From Predators to Icons

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Exposing the Myth of the Business Hero

MICHEL VILLETTE AND CATHERINE VUILLERMOT

Translated from the French by George Holoch

Foreword by John R. Kimberly

ILR Press
An Imprint of Cornell University Press
Ithaca and London

Originally published under the title *Portrait de l'homme d'affaires en prédateur,* by Michel Villette and Catherine Vuillermot. © Editions LA DÉCOUVERTE, Paris, France, 2005.

Ouvrage publié avec le concours du Ministère français de la Culture–Centre national du livre. (This work is published with the help of the French Ministry of Culture, National Center of the Book.)

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First published 2009 by Cornell University Press
First printing, Cornell Paperbacks, 2009
Printed in the United States of America

Library of Congress Cataloging-in-Publication Data

Villette, Michel.
[Portrait de l'homme d'affaires en prédateur. English]
From predators to icons : exposing the myth of the business hero / Michel Villette and Catherine Vuillermot ; translated from the French by George Holoch ; foreword by John R. Kimberly.
p. cm.
Includes bibliographical references.
ISBN 978-0-8014-4700-6 (cloth : alk. paper) —
ISBN 978-0-8014-7566-5 (pbk. : alk. paper)
1. Capitalists and financiers. 2. Businessmen. 3. Success in business. 4. Capitalists and financiers—Biography. 5. Businessmen—Biography. 6. Success in business—Case studies. I. Vuillermot, Catherine. II. Title.

HG173.3.V5413 2009
338—dc22

2009019899

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Cloth printing 10 9 8 7 6 5 4 3 2 1
Paperback printing 10 9 8 7 6 5 4 3 2 1

To Pascale, Édith, and our friend Ross Koppel

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Foreword

The English language translation of Michel Villette and Catherine Vuillermot's book from the original French comes at a remarkably appropriate time in the history of business in the United States. It is a time when the need for effective leadership has never been greater, but when faith in underlying institutions has been deeply shaken. It is a time of profound economic crisis the depth and breadth of which have yet to be fully known. It is a time when leadership in the world of business in general and finance in particular has been found seriously wanting, and when public questioning of the very roots of capitalism and the capitalist system has become both louder and more pointed. As we move from the scandals at Enron, Worldcom, Tyco, and Imclone to the more recent problems of Lehman, Merrill Lynch, Wachovia, Washington Mutual, and AIG we are led to wonder about the potentially volatile mix of opportunity, personal judgment, and individual and collective accountability that constitutes the raw material for both positive economic growth and ruthless, self-serving exploitation.

From Predators to Icons takes us on a provocative and nuanced journey through the business practices of a number of individuals and the companies they built and shows how they navigated through this volatile mix to achieve extraordinary success in their undertakings. In an era in which we are obsessed with rankings of everything from colleges and universities to hospitals to tennis players, we tend to focus on the end result—who is number 1?—and much less on the means: how did they get there? In an era when we are fascinated by stories of leaders as heroes and by the lives

of the rich and famous, we tend to let the gloss of the material trappings of success blind us to questions of their origins.

In the work they report here, Villette and Vuillermot use the lens of social science as a vehicle for unpacking the roots of extraordinary success in business, for analyzing *how* success was achieved. They have accumulated evidence from a variety of sources, including the myriad biographies—authorized and unauthorized—of business icons, to build their comparative analysis of the practices of thirty-two businessmen from Europe and North America, of *how* their wealth was built, and of the common threads that characterize the roots of success across geographies, across industries, and across time. Their approach is highly original, and the data they assemble are wide-ranging. They are well aware of both the promise and the limitations of their data and are careful to discuss both. Ultimately, it is up to each of us to judge the credibility of both the empirical foundations on which their analysis is built and the conclusions they reach, the messages they send. But theirs is an impressive undertaking and needs to be taken seriously.

Although the original French version was published in 2005, well before the current malaise, its messages are certainly relevant today and will continue to be relevant tomorrow and beyond. Those messages are sometimes surprising and always illuminating. First among these is that "predation" is the common denominator of business success. By predation they mean the ability of the successful businessman to identify opportunities created by market imperfections and the subsequent resolve to exploit them fully and, yes, ruthlessly. This is what Villette and Vuillermot call constructing the "good deal," a sort of Darwinian scenario in which the success of some is built on the backs of those who are less agile or who simply do not see opportunity in the same way. In parallel, they note that the businessman achieves the status of hero when he, like the robber barons before him, begins to use a portion of the wealth he has built in the service of "just causes," when he engages in philanthropic activities and when judgments about the origins of that wealth are at least temporarily suspended. Perhaps most surprising is their conclusion that the accumulation of capital appears to be a precursor to innovation rather than the reverse, as is commonly believed. Also surprising is their finding that fortunes of the businessmen whose practices they studied were built on an appreciation for the importance of minimizing risk rather than the more popular,

stereotypical view that all-or-nothing, bet the company risks (that pay off) underpin success.

Of course, not all predation leads ultimately to the emergence of heroes and to social legitimacy; far from it. The case of Bernie Madoff should make us stop and think. In some ways, Madoff was the ultimate predator, exploiting a deep understanding of human nature and its foibles to create a business enterprise that was successful by most conventional measures. He recognized the opportunity born of the tendency for individuals to suppress possible misgivings in the face of impressive financial returns and to rely on trust rather than rigorous due diligence when making investment decisions (if Spielberg is investing, it must be a good deal). He exploited these imperfections—imperfections at both the individual and the systemic level—vigorously. Along the way, he accumulated substantial personal wealth, the material trappings of success, and an emerging reputation for generosity toward just causes. Yet as this far-reaching Ponzi scheme unraveled and the extent of damage to individual and organizational investors became clear, the ultimate predator fell from adulation to disgrace. Madoff moved from an outlier in Malcolm Gladwell's sense to a social outlier, pilloried in the press, vilified by those whom he had cheated, and ostracized in the social world around him.

As you will see in the pages ahead, this book is an engaging read. It mixes sociological theory with carefully written cases of business success. By suggesting that accumulation of capital typically precedes innovation, it gives us perhaps another way of looking at what Joseph Schumpeter famously saw as waves of destruction triggered by technological innovation. And perhaps most of all, it raises important questions that do not have easy answers and that go to the heart of the role of business in civil society. How do we balance predation and social welfare, business initiative that can result in economic growth and unbridled exploitation of "opportunity" in service of personal gain, or the need for innovation with the need for stability? Villette and Vuillermot do not have answers, but they frame the questions, both explicitly and implicitly, in a most interesting and provocative way. The rest they leave to us.

John R. Kimberly
Philadelphia
January 2009

Preface

The goal of this book is very simple—to challenge the way we think about successful businessmen and how they do business. We ask: Who are they? Where does our information come from? What did they do to become so wealthy so fast? What are the similarities and differences between their behavior while making deals and the common conception of morality?

The framework is also simple. The theory is in the main text and the examples are in the interludes. Each interlude is closely related to the previous chapter and may be seen as an empirical illustration of the key ideas of the chapter. As the book moves along, the strategies become more sophisticated and the interludes become more complex. The Bernard Arnault case is clearly the most difficult to read, because the operations to be described are so complex.

The last interlude—a conversation between the author and world-class businessman Claude Bébéar—is very different from the others. In this interlude all the key ideas in the book are challenged by a practitioner talking about his own experience as the founder of a multinational company: AXA. It can also be read as a summary of the main thesis: neither risk taking nor innovation, but rather taking advantage of a weakness or vulnerability, is the crucial element in the extreme success of these captains of capitalism.

Hence, the title of the original French edition was "Portrait de l'homme d'affaires en prédateur." The exact translation would be "Portrait of the Businessman as Predator." Our publisher told us this lacks a certain ring

in English so we have allowed them to take liberties with the translation. Throughout the book, there may indeed be terms that do not sound quite right to the American ear. We use businessman, knowing full well that a more gender-neutral term would be preferable. But we couldn't find one. We talk about predation, a word rarely used in executive circles, and the "good deal," which has many nuances and in French a certain ambiguity, suggesting something profitable and (ironically) morally positive.

For the authors, the case studies (the ones presented in the book and others) were not simple illustrations of a preexisting theory. They were a serious source of insights and a test for the relevance of the key ideas. Many formulations and hypotheses were modified, modified again, and sometimes abandoned when applied to the cases. Of course, this process of testing and refining should continue, and we will be pleased if readers, particularly practitioners of business and Ph.D. students, continue this process of refining and testing based on the cases they know firsthand.

Acknowledgments

We greatly profited from the comments by Hervé Dumez, Marie-France Garcia, Pierre-Noël Giraud, Christophe Midler, Thierry Weil, and Pierre-Paul Zilio on earlier drafts of various chapters. Michel Berry and Claude Riveline, directors of the "Ethnographie des organisations" and "Vie des affaires" seminars of the École de Paris du Management, provided us with the opportunity to collect a good deal of information from business people and to discuss it with them in person. Claude Bébéar granted us a long interview in the course of which we were able to discuss the beginning of his career in great detail. The École des Hautes Études en Sciences Sociales put us in charge of a seminar in which the arguments of this book could be discussed.

The French Ministry of Research (Program "Work and Time," Joint Activity: "New Concordances with the Workweek: Product Timing, Firm Dynamics, and Individual Careers"), and the AGROPARISTECH supported the preliminary research for the writing of this book. Jeanne Lucas participated in the research on biographical and financial information. The series *Gérer et Comprendre* of the *Annales des Mines* and the journal *Sociétal* kindly evaluated, revised, and published excerpts of this book, and these interim publications kept up our morale in this long enterprise.

We would also like to thank the professors who taught us how to practice social science, particularly Pierre Bourdieu of the Collège de France and Luc Boltanski of the École des Haute Études en Sciences Sociales; Joe Gusfield and Aaron Cicourrel of the University of California, San Diego;

Randy Collins of the University of Pennsylvania; John R. Kimberly of the Wharton Business School; Magali Sarfatti Larson of Temple University; and last but not least, our translator, George Holoch, and our editor, Frances Benson. This book owes them a good deal, but we are responsible for any errors.

From Predators to Icons

Introduction

To know the people well one must be
a prince, and to know princes well
one must be, oneself, of the people.

MACHIAVELLI, *The Prince*

It is not unusual for questionable but commonplace behaviors to be condoned within a society. In business, for example, many leaders—before they become eminent members of the establishment and advocates for morality in business—engage in unsavory practices. But most people don't care whether or not businessmen are clever scoundrels. They fundamentally don't want to know, or more accurately, don't want to admit that they know and really don't want to have it demonstrated. Like believers in some miracle worker, they have adopted an essentially consequentialist view of life: as long as it creates economic prosperity, the means don't matter. In other words, they prefer not to look too closely at things because they don't want to kill the goose that lays the golden eggs. Only in times of deep crisis, when the golden eggs are gone, do they begin to ask questions—without waiting for the answer if the golden eggs come back fast enough.

We now want to abandon this learned blindness, open Pandora's box, and pursue an analysis that may sometimes seem cruel but is indispensable if we want to change in any meaningful way the naïve and misleading view of the entrepreneur current in the academic world, in business schools, and in books on management.

An ad for ESSEC (a prestigious international business school) published in *Le Monde* on October 29, 1996, was illustrated by Michelangelo's statue of Atlas holding up the world. Next to the picture were these words:

> The leader holds the future of his company. Fortunately, the Executive MBA from ESSEC gives you the necessary tools.... Your company has to evolve and innovate to meet the challenges of globalization. By turning to you to take on these challenges, your company recognizes your potential as a leader. The Executive MBA from ESSEC was conceived for those who, like you, will make a difference.

This ad is a perfect illustration of the process of turning heads of companies into heroes and holding them up as examples to be followed by the young. Born leaders, they are different from mere mortals. Charged with taking on the problems of the world and transmuting them with the alchemy of innovations that will guarantee consumer satisfaction, they are titans and benefactors of humanity.[1]

Hence, one sees the successful businessman not only as a hero but as someone who sacrifices himself for the common good, at the risk of his life and his fortune. The task of the university and its business schools, therefore, seems clear: describe this beautiful soul in all its depth in order to bring forth more of the same.

Success-story literature—predominant in the United States and exported more or less successfully around the world since World War II—presents the wealthy man as an example that everyone should follow. He has been better able than others to adapt to the market society, he has won out in the competitive struggle, and he embodies the fundamental values of the American dream: free enterprise and equality of opportunity. Basically, the successful businessman appears to be the quintessential "liberal man":[2] free from the demands of others, the owner of himself and his abilities, owing nothing to anyone, turned toward the future, always looking for prosperity, he embodies the spirit of capitalism. Once his fortune is made and he invests some of his profits in foundations that reflect the social values of his time, he is forgiven for everything, even if his early career was punctuated by numerous predatory acts. A robber baron like Andrew

Carnegie is the quintessential American hero. His status as a great man goes unchallenged because the ways and means of growing rich pale in the face of the final fortune and the ensuing prosperity.

In the United States, having set up a large business is enough to make you a great man, but there are other intellectual traditions of greatness elsewhere. In Great Britain, for example, one also has to be knighted by the queen, like Richard Branson, the founder of Virgin. In Italy, the land of opera, the man who has had the most extravagant funeral until now is Giuseppe Verdi, and Silvio Berlusconi, not satisfied with being the richest man in Italy, also has to be involved in politics to confirm his greatness. In France's Panthéon, honoring the country's greatest men, no businessman has yet found a place beside Victor Hugo.

Hence, as Europeans, we claim the right to present the history of entrepreneurs from a perspective different from that of the simple success story. In this book, we attempt to put aside the three usual justifications for studying businessmen. We are interested in neither imitation, celebration, nor denunciation, but in understanding.[3]

In earlier phases of the development of capitalism, the figure of the entrepreneur, the founder of empires and dynasties, the developer of new techniques and new industries appeared to be central. In the late twentieth century, with the rise of financial capitalism, the figure of the businessman—the player of Monopoly—became the central historical character. The modern businessman is no longer an "entrepreneur" in the sense defined by Joseph Schumpeter. He is concerned not with manufacturing and selling canned peas but with buying and selling canning factories. He tends to build his fortune on the purchase and sale of property rights in companies, with the optimization of production and sales often delegated to salaried managers.

One of our aims in this book is to remove the confusion between the concept of businessman and that of entrepreneur and to clearly dissociate the two. To that end, we have studied the ways in which big businessmen in twentieth- and twenty-first-century Europe and America have gone about accumulating capital and moving, in less than twenty years, from companies worth millions to those worth billions. For each man in our sample, we have outlined the growth curve of the revenues of the companies under his control and calculated the annual rates of growth. In some years, these rates reached 200 or 300 percent or even more, giving rise to

the question: How do they do it? What are the operations that make possible such growth spurts?

To find out, we read biographies with a critical eye, with a distinct preference for authorized and eulogistic biographies, eliminating the bias of malicious interpretations. The results obtained echo old traditions but are clearly in conflict with the contemporary vision of the entrepreneur and the prevailing explanations of success in business

The entrepreneur is often presented as a visionary, bearing from the outset the idea, the plan, the strategy that will lead to his success. Our careful study of career biographies suggests rather a process of improvement through trial and error, depending on opportunities, a sequence of improvised adaptations gradually assembled into a coherent course of conduct: the celebrated "strategy" was often only the rationalization after the fact of the conditions for success. The careers of Sam Walton and IKEA's Ingvar Kamprad, men who made the most of unforeseen circumstances, illustrate this point perfectly. For Kamprad, for example, the accidental burning of a warehouse was well covered by insurance and provided the financial resources and an auspicious location to test a new organization for his stores.

It is often said that the most accomplished businessmen are "born" leaders. The biographies show on the contrary that the attribution by third parties of charismatic authority to the head of a company is a fragile social construction. The authority acquired by successfully accomplishing operation A can be reinvested in the form of a promise of success in a future operation B. A snowball effect can therefore be observed, success leading to a sort of symbolic credit facilitating the next success. However, in the world of business, even more than in the religious, artistic, and intellectual worlds, the process of seduction is reversed almost instantaneously in case of failure. In business, charisma is subject to the sanction of the figures provided by the accountants. It is tied to the financial success of which it is the effect as much as the cause. As soon as bad figures become known, the charismatic reputation of the leader crumbles, and it is not surprising that in these circumstances, businessmen who rely too much on their charm to succeed are irresistibly tempted to falsify the figures.

Some people are convinced that one has to be born into high society, to come from a great family, to attend the best schools to have a chance to participate in big business and get rich. In a word, the principal social

phenomenon is the reproduction and perpetuation of the privileges of the ruling class. The members of the upper social classes support one another in influential social networks and find in them the best opportunities to make good deals.[4] This thesis seems to be illustrated perfectly in our book by the careers of Vincent Bolloré and André Citroën. But it is incomplete, because some parvenus have also made their way into our sample. Sam Walton, François Pinault, and Claude Bébéar came from modest backgrounds, and yet they cleverly exploited exceptionally favorable business opportunities. One might therefore argue that the lower one is on the social ladder, the less the chances of having access to both favorable circumstances and necessary resources, but they are never completely absent. Ironically, the businessmen whose social origins are the most modest have succeeded thanks to good marriages and the decisive support of the families of their wives. As for their level of education, it is often higher than might be assumed from their claim that they are "self-made men."

The opportunity and the ability to carry out large business deals will appear in this book as a combination of remarkable resources. At any given moment, in a particular sector of economic activity, a small number of people are well positioned and possess adequate resources, good connections, and sufficient intellectual abilities. This configuration is unique and fleeting. In other words, although many have the desire and the potential to become millionaires, in the course of their lives very few encounter circumstances that favor the accomplishment of that aim.

It is often said that success in business is the reward for those who have been able to innovate, so much so that the cult of innovation became the industrial religion of the late twentieth century, celebrated in all the business schools and encouraged by government authorities. However, when we consider closely the careers of the thirty-two businessmen in our sample, it becomes clear that innovation is not chronologically the first cause of their success. Innovation is an expensive and risky process that is difficult to protect and takes a long time to produce profits; it requires first of all the means to pay for it and control it. We propose to consider innovation as a means of consolidating and ensuring the duration of wealth, which, unless it is inherited, first has to be acquired by other means, in particular by what might be called, provocatively, "predation."

It is predation that often makes innovation possible. The career of Bernard Arnault, the richest French businessman active today, illustrates this

perspective well. The heir of an industrial family, Arnault began acquiring assets at bargain prices by taking advantage of the collapse of the textile industry in France and the clumsy efforts by the government to preserve jobs in the sector. With the capital he acquired in this way, he launched a legal and financial battle to take control of the LVMH group and the construction of a multiproduct global firm representing luxury brands like Dior, Hennessy Cognac, Champagne Mercier, and Louis Vuitton,

Innovation is one route to wealth; risk taking is another. According to one well-known argument, a businessman succeeds to the extent that he takes more risks than other members of society. His fortune is the legitimate reward for the risks he has taken. This argument, however, is more a justification than an explanation.[5] Risk taking is not very helpful in describing major success in business. Huge gains can be obtained in circumstances where careful provisions for risk reduction have been established. In fact the businessmen in our sample often outlasted their competitors because they were able to arrange localized and temporary procedures that made them less exposed than their direct competitors to the vagaries of the marketplace. The career of Marcel Dassault—the only aircraft manufacturer of the early twentieth century who maintained control of his companies—is the best illustration of the art of risk reduction. The testimony of Claude Bébéar, former CEO of AXA, can also be read as a source of priceless information about what we call "risk reduction arrangements."

Finally, we challenge two other explanations of success: the quality of products sold and the efficiency of production and distribution methods.

Are businessmen who succeed the ones who have been able to provide their customers with products and services of superior quality? In many cases, the goods and services provided early on by companies with the most spectacular growth and profitability were mediocre. The mail order furniture sold by IKEA in the early 1950s was of very poor quality. The war planes manufactured by Dassault before World War II were technologically less advanced than those made by its unsuccessful competitor Bréguet. The first Wal-Mart superstores set up by Sam Walton were badly organized, squalid warehouses selling at low prices clothing that had already gone out of fashion in big cities.

Does a businessman succeed because he has been able to organize his companies in a more efficient manner, that is, by lowering the costs of

products through technical improvements or better organization of production and distribution? This argument, introduced into economics by Adam Smith and illustrated particularly well in the works of Alfred D. Chandler and Oliver E. Williamson, needs to be seriously qualified. If the facts are considered closely, what seems to be a gain in efficiency (or productivity) can sometimes be analyzed as a deal accomplished at someone else's expense. With no technical improvement and no improvement in organization, it is quite possible to achieve increased efficiency by intensifying the effort demanded of workers or finding a way to lower the costs of labor or of purchases. On this controversial point, see in chapter 3 our commentary on Adam Smith's analysis of pin manufacturing in the first chapter of *The Wealth of Nations* (1776) and our critical reading of the explanation Alfred D. Chandler offers for the success of James Buchanan Duke, the founder of the American Tobacco Company, in *The Visible Hand* (1988).

Lest the reader think that our intent is only to undermine the explanations for success in business commonly taught in business schools, we will provide some explanations of our own in the third part of this book.

In his 1925 book *On Collective Memory* (*Les cadres sociaux de la mémoire*),[6] Maurice Halbwachs considered the conditions leading to the recognition of wealth as a social value. According to him, "what people respect in wealth is not a certain quantity of material possessions regardless of who possesses them, but the presumed merit of the person who possesses these goods, and who is more or less considered to be the author of his own fortune."[7] Among the old nobility, merit was certified by a title, the trace of feats of war. When the bourgeoisie of merchants and artisans rose to fortune, merit became professional, and aptitudes, technical knowledge, and human qualities were recognized within the framework of the guilds that taught their members the "virtues" that were indispensable for getting rich: laborious energy, honesty, frugality, and the sense of duty. In this relatively stable framework, personal merit was appreciated over time, but when the market became anonymous, social ties fleeting, and organizations ephemeral, the link between merit and fortune was no longer obvious. One might become rich simply through inheritance, trickery, cleverness, or luck. Despite these obvious facts, the wealthy classes persisted in invoking merit to justify their wealth. People continued to act

as though those who inherited a fortune or built it out of trickery became virtuous once they became rich. Financial status has become the ultimate criterion of the value of actions and persons.

Following Halbwachs's insight, we propose to set aside the traditional definitions of morality in business and instead to uncover the "practical ethics" actually implemented by businessmen during the phase in which they are most rapidly accumulating capital. We are speaking here of a functional, operational ethics, unwritten and often unexpressed, that is in many respects distinct from public conceptions of morality. It is a question not of distinguishing between crimes and legal acts but of analyzing the ethical conceptions that are put into practice when a business deal is undertaken and has to be brought to a conclusion whatever the cost. It is a matter of understanding the ethos of businessmen when they are in the trenches, an ethos that has little to do with the ethics that they profess at the end of their careers, when their fortune has been made and they have become members of the establishment.

Our hypothesis is that, considering the mismatch between social ethics and the logic of business, no rapid achievement of wealth is possible while respecting both the spirit and the letter of the social ethics of the time. If it can be said that businessmen are virtuous, this is only providing that virtue is defined in the ancient sense of *virtus* (strength of character) or along the lines of Friedrich Nietzsche's will to power. Hence, it is not a matter of respecting the laws or ordinary morality. The businessman spends his time getting around the laws and ordinary conceptions of morality. He tends to follow the recommendations that Machiavelli addressed to his prince, Lorenzo de Medici: pretend to respect the social morality of the time the better to circumvent it. To make one's fortune, any method of growing rich is good as long as you manage to protect your reputation and escape punishment.

However, whether in France, the United States, Germany, or anywhere else, when it is public knowledge that a businessman has violated the law or ordinary morality, the usual reaction of politicians, judges, and journalists is to condemn him in order to "clean up" the business world and restore the traditional criteria for the justification of the wealth of the rich. The distinction between "good bosses" and "crooked bosses," established in the context of the "moral purification" of the business world through the designation of a scapegoat, merely preserves the fiction of the

compatibility between business and ordinary social morality, a fiction that dissipates in the face of the detailed study of business practices.

In this book, we postulate that "crooked bosses" are simply those who have not had the time or the means to clean up their business dealings quickly enough. We observe, in fact, that their procedures for the accumulation of capital are not very different from those of businessmen who managed to construct an impeccable reputation. The difference lies not so much in business practices as in the more or less skillful management of what we call "covering tracks" and "repairing damage."

We agree with the conclusions of the school of economists of the Vienna Circle, Friedrich von Hayek and Israel Kirzner, but we interpret them in a very different way. We agree with them that the more imperfect the operation of markets, the greater the institutional tolerance for those who benefit from those imperfections, and the more opportunities there are for vigilant, well-positioned, and well-informed individuals to accumulate a huge mass of capital in a short time. However, Hayek and Kirzner, like Voltaire's Candide, tend to conclude that everything is for the best in the best of all possible worlds, because the activities of these speculators help to restore market equilibrium. The enrichment of a few clever people then appears to be the price for that contribution. In short, they become rich because they help to bring about the ideal market, which, according to theorists of economic liberalism, brings the greatest prosperity to the community. Against this holistic and conciliatory vision of the market economy and its principal agents, we present an empirical analysis of the direct effects of the logic of enrichment at any cost on the lives of everyone who is swept along, whether they will or no, in the whirlwind of business that is not theirs. We show how the work of wealth accumulation by businessmen affects whole populations of employees and customers, driving them into a way of life that is more imposed than chosen, until finally the entire society is affected by the obsession with profitability on the part of a few.

To understand how the activity of businessmen affects employees in general, it is necessary to take into account the ripple effect of financial constraint through the intermediary of management tools: managers pilot the company using management tools the way one would drive a car or fly an airplane by using the wheel and the instrument panel. Midlevel and subordinate managers in turn pilot the business unit under their supervision

in accordance with the indications provided by the accounting system. Hence, at every level of the hierarchy, managers contractually curtail their own freedom and submit themselves to the discipline of management indicators to avoid the appearance of unfavorable deviations that might lead to sanctions.[8] The social transmission of the obligation to succeed economically develops a culture of autosupervision, but the hierarchy does not disappear because of that fact. It demands frequent reporting, and when a deviation seems significant, it asks the person responsible to justify it and himself. Hence, while not intervening directly in day-to-day management, the executive transmits to the most modest of the company's employees the requirement to accomplish the objectives, particularly the financial objectives, that he has promised to attain. If those results are not reached in time, the sanction may be individual (replacement of the manager) or collective (cutting budgets and investment authority, reduction of personnel, restructuring, sale of an insufficiently profitable branch or company, pure and simple shutdown).

Directly affecting all the company's employees, this stream of transmission of constraints also reaches employees without job security, temporary or seasonal employees, subcontractors, suppliers, and even customers insofar as salesmen and division heads, in order to reach their revenue targets, tend to favor the production and sale of products that enable them to obtain the greatest profit margin.

The exuberant profusion of new products and variants of a single product should not deceive us. It conceals from our view the discreet disappearance of insufficiently profitable products. When the pharmaceutical industry decides not to develop and market molecules that would be useful in the treatment of rare diseases (because the resources of solvent potential customers are too limited), it provides a clear illustration of this bias in selection. Even vigorous competition and sophisticated marketing techniques are not enough to generate products and services adapted to the expectations of populations. There are products that no one wants to make, services that no one wants to perform, and impecunious customers whom no one wants to deal with. Harsh competition does not guarantee better-quality goods and services; it can even have the opposite effect.[9]

It is often said that big businessmen are the engines of social progress, technical development, and economic growth. It would perhaps be more accurate to say that they select among the variety of possible forms of life

in society the one that will guarantee the strongest growth and the greatest profitability of their business. In their position, how could they do otherwise? To attract investors and come out on top in the struggle with their rivals, they try to secure higher than average margins and to accumulate more financial resources more quickly in order to be among those who buy companies and not among those who are bought. They select, therefore, from among all possible forms of the organization of labor and all products and services they might deliver only those that guarantee the highest return on invested capital. In following their own logic, they change society. The essential question is whether that particular logic should also be the one imposed on all other members of society.

It is up to the reader to answer that question.