds in Luke 19, the Parable of the Workers in the Vineyard in Matthew 20, and the Parable of the Talents in Matthew 25.

Joshua 1:8 is not specifically about business, but it speaks of God’s desire for us to succeed in what He calls us to do: “This book of the law shall not depart out of thy mouth; but thou shalt meditate therein day and night, that thou mayest observe to do according to all that is written therein: for then thou shalt make thy way prosperous, and then thou shalt have good success.”

In Proverbs 3, Solomon teaches his son to look to God’s commandments, strength, and discipline and not lean on his own understand-

ing: “So shalt thou find favour and good understanding in the sight of God and man” (Proverbs 3:4).

As these passages imply, success is measured differently by the world than it is by godly measures. Business success is measured by the world in terms of revenue growth, market share, and profits.

Biblical business success, on the other hand, starts with trusting in God and being obedient to His commands.

In *Roadmap to Success*, Steve Marr writes, “God wants you to succeed. He has a plan for your life, a plan for good and not for evil. He desires that you will seek His will, understand His timing, pursue your passion, establish a clear and unwavering mission, and stay strong in His strength to accomplish all that He has ordained for your life.”

Dennis Peacocke, in *Doing Business God’s Way*, observes, “The way God runs His Creation qualifies Him as the most prominent and productive businessman of all. When Christian business professionals see this reality and begin to operate their businesses the way God does His, then it will radically change them, what we call Christianity, and the entire world in the process.”

In *How to Prosper in Business Without Sacrificing Integrity*, Rick Boxx asks, “God has a plan for your business. God’s plan is a plan designed to prosper you without sacrificing integrity. Wouldn’t it be much easier to work with God towards the goals that He has in mind, rather than to work against God?”

And Myron Rush writes in *Management: A Biblical Approach*, “If the Christian enterprise is to accomplish the tasks for which God has raised it up, its leadership must apply the principles of management outlined in God’s Word instead of those promoted and practiced by the secular world. That means we must direct our attention to God’s Word for answers concerning how His work is to be managed.”

As these men observe and Proverbs 3:4 states, it is not wrong to seek success in the sight of both God and man. In my own business endeavors, and as I teach my son about business success, my first priority must be faithfulness to God, but within that faithfulness is great liberty to seek market success, creating value for my customers and wealth within my business. Proverbs 13:22a says, “A good man leaveth an inheritance to his children’s children.” I pray the inheritance I leave will be one of faith, wisdom, and wealth.

Part 2: Strategy and Humility

ABOUT 10 YEARS INTO MY CAREER, my boss called me into a meeting and made what probably seemed to him to be a simple request: “Can you develop a strategy for us that will guide us in the launch of our new venture?”

By this point in my life, God had already richly blessed me with career success. I had worked for two large corporations, been on the leading edge of the Internet revolution, and taking the entrepreneurial jump, started up a Web development company and then sold it to a Fortune 500 company. I was now running a much broader Internet business within that corporation.

And yet, I struggled with the question. I answered “Sure,” but in reality, I had no clue what I’d just been asked to do. What is a strategy? What does it look like? What did my boss expect me to deliver back to him?

That question, and my commitment to respond to his request, set in motion a long arc of exploration for me. Today I serve as vice president of strategy for a Fortune 100 corporation. I have certainly gained an appreciation for the value of having a strategy, and hopefully I’ve also learned a thing or two along the way about how to develop a business strategy.

The first two disciplines our business students must learn are the business discipline of strategy and the biblical discipline of humility.

WHAT DOES STRATEGY LOOK LIKE?

Over the years, I’ve settled on a pretty simple definition of strategy. *A strategy is a framework that makes hard decisions easier.*

A strategy is not a single decision—it is the framework within which decisions are made. A strategy is not a single statement: it is the framework that provides the context within which decisions can be made. (A “strategy statement” isn’t a bad thing to write, however—it can be a simple reminder of the fully understood framework.)

Within the world of strategy writing, there are many different frameworks. My two favorite books that address strategy are *Built to Last* by James Collins and Jerry Porras, and *Competing for the Future* by Gary Hamel and C.K. Prahalad.

Collins and Porras use a framework that includes a “Core Ideology” made up of “Core Values and Purpose” and a “Big Hairy Audacious Goal” (BHAG), which leads to an “Envisioned Future.” Hamel and Prahalad present the concept of a “Strategic Architecture” distilled into a “Strategic Intent Statement” and a set of actions required to reconfigure the firm’s core competencies to achieve that strategic intent.

The actual terminology doesn’t really matter. To me, a good strategic framework has three key components:

- A vision for how the future will be different from the past or the present.
- A definition of the company’s mission in this envisioned future.
- An understanding of the “strategic imperatives”—the things we must do now to bring about the future we desire and our position within that future.

You can use different words to describe these components, but if you don’t have any preferences, I think “Vision,” “Mission,” and “Strategic Imperatives” work pretty well.

To give you an idea of what this looks like, my most recent entrepreneurial start-up went through the process of defining our strategic framework, and this is what we came up with:

Vision

We envision that online social networks will continue to grow and become a key connection point for both real-world and virtual-world communities. We envision that homeschooling will become an increasingly popular choice, especially for Christian families who are challenged by the anti-God biases of government and secular society. We envision that kids will increasingly be drawn to online social networks and that this will be frightening to Christian parents who want to ensure their kids are growing in safe communities that honor the God of the Bible.

Mission

Our mission is to connect families with the people, resources, and tools to train up young men and women to the glory of God.

Strategic Imperatives

- Build a competitive online community infrastructure
- Make it uniquely serve the needs of Christian parents
- Make it fun and edifying for students
- Drive viral growth
- Honor God

THE ROLE OF HUMILITY

Overconfidence will ruin any strategy. Success requires understanding what is true about your business and what is true about the

Our second order of humility must be before our customers, recognizing that we are called to our business in order to apply God's gifts to us in demonstrating love to our neighbors.

Our third order of humility must be to our competitors, recognizing that they have strengths and capabilities that we lack. Jesus taught the wisdom of competitive intelligence to those who would be His disciples, saying, "Or what king, going to make war against another king, sitteth not down first, and consulteth whether he be able with ten thousand to meet him that cometh against him with twenty thousand?" (Luke 14:31).

HOW DO YOU DEVELOP STRATEGY?

When I served as Chief Strategy Officer for TeleChoice, a strategy consulting firm, we created a two-day process for developing a company's core strategy—the mission statement within the context of the industry vision. We would bring in the top handful of leaders from the company for an intense session that provided clarity and consistency across the team.

We internally referred to the first morning of this "strategy lab" as "us versus them." We would begin by asking the leaders to tell us about their business—why they had founded it and what made them different from their competitors. As they described their differentiation, we would push back, pointing out competitors of theirs who had the exact same capabilities, who delivered the exact same value to the customer, and who made the exact same claims in the marketplace.

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environment in which you are operating—most importantly, what your competitors are doing and how their capabilities compare to yours.

Michael Porter, perhaps the most widely regarded expert on strategy, said of competitive strategy, "The essence of strategy is choosing to perform activities differently than rivals do."¹

Not only do you need to do things differently, but you must do things that your competitors aren't likely to duplicate, preferably because they can't. That means you must approach business strategy with the humility to understand your own capabilities and with great respect for what your competitors are capable of doing.

But we realize that success doesn't simply come from our own abilities and our own wisdom. In fact, we know that it is God who has blessed us with those abilities and that the beginning of wisdom is the fear of the Lord.

Proverbs 16 speaks to the plans of man, and I believe it to be largely applicable to strategy development. Some key verses include "Commit thy works unto the LORD, and thy thoughts shall be established" (v. 3), "A man's heart deviseth his way: but the LORD directeth his steps" (v. 9), and "Pride goeth before destruction, and an haughty spirit before a fall" (v. 18).

So our first humility must be before God, recognizing that any success will come from Him. Our work must be committed to Him, and we must be open to Him establishing our steps in a different and better plan than we had in mind.

This was enforced humility, forcing these leaders to dig deep to better understand what was true about the environment in which they were competing.

The first afternoon, we applied what we learned to come up with possible right answers and evaluation criteria against which we'd test the possible right answers.

We referred to the second morning as "them versus them" as we asked the leaders to score the possible strategies against the evaluation criteria—things like their goals, their capabilities, their resources, and the needs of the market. This process was always eye-opening as the leaders learned truths about their own company from each other (positive and negative) that they'd never considered before as a team.

Through this process, we would reach consensus on the company's core strategy based on a deep understanding of the truths that were shaping the opportunity for the business.

This specific approach won't be the best for all businesses, but developing a deep understanding of the business environment, imposing humility to ensure a realistic differentiated strategy, and identifying the critical actions required for success will always be essential.

I hope and pray that these studies in the disciplines required for biblical business success will be profitable for you in raising young, godly entrepreneurs in your homeschool!

¹Michael Porter, "What Is Strategy?", Harvard Business Review, November–December 1996

Part 3: Innovation and Creativity

THE VERY FIRST WORDS OF THE Bible proclaim God’s creativity: “In the beginning God created the heaven and the earth” (Genesis 1:1). The Bible proclaims and honors God’s creativity all the way through to Revelation: “Thou art worthy, O Lord, to receive glory and honour and power: for thou hast created all things, and for thy pleasure they are and were created” (Revelation 4:11).

Since we are created in God’s image, He has made us to be creative. This shows in every aspect of our lives. As entrepreneurs, creativity is exhibited in the innovative ways we operate our businesses to increase our success. Every business student must learn these twin disciplines: the business discipline of *innovation* and the biblical discipline of *creativity*.

WHAT IS INNOVATION?

Every year, *Fast Company* magazine ranks “The World’s Most Innovative Companies.” The top 10 for 2010 demonstrate the diversity of ways in which innovation plays out in the marketplace. The #1 most innovative company in this year’s list? Facebook:

Despite the grim economic outlook early in 2009—“We didn’t know how bad things might get,” says Zuckerberg—the young CEO did what every great Valley CEO has done in down years: sink money and time into continually perfecting “the product.” Zuckerberg grew Facebook’s engineering ranks by 50%, and those teams, though increasingly staffed by greenhorns, unveiled features and products at a record pace—from the very practical (tripling site speed) to the profound (the launch of peace.facebook.com).

Amazon is #2. *Fast Company* recognized Amazon’s ability to leverage its core operational infrastructure—databases and Internet servers—to get into new businesses including e-readers and video streaming.

By contrast, #8, Novartis, focused on the needs of individual patients. The magazine highlighted this company’s ability to develop medicines to treat diseases that affect very few people (and therefore are considered unprofitable by other drug companies) and then extend the lessons learned into money-making treatments for more common ailments. The magazine emphasized Novartis chairman Daniel Vasella’s personal history of childhood tuberculosis and meningitis, his loss of a teenaged sister to Hodgkin’s lymphoma, and his experience as a physician.

These three companies represent three different forms of innovation that reflect individual core strategies. In *The Discipline of Market Leaders*, authors Michael Treacy and Fred Wiersema argue that a company must focus on one of three competitive disciplines: *product leadership*, *operational excellence*, or *customer intimacy*. Although we most easily think of innovation as applying to developing “cool products,” in reality, innovation can be a new product, or a new process, or a new way to serve customers.

Facebook is all about product leadership. It is not centered on the most efficient operations or on deeply understanding the needs of its customers. Instead, the company typically comes up with a cool new feature idea, implements it, and then watches to see if customers like it or not.

Amazon, on the other hand, is all about being excellent in how it operates. By building a robust web, transaction, and database infrastructure specially designed for e-commerce, the company has been able to create many new products that use that infrastructure. In fact, a growing part of the company’s business is being the underlying infrastructure for other companies (thousands of them, including my latest start-up, Hschooler.net).

Finally, Novartis is all about deeply understanding the needs of a specific group of customers and developing new ways to serve those customers. The lessons learned from serving a narrow group of customers create additional business opportunities in broader markets, but everything Novartis does focuses on improving health for each individual. This is at the heart of the competitive discipline of customer intimacy.

To give you a sense of what it looks like for a small business to develop its innovation strategy, consider how we approached it for Hschooler.net. Our mission is to connect families with the people, resources, and tools to train up young men and women to the glory of God. At its heart, this is a strategy centered on meeting the unique needs of Christian families, especially those who homeschool. Therefore, our innovation strategy should be a customer intimacy strategy—deeply understanding the needs of this group and developing new and unique ways to serve them. So far this has translated into the development of features not found in other online social networks, including strong parental controls, the ability to assign tasks and track progress, and a Bible sharing tool, among others.

BIBLICAL CREATIVITY

Wikipedia defines creativity as “the ability to generate innovative ideas and manifest them from thought into reality. The process involves original thinking and then producing.” Using that definition as a guide, we can learn from the many biblical examples of creativity.

In Exodus 35, Moses speaks of two creative workmen God called to work on the tabernacle. I believe this passage teaches that God is the source of our creativity—our wisdom and our skill—but also that He calls us to works of creativity that are pleasing and honoring to Him:

See, the LORD hath called by name Bezaleel the son of Uri

... and he hath filled him with the spirit of God, in wisdom, in understanding, and in knowledge, and in all manner of workmanship; and to devise curious works, to work in gold, and in silver, and in brass, and in the cutting of stones, to set them, and in carving of wood, to make any manner of cunning work . . . both he, and Aholiab, the son of Ahisamach . . . hath he filled with wisdom of heart, to work all manner of work, of the engraver, and of the cunning workman, and of the embroiderer, in blue, and in purple, in scarlet, and in fine linen, and of the weaver, even of them that do any work, and of those that devise cunning work. (Exodus 35:30–35)

David's victory over Goliath was the result of David's creativity, applying original thinking to the battle and producing success. Don't get me wrong—God gave David the skill with a sling, the guidance of the Spirit, and unquestionably the victory, but He used David's creative problem-solving to accomplish it. This story demonstrates that, in our creativity, we must use the skills and talents with which God has prepared us. We must respond to how the Spirit leads us—which may be in a new way, or it may be in the way the world would normally solve the problem.

A third example is Paul's Mars Hill sermon in Athens. The apostle said, "Ye men of Athens, I perceive that in all things ye are too superstitious. For as I passed by, and beheld your devotions, I found an altar with this inscription, TO THE UNKNOWN GOD. Whom therefore ye ignorantly worship, him declare I unto you. God that made the world and all things therein, seeing that he is Lord of heaven and

earth, dwelleth not in temples made with hands" (Acts 17:22–24). Without lessening God or dishonoring Him, Paul creatively used what he knew about his audience to appeal to them with the message of the gospel.

My final example is the story of the tower of Babel. When the Lord came down to earth to see what the people were up to in Babel, He said, "Behold, the people is one, and they have all one language; and this they begin to do: and now nothing will be restrained from them, which they have imagined to do" (Genesis 11:6). God recognized that these people were imagining a new idea and were putting it into practice. Of course, in this case, we know that what the people were imagining was sinful—seeking equality with God—and we know that God frustrated their plans with a creative solution of His own!

In summary, God blesses us with wisdom and skills, and He calls us to be creative in our work. Our creativity should reflect our unique God-given capabilities and should not conform to the world's ways (unless that is how the Spirit leads us and it isn't contradicted by Scripture). We should, however, understand the world in which we are competing and be creative, in a God-honoring way, to appeal to those around us. If we earnestly seek God's will and follow these principles, God will bless our creative work in His way and in His timing. If however, we apply our creative gifts in sinning against Him, He very likely will frustrate our ways.

I hope and pray that these studies in the disciplines required for biblical business success will be profitable for you in raising young, godly entrepreneurs in your homeschool!

Part 4: Marketing and Integrity

CASH IS THE LIFEBLOOD OF ANY business. Without dependable income, no business can survive. Revenue generation is dependent on the collection of activities known as marketing. These activities make it possible and attractive for customers to buy a business's products and services. Earning the trust of customers is at the core of successful marketing.

Our Lord taught that "He that is faithful in that which is least is faithful also in much: and he that is unjust in the least is unjust also in much. If therefore ye have not been faithful in the unrighteous mammon, who will commit to your trust the true riches?" (Luke 16:10–11).

Being successful in business requires excellence in the business discipline of marketing, but it also requires that we demonstrate the biblical discipline of integrity to earn the trust of customers. As we continue this series on "Raising Entrepreneurs," we will study these two disciplines.

WHAT IS MARKETING?

According to Wikipedia, "Marketing is the process by which companies create customer interest in goods or services. It generates the strategy that underlies sales techniques, business communication, and business development. It is an integrated process through which companies build strong customer relationships and create value for their customers and for themselves."

When we hear the word *marketing*, most of us think of advertising. In reality, advertising is a small part of the overall marketing discipline. A popular framework for defining the functions of marketing is known as "The Four P's of Marketing":

- **Product:** Offering the right product or service to meet the needs of your target customers.
- **Price:** Offering that product at the right price to attract your target customers while maintaining appropriate profitability.
- **Place:** Offering that product in the right places so that your target customers can easily purchase it.
- **Promotion:** Informing your target customers about your product, its price, and its place.

Successful businesses develop *products* or services that satisfy the needs and desires of a specific group of potential customers.

Some businesses start with a target customer in mind, and they deeply understand the needs and desires of those potential buyers. They then determine which products or services to develop to satisfy

those needs and desires.

Other businesses start with a product or service in mind, and then they set out to determine who might be interested in buying it. Either approach can work, as long as there is a large enough target market for the offer. At the end of the day, there have to be enough sales to cover the costs of operating the business.

Pricing can be a tricky science. Setting the price too high results in not enough customers seeing enough value in your product or service to justify paying that much for it. Setting the price too low can lead to plenty of sales, but not enough income to cover the cost of each sale.

Mastering pricing benefits from understanding a couple of advanced business concepts: price elasticity and economies of scale.

Price elasticity is a fancy term for understanding how pricing impacts demand. If you drop your price 10%, will your sales increase by a proportionate amount? For most products, there is a price point where elasticity takes off—a small reduction in price translates into a large increase in demand. Finding that sweet spot can really drive revenue growth while keeping profits relatively stable.

The *economies of scale* of a business refers to the general principle

our trust. As Jesus taught in Luke 16, if a business shows that it can't be trusted with one transaction, we aren't going to come back for more. In fact, we're likely to warn our friends not to do business with them either. As entrepreneurs, we can't afford to lose the trust of our customers, and yet, in this fallen world we will face many temptations to sacrifice our integrity for short-term gains.

Proverbs tells us, "The lip of truth shall be established for ever: but a lying tongue is but for a moment" (Proverbs 12:19).

In his book *How To Prosper in Business . . . Without Sacrificing Integrity*, Rick Boxx identifies five pillars of integrity in business:

- The Fear of the Lord: "Fear of the Lord is the defining difference between secular integrity and biblical integrity . . . in our business we should show the proper respect and awe for the power almighty God has over our life."
- Honesty: "Even the smallest of details can cloud the perception of someone's honesty."
- Trustworthiness: "In business your staff, your board, your customers, your suppliers, and many others must believe you are trustworthy before they will consistently trust you with things

“We are to serve our customers, our staff, and our investors as if they were Jesus Himself.”

that, for most products, as you sell more, your cost (not your price) per item becomes less. Some businesses, especially those that require major equipment investments to get started (e.g. manufacturing, telecom networks), benefit greatly from the economies of scale. Since your cost to produce the very first one of your products is very high, you probably need to price that first item well below your cost, and you'll lose money on it. However, as you sell more and more, the cost per item comes down, providing more flexibility in how you price while improving profits.

The marketing practice labeled *place* is more often discussed as *distribution*. Where can customers buy your products and services? These days, at least part of your answer likely will be "on the Web." Will you also let people call you and place orders over the phone? Will you sell your product at conferences? Does it make sense to sell through other people's stores (e.g. Wal-Mart) or do you need to open your own stores? To make these decisions, you need to understand where your target customers shop and what they think of each of those places. You also need to understand the varying costs of each distribution channel. Selling on the Web can be very inexpensive. Opening your own stores requires a huge upfront investment, but over time will benefit from the economies of scale. Other choices can have relatively high cost per sale.

Finally, *promotion* is where advertising fits. However, buying advertising isn't the only way to promote your products and services. Anything you can do to create awareness and publicity can count as promotion. As an example, for our business (Hschooler.net), we have participated in homeschool conferences and have issued a press release that was reported on by a number of Christian radio stations and online publications. But our biggest form of promotion is "word of mouth"—satisfying our members' needs and desires so well that they tell their friends and convince them to join.

BIBLICAL INTEGRITY

We can all think of examples of businesses that lack integrity. We feel like they have tricked us or cheated us. In short, they have lost

of value. This applies not only to people trusting you, but also proving your trustworthiness to God."

- Excellence: "God has called us to be a light to the world, a shining example in all that we do, this includes in and through our business."
- A Servant Heart: Boxx references Ephesians 6:7–8, which teaches "With good will doing service, as to the Lord, and not to men: knowing that whatsoever good thing any man doeth, the same shall he receive of the Lord, whether he be bond or free."

We are to serve our customers, our staff, and our investors as if they were Jesus Himself.

In developing our product and service offers, we must demonstrate excellence. Our customers should recognize our attention to providing a quality offer at a fair price, and that should reflect our Christian witness.

In defining our pricing, we must avoid confusing pricing that may cause some customers to be surprised by what they view as hidden charges.

We must be particularly careful in choosing where to sell our products and services. If we sell our product through stores that have a reputation for dishonesty or a lack of trustworthiness, or worst of all, that demonstrate a lack of fear of the Lord, potential customers may associate our offers with the same negative characteristics.

Our promotional materials must be clear and honest. Good advertising will emphasize the strengths of a product, but can't make claims that are misleading or deceitful. If your promotions cause someone to expect something different from what they actually receive, you likely will lose their trust.

In his letters, Paul encouraged leaders in the church to be "blameless" and "above reproach" (1 Timothy 3:, Titus 1). As Christian business leaders, we too should strive to appear blameless to our customers. Doing so will be part of glorifying God and will help build a successful business.

I hope and pray that these studies in the disciplines required for biblical business success will be profitable for you in raising young, godly entrepreneurs in your homeschool!

Part 5: Customer Service and Servanthood

NO BUSINESS CAN SURVIVE WITHOUT customers. Great businesses are those that serve their customers well—meeting and exceeding their expectations.

Jesus taught, “Whosoever will be great among you, let him be your minister; and whosoever will be chief among you, let him be your servant: even as the Son of man came not to be ministered unto, but to minister, and to give his life a ransom for many” (Matthew 20:26–28).

Success in business requires excellence in the business discipline of serving customers, which requires that we demonstrate the biblical discipline of servanthood. As we continue this series on Raising Entrepreneurs, we will study these two disciplines.

HOW DO BUSINESSES SERVE CUSTOMERS?

Most businesses separate their customer-serving functions into two distinct sets of activities. *Pre-sales activities* are focused on helping customers make the right decisions about purchasing products or services from the business. *Post-sales activities* are focused on supporting customers as they use the business’s products and services.

Pre-sales activities are typically performed by a sales function within the business. Post-sales activities are typically performed by a customer service function.

The sales function is focused on two distinct customer activities: considering and purchasing. When customers are considering whether or not to buy from the business, and then considering exactly which products to purchase, the sales function plays a key role in serving the customer. Each of us can think of a time when we were trying to make a purchase decision, and the company we were buying from made it easy for us to figure out what we needed. We can also think of times when we’ve been frustrated because we couldn’t find the information we needed to make that decision. Successful businesses will help customers in making those decisions, even if the right decision for the customer is to not purchase (at this time) from the business.

But what do I mean when I say “the sales function”?

Well, it depends. You may recall from the previous segment that I talked about the “place” component of the Four Ps of Marketing and how it deals with distribution decisions. Do you sell your products through a website, by telephone, in another company’s stores (e.g. Wal-Mart), or in your own stores? Depending on the answer to this question, “the sales function” can mean very different things. If you sell through your website, *the website* must serve your customers in the consideration phase. If you sell through someone else’s store, your *product packaging* probably needs to serve your customers in their consideration. If you have the opportunity to interact directly with the customer, either over the telephone or in person, *you or your*

sales employees must have the right information and the right attitudes to serve customers well in their decision process.

The second activity that the sales function must serve is the purchasing process. Do you make this easy and painless, or is the process full of frustrations and unpleasant surprises? Again, I think you can remember times when the purchase process has been easy (for example, think of paying for gasoline at the pump) and times when making a purchase has been frustrating (for example, when you need to fill out lots of forms and get surprised by extra charges). The most successful businesses will focus on making the purchasing process simple and efficient.

The customer service function takes over once the purchase is made. What customers are looking for at this stage is very different from what they needed prior to making the purchase. Customers will often return for post-sales support, whether to the company website or a physical store. You will need to make sure that you are prepared to deal with the customer and quickly and efficiently resolve questions or problems.

Jesus taught, “Blessed is that servant, whom his lord when he cometh shall find so doing. Of a truth I say unto you, that he will make him ruler over all that he hath” (Luke 12: 43–44).

When customers find us being responsive to their needs, meeting and exceeding their expectations, they will become loyal, and we will earn all of their business.

In establishing a customer service function, businesses must consider what service points they will support (in-store, toll-free telephone, web, service locations, “house calls,” etc.), what hours they will provide service via each service point, and how they will staff the customer service function. The greatest challenge as a business grows is ensuring that employees who come in contact with customers have the right attitude and treat the customer in a way that engenders loyalty.

Rick Boxx writes in *How to Prosper in Business . . . Without Sacrificing Integrity*, “A true servant attitude toward customers will only come from heart-felt concern from front line employees. Heart-felt concern only comes from a system that truly recognizes, rewards, and encourages that sort of attitude. Businesses that take this seriously sell their customer service vision to their employees from the very first day. Then they sell it again the second day, and every day thereafter, by rewarding and encouraging the employees that actually demonstrate it to the customers and by eliminating the people that don’t.”

One tool that can be a very powerful way to encourage the right attitudes and actions is compensation. If the way you pay your employees is tied directly or indirectly to their delivering excellent customer service, then your employees will understand the value, to the company and personally to them, of meeting and exceeding the customer’s expectations.

Despite the importance of delivering an excellent customer experience, businesses must never lose sight of maintaining profitability.

Excellent service should result in higher revenues due to easier customer purchase decisions and repeat customer business. Excellent service during the consideration phase may also reduce some costs, since customers are less likely to return products that don't meet their needs or to require post-sale customer service. But the cost of your sales and customer service functions must be aligned with the revenue from the product.

For example, Hschooler.net—a site I helped my 13-year-old son start—is a free service for individuals. An upgrade to a “Family” account results in \$5 in annual revenue per family. We have to make sure that our “cost of acquisition”—what it costs us to bring on a new individual user—is as low as possible. On average, for every 15 individual users, we get a new family account, so our annual revenue per user is about 35 cents. If we spend more than that on sales or customer service, we'll be losing money—and that's not even accounting for the other costs of running the business.

Therefore, our sales and customer service functions are completely web-based. Hopefully, our website does a good job of providing the information that potential customers need when considering whether or not to join Hschooler.net. We also prominently display an e-mail address where they can send any questions. Once they join the site, there is a “Help” section on the main menu bar where users can find tutorial videos and FAQs and where they can report a bug, make a suggestion, or ask a question. For a

free or low-cost service, we hope that this approach to customer service meets the expectations of our customers while keeping our costs low.

BIBLICAL SERVANTHOOD

In all the ways that we serve our customers, we must keep in mind the biblical standard of servanthood.

Paul clearly laid this standard out in his letter to the Ephesians: “Servants, be obedient to them that are your masters according to the flesh, with fear and trembling, in singleness of your heart, as unto Christ; not with eyeservice, as menpleasers; but as the servants of Christ, doing the will of God from the heart; with good will doing service, as to the Lord, and not to men: knowing that whatsoever good thing any man doeth, the same shall he receive of the Lord, whether he be bond or free” (Ephesians 6:5-8).

In business, you will encounter customers who are hard to deal with. Even then, keep in mind Paul's admonition that it is not men we are seeking to please, but God. We are seeking to do God's will, and we are to serve our customers (and our coworkers and our investors and all we come into contact with) as if we are serving the Lord.

I hope and pray that these studies in the disciplines of biblical business success will be profitable for you in raising young, godly entrepreneurs in your homeschool!

Part 6: Excellence in Operations

OVER THE PAST SEVERAL SEGMENTS, we've talked about the disciplines required for biblical business success, studying strategy, innovation, marketing, sales, and customer service. However, none of those disciplines matter if the business fails to operate its core business with excellence. A manufacturing company has to be great at making products. A restaurant has to be good at serving tasty food. A retail store has to be excellent at managing inventory and making the desired products available to customers.

By human standards, the excellence of these core operations is measured in revenue growth and profitability. Excellent operations produce a desirable product at a reasonable cost. However, as Christians, our focus must be higher than profitability.

The apostle Paul wrote to the Colossians, “And whatsoever ye do, do it heartily, as to the Lord, and not unto men; knowing that of the

Lord ye shall receive the reward of the inheritance: for ye serve the Lord Christ” (Colossians 3:23–24). For us, operational excellence should be focused on pleasing God

WHAT ARE “OPERATIONS”?

Wikipedia defines “business operations” as “those ongoing recurring activities involved in the running of a business for the purpose of producing value for the stakeholders.” The term “stakeholders” includes anyone who has a stake in the success of a business, including owners/investors, employees, customers, and even suppliers. A business that is operating well will create profits for owners, a safe and rewarding environment for employees, quality products and services for customers, and predictable demand with efficient interactions for those who are providing the business's supplies. A Christian business operating with excellence will also honor God and glorify Him in the sight of these stakeholders.

But what are our “ongoing recurring activities”?

Every business has certain processes that get repeated over and over again as part of everyday business. Think about a sit-down restaurant. As customers, we know that there's a process for checking in and being seated. There's a process for placing an order. There's a process for bringing the food to the table. There's a process for paying the bill. And there's a process for clearing the table so it's ready for the next customer.

If you pay attention, you will notice that not every restaurant handles these basic processes the same way. For example, at some restaurants, you simply wait in line to be seated. Other restaurants

write down your name and call it when a table is available for you. Another approach is for the hostess to hand you an electronic pager that flashes and vibrates when your table is ready.

Why do you think restaurants have different approaches? Why don't they all do everything the same way? Why do some restaurants expect you to stand in line waiting for a table instead of handing you one of those fun and fancy electronic pagers?

Excellence in business processes is often discussed in terms of *efficiency* and *effectiveness*. Efficiency is all about getting the most benefit from the least amount of output. If you put a lot of time, money, and effort into a process and don't get much business or revenue out, that is a very inefficient (and typically unprofitable) process. But if you put little time, money, and effort into a process and get good results, then you have an efficient process contributing to profitability. Effectiveness is all about achieving the desired effect. In

the toys to stores, sell stores on the need to carry their products, and market to the general public so that kids will ask their parents for the toys the company produces. The company needs to make sure they have enough money to start making the toys in the summer that won't be bought until December.

Many of these processes impact the attractiveness of the product or service to the customers. Performing these processes *effectively* results in more sales and more revenue. Many of these processes impact the cost of producing the product or service. Performing these processes *efficiently* results in higher profits.

Each business must understand which processes have the biggest impact on its performance, and it must focus process improvement on those processes. Each process can be broken down into individual tasks, involving specific employees taking specific actions, sometimes using specific tools (such as a computer system). Are these

“As we operate our businesses, we must strive for the highest level of excellence which God has prepared us to deliver.”

the case of a customer-facing business process, an effective process is typically one that results in a happy customer.

Often, a business has to balance the need to make money with the desire to give customers what they want.

Most sit-down restaurants where I have waited in line to be seated are in locations like airports. At an airport, restaurants have very limited space. They need to use all the space available for the kitchen and for tables; they can't afford to set aside space for a waiting area. At an airport, diners also tend to be in more of a hurry to eat and move on to their gate; the tables “turn over” quickly, so the line moves fairly quickly. In managing their operations with excellence, these restaurants choose an acceptable customer experience over a great customer experience in order to maximize the revenue they can collect. These restaurants also benefit from the reality that travelers have limited choices, so the restaurant can be less concerned about losing customers to a competitor offering a better experience.

Every business must make dozens of decisions about processes. Depending on the nature of the business, these processes fall into common categories, including:

- Research and development: designing new products and services
- Supply chain: managing the inflow of the materials used by the business
- Manufacturing and production: creating the business's products
- Quality management: ensuring the products represent the business well
- Facility management: operating the buildings where employees work
- Human resources: hiring, training, and helping employees be productive
- Finance: managing cash flow so that the business has the money required to operate

As we've done for the restaurant industry, you can think about the companies you know and imagine the various processes they go through in each of these categories.

A toy company designs new products to release in time for Christmas each year. They purchase plastic and metal to build their toys. They reconfigure the machines in their factories to manufacture them. They make sure kids don't receive toys that are defective or missing pieces. They operate their factories and distribution centers safely. They hire and train workers to operate the factories, distribute

tasks sequenced in the right order, or would it work better if one task were performed before another? Are the right people doing each task? Are the tools sufficient, or would the business make more money by investing in better computer systems or other tools?

Going back to our example of checking diners in at a sit-down restaurant, the tasks include:

- Recording the name of the customer and how many diners are in their party (this task is performed by the hostess, either using pencil and paper or entering it into a computer)
- Identifying when a table becomes available (performed by the busboy or waiter telling the hostess)
- Determining which waiting party to seat at the available table (performed by the hostess using the handwritten list or computer system)
- Notifying the customer that the table is available (performed by the hostess using her voice and sometimes a public address system, or using an electronic paging system)
- Taking the party to their table (performed by the hostess or wait-staff)

GOD-FOCUSED EXCELLENCE

The world measures the excellence of business operations in terms of revenue growth and profitability, but as Christians in business, our standard must be higher. Our focus must be on pleasing and glorifying our heavenly Father. Jesus gave us a clear standard: “Be ye therefore perfect, even as your Father which is in heaven is perfect” (Matthew 5:48).

As imperfect, fallen humans, perfection is a standard of excellence that we cannot achieve on our own, but Jesus also taught, “For we are his workmanship, created in Christ Jesus unto good works, which God hath before ordained that we should walk in them” (Ephesians 2:10). The work you are called to do was prepared by God for you to do and to do excellently.

As we operate our businesses, we must strive for the highest level of excellence which God has prepared us to deliver by serving our business's stakeholders (owners/investors, customers, employees, and suppliers) in Christ's love, not being focused on pleasing men or satisfying our own pride, but being focused on pleasing God and glorifying Him!

I hope and pray that these studies in the disciplines required for biblical business success will be profitable for you in raising young, godly entrepreneurs in your homeschool! However, a Christian in

Part 7: Financial Stewardship

SO FAR IN THIS SERIES, WE'VE TALKED about the disciplines required for biblical business success. But when it comes right down to it, businesses need to make money. No business can lose money forever.

business doesn't simply view financial management as the process of maximizing profits. He recognizes that he is merely a steward, entrusted by God with resources to be used to God's glory. The Bible tells us "The earth is the LORD'S, and the fulness thereof; the world, and they that dwell therein" (Psalm 24:1).

WHAT IS FINANCIAL MANAGEMENT?

If you've ever studied God's design for the water cycle, you have a sense of how finances work within a healthy business.

Starting a business usually requires initial funding to buy required equipment and hire necessary employees. Those initial investments establish the basic operations of the business, which in turn generate revenues. If the revenues exceed the business's operating expenses, the business generates a profit.

Wise businessmen reinvest a portion of those profits in the business, improving operations.

The "water cycle" for business finance is Funding -> Operations -> Revenue -> Profits -> Funding.

Let's look at each of these steps in a little more detail.

WHAT ARE THE SOURCES OF FUNDING?

Profits from operating the business are one source of funding—and the best. They don't require trying to convince outsiders to invest in the business, and they ensure you don't have new investors or creditors demanding performance and questioning how you're running the business. Investors are the second-best funding source, providing money in exchange for an ownership stake in the company. Investors realize they are taking a risk by putting money into the business. They may never get their money back, even if the company is borderline profitable. They are willing to invest because they believe that the company will be very successful, and if they're right, their investment has the potential to return many times their initial investment.

The business might choose to pay investors out of the profits earned. These are called *dividends*. Investors can also get their money back when they sell their ownership in the company to a new investor. This is what happens when investors buy and sell company stock on the New York Stock Exchange.

For small start-up businesses, initial investors are often friends and family. Their stock isn't likely to ever be traded in New York, but can become very valuable if the company is successful.

The worst source of funding is debt funding. Many businesses take out loans from banks, or they may sell corporate bonds to debt-focused investors. Instead of *investors*, these banks or individuals are called *creditors*. These loans typically have clearly defined terms under which the borrowed money must be repaid with interest, including a specific schedule for payments.

Creditors don't enjoy an upside if the business does well—they only get back the initial loan, plus the agreed-upon interest. But if the business is unable to meet the payment terms, creditors can actually force the company into bankruptcy and take control of the business. They can even force the business to shut down and sell off its assets to pay back the loan. Investors are often patient through tough times; creditors rarely are.

Proverbs 22:7 tells us "The rich ruleth over the poor, and the borrower is servant to the lender." In business, I have certainly seen this to be true.

HOW ARE INVESTMENTS MADE IN OPERATIONS?

Investment in business operations is often referred to in three broad categories: *cost of revenue*, *operational expenses*, and *capital expenses*.

Cost of revenue is what we must spend for the basic ingredients of what we sell. If we're selling sweaters, we need to buy wool before we ever have a product to sell. The wool is our cost of revenue.

Operating expenses are the costs we incur each month to operate the business—the rent we pay for our sweater-manufacturing facility, the cost of electricity to run the weaving equipment, and the salaries of our employees.

Capital expenses are investments in an asset that will benefit the business for a long time, often called "property, plant, and equipment." Expensive looms and sewing machines need to be purchased before making our first sweater, but this equipment should serve the business for many years.

HOW DO WE MEASURE PROFITS?

Three primary financial reporting tools are used in managing a business.

The *balance sheet* provides a snapshot of the health of a business at a point in time. On one side of the balance are "assets"—things of value that the business has at its disposal. These assets are generally categorized as *current assets* and *non-current assets*.

Current assets are cash and things that can generate cash quickly, including accounts receivable (bills that have been sent to customers) and inventories (products that haven't yet been sold). Non-current assets are everything else, including investments in other businesses and the current value of property, plant, and equipment.

On the other side of the balance are *liabilities and equity*. Liabilities are obligations the business has to others, including accounts payable (bills that the business has received but hasn't yet paid) and any debt the company has taken on. To balance the balance sheet, the difference between assets and liabilities is called *equity*. This is the "book value" of the company.

The *income statement* is used to report company profits. Unlike the balance sheet, which gives a snapshot in time, the income statement tells a story over time, showing the business's ups and downs. An income statement starts at the top with the revenues in each time period. It subtracts the cost of revenue to get to one measure of profitability, the *gross profit*, which tells whether the business is selling its products for more than they cost. It then subtracts out the operating expenses to get to another measure of profitability, the *operating profit*, which tells whether the company is making enough money to cover its ongoing operating costs.

Finally, any interest payments, taxes, and depreciation are subtracted to get to *net income*—the best measure of whether or not the business is profitable. It tells whether or not the company is making enough money to cover its investments. Depreciation is calculated from the capital expenditures: if our weaving loom cost \$10,000 and is expected to last 10 years, we might account for the cost of that investment on the income statement as \$1000 each year to better reflect the ongoing profitability of the business.

Gross Profit = Revenue – Cost of Revenue

Operating Profit = Gross Profit – Operating Expense

Net Income = Operating Profit – Taxes – Interest – Depreciation

However, as our weaving loom example demonstrates, the income statement doesn't accurately reflect the challenges of running a business. Many companies have gone out of business even when their income statement said they were profitable—they simply ran out of cash.

The *cash flow statement* is similar to the income statement, except that it shows all of the cash flowing into and out of the business, including the full price of any capital expenses, any new invest-

ment into the business, and any investments the company makes outside of the business. The cash flow statement shows whether the business is actually generating cash that can be invested back into operations or if it is burning through whatever money the business has in the bank.

WHAT IS STEWARDSHIP?

According to Dictionary.com, a steward is “a person who manages another's property or financial affairs.” Since the Bible teaches us that everything we have comes from God and is God's, we are acting as stewards for our Master.

For us, financial stewardship must be a continual focus. The Evangelical Lutheran Church in America website counsels, “With regard to financial stewardship, faithful living entails at least four things: 1) we *acquire* our money in God-pleasing ways; 2) we *regard* our money in God-pleasing ways; 3) we *manage* our money in God-pleasing ways; and, 4) we *spend* our money in God-pleasing ways.” This guidance applies to businesses at least as much as it does to individuals.

However, we are called to be good stewards not only of money, but of all of our resources. Time is another resource Christians must value. What would your cash flow statement look like if it measured your *time* instead of your *cash*? How well do you manage your time in receiving and investing in God's kingdom? How much time do you spend in prayer, in the Word, in evangelizing nonbelieving employees and customers, and in discipling believing employees?

I hope and pray that these studies in biblical business success will be truly profitable for you in raising young, godly entrepreneurs in your homeschool!

Part 8: Strong and Compassionate Leadership

A SUCCESSFUL BUSINESS REQUIRES effective leadership, and there is no better model for leadership than our Lord Jesus Christ. In this segment, we will discuss three final disciplines required for biblical business success, all of them modeled for us by Christ Himself: leadership, strength, and compassion.

Many attributes of Christ reflect positive leadership traits, including sovereignty, humility, wisdom, truth, goodness, and justice. But for the purposes of this discussion, I'd like to focus on His strength and His compassion.

In Matthew 9:36, it is said of Jesus, “But when he saw the multitudes, he was moved with compassion on them, because they fainted, and were scattered abroad, as sheep having no shepherd.”

Without a strong and compassionate leader, a business wanders like scattered sheep and is vulnerable to the attack of competitive wolves.

WHAT IS BUSINESS LEADERSHIP?

According to Wikipedia, one definition of leadership is “the ability to affect human behavior so as to accomplish a mission.” I like this definition because it takes us back to the very first business discipline we studied—strategy—and defining the mission for your business. Leadership implies leading an organization in a given direction, and that direction is defined by your strategy.

But this definition of leadership also strongly reflects the fact that a leader is not a leader unless others are following him. A capable worker, working by himself to the glory of God, can accomplish much, but leadership involves getting a collection of people to work together to accomplish even more.

In *Leadership by the Book* by Ken Blanchard, Bill Hybels, and Phil Hodges, the authors clarify this idea of leadership: “There are two aspects of leadership—a visionary role (doing the right thing) and an implementation role (doing things right).” The authors strongly emphasize a servant leader model: “True leadership starts on the

inside with a servant heart, then moves outward to serve others.” I like this clarification because it takes us back to the biblical discipline we discussed two segments ago: servanthood.

HOW CAN A LEADER BE A SERVANT?

The picture of Jesus as our Great Shepherd is a good picture for us to consider. As students of the Bible, we know that throughout the Old Testament, the nation of Israel lacked good leadership.

And the word of the LORD came unto me, saying, Son of man, prophesy against the shepherds of Israel, prophesy, and say unto them, Thus saith the Lord GOD unto the shepherds; Woe be to the shepherds of Israel that do feed themselves! should not the shepherds feed the flocks? Ye eat the fat, and ye clothe you with the wool, ye kill them that are fed: but ye feed not the flock. The diseased have ye not strengthened, neither have ye healed that which was sick, neither have ye bound up that which was broken, neither have ye brought again that which was driven away, neither have ye sought that which was lost; but with force and with cruelty have ye ruled them. And they were scattered, because there is no shepherd: and they became meat to all the beasts of the field, when they were scattered. My sheep wandered through all the mountains, and upon every high hill: yea, my flock was scattered upon all the face of the earth, and none did search or seek after them. (Ezekiel 34:1–6)

God referred to the leaders of Israel as shepherds. They failed God (and the people) because they focused on their own desires (“ye eat the fat, and ye clothe you with the wool”). He condemned them because the shepherds failed to serve the flock (“should not the shepherds feed the flocks? . . . the diseased have ye not strengthened . . . neither have ye bound up that was broken . . . neither have ye sought that which was lost”). Instead, these ineffective leaders demonstrated the wrong way to try to “affect human behavior to accomplish a mission”—in the words of God, “with force and with cruelty have ye ruled them.”

In perfect contrast to the failed shepherds of Ezekiel’s time, Peter spoke of leaders of the New Testament church as shepherds serving the flock:

“The elders which are among you I exhort, who am also an elder, and a witness of the sufferings of Christ, and also a partaker of the glory that shall be revealed: feed the flock of God which is among you, taking the oversight thereof, not by constraint, but willingly; not for filthy lucre, but of a ready mind; neither as being lords over God’s heritage, but being examples to the flock.” (1 Peter 5:1–3)

Solomon’s son Rehoboam received wise counsel from the men who had provided counsel to his father: “And they spake unto him, saying, If thou wilt be a servant unto this people this day, and wilt serve them, and answer them, and speak good words to them, then they will be thy servants for ever” (1 Kings 12:7). To his shame, and to the downfall of the united kingdom, Rehoboam did not follow their advice.

In our businesses, to be faithful leaders we must heed our Lord’s clear command to first be servants:

But Jesus called them unto him, and said, Ye know that the princes of the Gentiles exercise dominion over them, and they that are great exercise authority upon them. But it shall not be so among you: but whosoever will be great among you, let him be your minister; and whosoever will be chief among you, let him be your servant: even as the Son of man came not to be ministered unto, but to minister, and to give his life a ransom for many. (Matthew 20:25–28)

TWENTY-ONE QUALITIES OF A LEADER

One of the greatest authors on the topic of leadership is John

Maxwell, who has written more than fifty books, most of which deal with the topic. I can’t write an article about leadership without referencing this insightful writer! One of his bestselling books is titled *21 Indispensable Qualities of a Leader*, and it provides great insight into what it takes to be a good leader.

Obviously, his list goes well beyond the essential need for servanthood. Just as an introduction to the breadth of qualities that must be mastered as we mature in our ability to be good leaders, here’s his list:

- Character
- Charisma
- Commitment
- Communication
- Competence
- Courage
- Discernment
- Focus
- Generosity
- Initiative
- Listening
- Passion
- Positive Attitude
- Problem Solving
- Relationships
- Responsibility
- Security
- Self-Discipline
- Servanthood
- Teachability
- Vision

THE STRENGTH AND COMPASSION OF THE SHEPHERD

For simplicity’s sake, I want to return to the characteristics of a shepherd and leader that I introduced at the beginning: successful business leadership requires the biblical disciplines of strength and compassion.

Psalm 23 is a beautiful picture of the relationship between the shepherd and the sheep. In it, David communicates his appreciation for his Lord, the Great Shepherd, whom he loved and served. “The LORD is my shepherd . . .”

In verse 4, David speaks of the fearless confidence and comfort of being under the care of this perfect shepherd: “Yea, though I walk through the valley of the shadow of death, I will fear no evil: for thou art with me; thy rod and thy staff they comfort me.” In 1970, Phillip Keller, a pastor who had also been a shepherd of sheep, wrote a fascinating book titled *A Shepherd Looks at Psalm 23*. In explaining the role of the rod and staff, he wonderfully explained how the Lord serves us as our shepherd and how we, as entrepreneurs, are similarly to serve those in our businesses as their leader.

The rod was, in fact, an extension of the owner’s own right arm. It stood as a symbol of his strength, his power, his authority in any serious situation. The rod was what he relied on to safeguard both himself and his flock in danger. And it was, furthermore, the instrument he used to discipline and correct any wayward sheep that insisted on wandering away.

The staff is essentially a symbol of the concern, the compassion that the shepherd has for his charges. No other word can better describe its function on behalf of the flock than that it is for their comfort. . . . There are three areas of sheep management in which the staff plays a most significant role.

Keller describes using the staff to bring members of the flock close to himself for careful examination. The staff is also used for guiding the sheep in a new path or away from danger. Finally, the staff is used to lift a wayward sheep out of a difficult situation.

As effective leaders, each of us will certainly need to demonstrate these disciplines of strength and compassion in affecting the behavior of our team to accomplish our business’s mission.

I hope and pray that these studies in biblical business success will be truly profitable for you in raising young, godly entrepreneurs in your homeschool!

Part 9: Lessons Learned

IN THESE EIGHT ARTICLES, WE'VE TALKED about the disciplines required for biblical business success. In the first article in this series, I explained how my family had started down the homeschooling entrepreneurial journey with Hschooler.net, the online social network for Christian families. In the seven articles that followed, I have drawn upon our experiences with that business to discuss seven business disciplines and seven biblical disciplines that are required for business success that is pleasing to the Lord.

In this final article in the series, I hope to wrap it all up by summarizing the key lessons we've learned over the past two years of running Hschooler.net.

In Romans 12:2, the apostle Paul exhorts us, "And be not conformed to this world: but be ye transformed by the renewing of your mind, that ye may prove what is that good, and acceptable, and perfect, will of God." As parents called to raise our kids to the glory of God, the number one lesson we've learned is not to measure success by the world's standards, but to be focused on renewing minds; on what is good, acceptable, and perfect in God's sight; and on God's sovereign will.

IT'S NOT ABOUT THE MONEY

The world's standard of business success is financial wealth. God may choose to bless us with abundant profits, and it is unbiblical to view money itself as evil, but our focus must not be on building an overflow of wealth. In 1 Timothy 6:10 we read, "For the love of money is the root of all evil: which while some coveted after, they have erred from the faith, and pierced themselves through with many sorrows."

We have had four different homeschooled young men serve as interns for Hschooler.net. Our model is not to pay them as employees, but to award them a virtual ownership stake and share in the future profits of the business. It is my hope, prayer, and desire that at some point in time, the business will become profitable, and these young men will reap the rewards of their sowing. Today we are very close to profitability, so the temptation is great to focus on pushing over that worldly goal line.

But if that becomes the focus, then we've missed the point. Yes, it is important to teach these future business leaders that financial health is essential to operating a God-honoring business, but to focus solely, or even primarily, on profits is to be conformed to this world.

RENEWING THE MIND

Instead of being conformed to the world, we are to be transformed

by the renewing of our minds. As home educators, we are focused on developing the minds of our children. As Christians, we focus on establishing a biblical worldview in this development. In Romans 12:2, Paul is specifically speaking to conversion and sanctification. Matthew Henry describes sanctification this way: "The progress of sanctification, dying to sin more and more and living to righteousness more and more, is the carrying on of this renewing work, till it be perfected in glory."

Therefore, the highest goal of our entrepreneurial efforts in our homeschool (as with all of Christian parenting) is the salvation and sanctification of the children placed by God under our charge. Specific to our business activities, it is to enable our kids to "prove [Matthew Henry: "that is to know it with judgment and approbation, to know it experimentally, to know the excellency of the will of God by the experience of a conformity to it"] what is that good, and acceptable, and perfect, will of God."

In other words, we are to teach and to help our students learn through experience what God desires in our business. This requires "dying to sin"—turning away from worldly ways—and "living to righteousness"—turning to the ways that God teaches in His Word and leads us in through His Spirit.

HUMILITY AND SERVICE

All of us run the risk of pride when we start something new and exciting like a new business, but continuing in Romans 12, Paul warns us: "To every man that is among you, not to think of himself more highly than he ought to think" (Romans 12:3). Humility in the teacher and the student are key as they jointly launch a business. We must think more highly of those whom we are serving than we think of ourselves. If we fail to do so, we will fail in business, and we will fail as Christian witnesses to the world. (Jesus said in John 13:35, "By this shall all men know that ye are my disciples, if ye have love one to another.")

Humility and love lead us to that which is good, acceptable, and perfect in God's eyes—a servant's heart. Christ modeled this servant attitude as He explained, "And whosoever will be chief among you, let him be your servant: even as the Son of man came not to be ministered unto, but to minister, and to give his life a ransom for many" (Matthew 20:27–28).

Not only is our service to be modeled on Christ, but it is to be as excellent as if we were serving the Lord Himself, as Paul describes: "Servants, be obedient to them that are your masters according to the flesh, with fear and trembling, in singleness of your heart, as unto Christ; not with eyeservice, as menpleasers; but as the servants of Christ, doing the will of God from the heart; with good will doing service, as to the Lord, and not to men: knowing that whatsoever good thing any man doeth, the same shall he receive of the Lord, whether he be bond or free" (Ephesians 6:5–8).

GOD'S CALL

Finally, launching an entrepreneurial business with your homeschooled children is a means for them to sense God's call on their lives—where He has blessed them with gifts and desires that they will use to serve Him for the rest of their lives. As parents focused on preparing our children to glorify God with their lives after they leave

our homes, it is essential that we help our children to discover God's call for them.

Romans 12:4-8 speaks to the different gifts God gives to His children and the direct link from those gifts to what God calls each of us to do. In our business, we've given the interns the opportunity to move to different roles—from sales to product development, from marketing to sales, and from product development to software development. Give your kids the chance to try different aspects of the business to find the skills and passions that God has instilled in them.

And through all of this, model for your students a prayerful reliance on God and a trust in His provision for the growth of the business and

the spiritual growth of all those involved in it (yourself included).

I hope and pray that these studies in the disciplines required for biblical business success have been profitable for you in raising young, godly entrepreneurs in your homeschool!

Russ McGuire is an executive for a Fortune 100 company and the founder/cofounder of three technology start-ups. His latest entrepreneurial venture is Hschooler.net (<http://hschooler.net>), a social network for Christian families (especially homeschoolers) which is being built and run by four homeschooled students under Russ's direction.

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