

A PROPOSAL FOR THE
INTRODUCTORY REMARKS

(7th draft)

29 Apr 91

Poland

1: Global Map: to be on screen while local Rotarian's introduce Dr. David Taylor as the team leader with some introductory remarks.

2: Intro Slide-as soon as Dr. Taylor is called to the microphone.

Thank you! (for the introductory applause)

It is an honor to be here speaking to you for the next two days.

Let me give you an idea of who we are, and why we are here.

We are mainly Rotarians.

3: Large Rotary Wheel

Rotary is an international service organization that was founded in 1905, which business people belong to so they can volunteer to donate some of their time or expertise towards (A) community service.

4: Rotarian Projects
A. Wheelchair
B. Peace Conference
C. Polio Plus

In this case, it is a service project in the "world" (B) community. In a capitalist society, community service has a (C) humanizing influence on us as individuals:

5: Service Above Self

We are businessmen but we are not here to sell to you or to do business.

6: Team picture standing before a Rotary banner

We are not professional experts. We are not people who devise or teach these free enterprise principles.

7: Selection Committee
A. General meeting
B. Interviewees waiting
C. Gonzalo Interview
D. Kevin & Sonny
E. Team meeting

We are the (A) people who use them. Each (B) member of the team was selected by a screening committee (C) as to their ability to speak to the topics in this seminar.

Our selection committee of three Rotarian business people (D) included our immediate past district governor.

You will forgive us if we do not have all of the answers but I am proud to say that this (E) team of outstanding businessmen has much to share with you...in the spirit of community service and fellowship that is the hallmark of (8) Rotary in 160 countries around the world.

8: Large Rotary Wheel

I will make a few introductory (9) remarks to develop the points that:

9: Intro slide: section one

10: Of the 3 points

1. That free enterprise, and small business in particular, will shape the quality of life in a given society.
2. That major ideas and economic forces that occur in a society often emerge from free enterprise by individuals at the bottom of the pyramid.
3. And, that individual workers and managers can cross over the line to become individual business owners (entrepreneurs).

11: Entrepreneur--definition

We realize there are people in the audience who own a business, or manage one, and we have a lot to say to you. We want to welcome you here today.

But first I want to say hello to our fellow Rotarians. If you are a Rotarian would you please stand up where you are, or if you are standing, please raise your hand. We want to say "Hello!" to you.

And thank you for inviting us. It is an honor to be here. Please be seated.

We understand that besides business owners and managers that the audience may also include government employees, students, workers and various professionals who are seeking information on free enterprise.

12: Free Enterprise: definition-black & white

We are hoping that there are also those in the audience who are considering starting a small business--that the

reason you are here is to learn more about going into business.

I would like anyone who is thinking of starting a business--however small--to stand now.

We want to say a special hello to you. You are most welcome. We are glad to see you here.

Before you sit down I would like everyone here to say "hello" to the future of Poland.

Thank you and be seated.

VISUAL 13: Free Enterprise-definition. Color.

Now why do I say the future of Poland?

Why isn't the future of Poland in the hands of the government?

Why isn't the future of Poland in the hands of the captains of industry?

And who would want the future of Poland to be in the hands of foreign corporations?

Why is the future of Poland in the hands of the individual citizen--because that is where free enterprise begins.

Because no one cares more about you and your family than you.

Because no one will take better care of your interests than you.

Not that we do not have expectations of our government, or our corporations, or not value what they do for us...but, no one is more responsible for me and my dreams than me.

Therefore, the person in charge of my life is me.

And like anyone who is in charge...there are responsibilities.

The main responsibility is make your own way in life.

No one owes you that.

Not your government. Not your society.

So you may ask:

If one is primarily responsible for oneself---how does that help Poland? Why should that be good for society and the future of Poland?

It turns out that if an individual accepts primary responsibility for oneself, then society is relieved of that burden.

It turns out that if you are not taking from society, you generally are contributing to it---by your services, or your product, or the goods you sell to the public. By the jobs you create to employ others. By the taxes you pay. By the income you make, and in turn spend on services and goods of other entrepreneurs, thus spreading the wealth around the society.

Small business is the future of Poland. Self-reliant, ambitious, confident, enterprising workers who cross over to become entrepreneurs for a profit are the future of Poland.

Now you managers say, sure!

Try to do without our public works, or factory, or service corporation. Try to do without our industry or retail goods which we manufacture or import.

No one is suggesting that industry is not one of the pillars of free enterprise. But I am telling you that without small business or innovation to bring goods and services and profits, and the income to spend in this society--then the quality of life will be lacking, and the wage earner will be locked forever into the squirrel cages of industry. Ask yourself: if the existing institutions are all there will ever be--what is our society lacking? And where will the things society is lacking ever come from? Our answer is: free enterprise; and, the individual entrepreneur is the starting point for much in free enterprise.

So I welcome the workers of Poland and challenge them to take responsibility for their own lives and in so doing, for their society.

Our challenge will be to try to speak to the basic principles of free enterprise in a manner that integrates all of these groups in our audience. Obviously we may miss the target some--but there will be time for questions to try to guide us to your specific needs.

We have a very comprehensive two-day seminar planned for you. The only reason we place special emphasis on the potential entrepreneur is because they need encouragement and no one else much gives it to them. Governments want to

create trade environments. International corporations want them for a market or to be cheap labor. Certainly that is free enterprise at work--but it is not at a level where an individual can take charge of the destiny of his own economic life.

We will therefore be speaking largely at the level of the individual and the medium size business and leave the balance of trade and foreign investments to others.

I want to illustrate the power of individual free enterprise and how it fuels a free market society, and fills in the gaps with a richness of life.

Entrepreneurs are risk takers. Venturers. Innovators. They are also pragmatists, realists and "bottom-liners." (Is there a profit?) Entrepreneurs are about ideas and hard work. Lots of hard work.

A good idea must pass the test of making a profit to be a good capitalist (14) idea. Otherwise, it may be a good socialist idea and one that is best left to the society or the government.

14: Capitalist definition

You must look for good profit-making ideas for yourself to succeed in this system. You have to determine what the public wants and give it to them. Such "good ideas" usually are also good for society as well as yourself--that is why they make a profit. (15) Society must want what you offer.

15: Profit definition

Let's contrast corporate business to an individual entrepreneur's business to see how the economic future of Hungary/Poland can be literally shaped by yourself and your ideas and your ambition and your hard work, to make a profit.

Let me illustrate with the sweeping story of the video (16) rental business in the last decade or so.

16: Several movie cassettes in a slide

17: Home TV equipment

Americans watch a lot of television. (17) Many say we watch too much and I think they are probably right. It is commonplace to have a video cassette recorder, and the ability to watch movies at home. In fact, it is becoming almost as commonplace to be able to copy movies from one VCR to another so you can rent movies and copy them for your own personal collection. This type of video equipment, often

coupled with Nintendo video games and a large screen TV---is now a major home entertainment industry in the U.S.

I am explaining this to you to help set up a discussion of the sweeping impact of the video rental business (18) in the United States in the last 10 years or so.

18: Blockbuster outside

Virtually every community in the United States has large video rental stores. Many are part of a national franchise (A) chain like Blockbuster Video, with thousands of movies in the store. (B) Citizens can walk out with movies of interest to them to view in their own home.

19: Blockbuster inside

- A. Mannekins
- B. Browsing
- C. Checkout

This corporate (C) movie rental industry did not come from a corporate idea.

20: Franchise definition

Franchises in business, like McDonalds or Radio Shack, are built from the ideas and successes of individuals and small business.

21: Blockbuster-outside

The home video industry started out as a mail order business some years ago offering to sell you your favorite movies at a price.

A "sort of" good idea.

But the movies were expensive (about \$80.00) and who would want to keep watching Jaws or Star Wars over and over and over, after about 10 times?

Someone put a pencil to it and calculated the cost of purchasing the movies,, how many times they could be viewed before they wore out, how much the teenage evening help would cost them, and decided to open small (22) video rental stores that their wives and family ran most of the time because they themselves had a regular job.

22: Small video store outside

They found their market, (23) renting these movies for one dollar a night; spent their income on a wider selection of movies to attract more business, tracked their costs,

hired permanent employees, and devised special sections like classics or children's movies to expand their market.

23: Small store inside

A new industry had begun.

24: 2nd small store

Video home rentals became what the public wanted. (25)
It's powerful economic impact was felt by the corporate world--from below.

25: 2nd store inside

26: Pyramid

Chief Executive Officers of corporations tend to notice which individual enterprise is successful in a society and develop their business to reach those markets.

Not only did this free enterprise give birth to the large, franchise video rental stores of today--but the entire movie making industry was pulled in new directions by this phenomenon.

27: Me in T-Shirt

Movie makers discovered that some of their lesser box office successes could take on an after-life in the rental stores, which greatly boosted profits. And, that their really big blockbuster movies did not pass through the popular culture just once, but became a permanent part of it in the video rental stores--with ongoing profits at new rental rates of \$3.00 per movie.

Video rentals are now a major part of movie industry profit strategy at the very top--not only the rental release segment of the business, but the sale of movies at very affordable prices because a large market for owning movies was created by the new public habits of viewing movies at home. Video cassettes often sell for under \$20.00 and many people now own their favorite movies.

28: Dollar Cinema

And movie theatres now offer 6 and 8 (even 14) movies in one theatre at one time because the viewing public is now accustomed to the choice that video rental stores has afforded them. And this theatre, with 8 movies playing, only charge one dollar to get in.

"Give me a range of choices at the first-run theatres or I might go to the video rental (29) store and pick out something that suits my mood."

29: Small store outside

Small business found the demand which then created major changes in the movie industry--the movie moguls simply responded to the demands made by the marketplace. Those effects are summarized in this slide.

30: Video Industry Effects

1. Rental profits beyond the original box office profits.
2. Video cassette sales greatly increased.
3. Theatres enlarged to run several movies at the same time.
4. VCR'S almost as commonplace as televisions.
5. Special rental markets created that did not exist before.
6. Franchise video rental stores.

The small business entrepreneur made it happen. We want to give encouragement and inspiration to the individual who has the ambition and the spunk to risk his idea for a profit--it will shape and develop your culture and your economy.

Ideas generally come from an individual--not a committee. The small business person tends to have the idea, take the risk, find the market, create the demand and prove the theory. Time and again it is the individual that shapes the society (31). *Free enterprise made Houston what it is.*

31: Houston skyline

32: Dove

But enough of this philosophical, inspirational kind of talk.(32) Let's say you get the point or knew this all along---whether instinctively or by being a student of these things. Let's say you are already participating in free enterprise and do not need the message to do so.

Or maybe you are in upper management of a medium or large company and this message is not for you. This seminar is not geared just to the person who may start up a business. Indeed, most of it it about how to run a business, not start one.

What you really want to know from us is how we go about doing what we do. What are the principles that we have to pay attention to in our economic environment.

Free enterprise is not a "free for all." Free enterprise is more similar to a sport than economic chaos. There are rules and fair play. It is a system of ethics and business standards which are enforced either by the government or by the consumer. If you get yours by cheating others you will not stay in business long in a healthy economic environment.

Entrepreneurs therefore are honest, ethical and responsible, and although we must beware of those who are not ethical, I can tell you that in the United States today the unethical, dishonest businessmen is a very small minority. Free enterprise is a social system of rules that is designed to take care of the entire society--not the individual who is just out to get his profit.

33: Earth

If this economic environment does not exist in your country today, then the government and the private sector must work together to create it.

We cannot tell you what will work for you here. We do not know your environment, your starting point or your problems. So you will have to take what we share and figure out how to apply it. That is your challenge. Granted these are difficult, changing times. But they are exciting times, too; and the solutions will come. Our solution can be summed up in a short slogan of ours which reflects the necessary attitude.

"JUST DO IT!"

34: Just Do It

You can become a successful entrepreneur, making a profit, by applying these principles and spreading the wealth. Good luck to you. Thank you. *Pause*

35: Rotary Wheel

35: the team slide

The speakers for each topic will first be sharing with you some slides about their personal and business life.

37: Personal slides

- A. Dinner table
- B. House & car
- C. Health Fair

For example, their family (A)...these are my four children...

their homes (B)

and their work environment (C)...this is me and some of my staff at a health fair.

38: My mug shot

I will first tell you about myself before I introduce the first speaker.

This is where I live.

39: Personal slides
A. House
B. House on Bay
C. Shrimp Boat
D. Work slides

I live on Galveston Bay (B) in southeast Houston. Those boat structures are a little eccentric. One is a workshop shed. The (C) other is a old sunken shrimp boat that I am turning into a party boat (D) that will set permanently on my shore line.

40: Office
A. Outside
B. Reception room
C. Front desk
D. Operator
E. 2nd operator

This is my office (A)...a free standing building which I own. This (B) is the reception room. I am a specialist (C) in children's dentistry. I founded Houston's society for children's dentists in 1973, and have been president of the Texas Society of Dentistry for Children, and also president of another state-wide dental organization.

And this (D) is where I spend most of my day...treating patients from infancy (E) to teenagers.

Now each individual speaker will briefly tell you a little about himself before beginning his topic.

41: JUST DO IT (2nd)

Our first speaker will outline the basic principles of free enterprise and later we will describe a hypothetical business that the rest of the speakers will tell you how to operate.

He is Kevin Price.

42: Kevin Price's visuals begin here on the next carousel. Kevin's sketch goes here. Then when the title slide with his name on it comes up he should come to the microphone.

(43) mug shot

Kevin ~~Price~~ is from Detroit, Michigan originally and is 29 years old and lives in Houston. His degree is in history but he has been a political media consultant and has written about and taught economics. He presently is the executive director of the Free Enterprise Education Center--in other words he is a professional free enterpriser. He talks and lectures on free enterprise all around Houston from civic clubs to our youth in schools. As far as civic clubs, he belongs to the largest Rotary club in the world--over 900 members--the Downtown Rotary Club of Houston. Kevin will tell you a little about his family and his self. I (44) give you Kevin Price.

Title Slide