

Penn State Harrisburg
Summer and Fall 2010 Commencement Speech
Kevin Harter, December 18, 2010

Thank you Dr. Kulkarni.

Good morning everyone: University administration, staff, trustees and advisors; distinguished faculty, graduates, parents, friends, and guests. Today is a special day...not because you will receive this piece of paper laying here in front of me...certainly not because some dull guy is going to give a talk...but today will give you a memory with which you will be able to mark a major milestone in your life... a milestone that will always be with you and one that can never be taken away from you.

We have so few common threads anymore that we share: graduations, weddings, funerals. Take the time to mark this special occasion, savor it, and enjoy it. A degree from Penn State says a lot more about an individual than just the completion of your education. It says to an employer that you are likely to have a sound work ethic and solid character. Always keep in mind that those graduates that came before you have paved the way for you and set a standard within the community. They have made it easier for you to be viewed as a valuable contributor to a workforce and to a society. Don't let them down, and don't let the next generation of graduates down either.

A couple of years ago, the Penn State Materials Science department was named the top department in that field in the entire world. I happen to have breakfast with one of the distinguished professors in that department the same week. He had been in the department for more than thirty years. I asked him what had changed about Penn State in the forty years since my oldest brother came here, when he viewed it as an average state school. I asked him how the university was now consistently ranked favorably in a variety of fields. I expected him to answer with something related to the quality of the faculty, or the number of research dollars. But without hesitation, he looked at me and said "Joe Paterno". I was

shocked and I asked him why. He said “Can you name another University where the building named after the football coach is the library? Joe Paterno in many ways is the face of Penn State to the world, and it is a face of hard work and good character, with education as the main focus and goal”.

When faculty, students, athletes, and employers come to Penn State, they expect that these ethics have been instilled in each one of us --- maybe by Joe himself. But it really is much bigger than Joe Paterno. The entire university has dedicated itself to a level of excellence that makes you and me better, and makes you and me more valuable in the eyes of the world.

As I prepared for this talk today, I did my homework. I polled recent and not so recent graduates and asked what they would want to hear, what would be interesting, and how do I keep you from being bored. Lauren, a former Penn State student said “be incredibly short, but you have very little chance of not being boring.” Amy, a recent graduate in our accounting department suggested that I don’t say anything. Gary, a recipient of two Penn State degrees and a Vice President in our company said “I don’t know. I specifically didn’t go to my graduations so that I did not have to listen to a commencement speech. My daughters both generally rolled their eyes and said good luck.

Undeterred, I turned to the web. Into Google I typed “best commencement speeches”. Surely, I would get some ideas there. The first result I encountered is Will Farrell at Harvard and much to my luck, there is a video of this speech on line. I see Will Farrell come on stage, bear hug the president of the university, and begin dancing to the song “Celebrate”. Well, the last time I danced regularly, Celebrate was a current song, and I looked like a character from “That 70’s Show”. I opted for something different.

I decided to go with what I know and love most. I believe if you follow your heart, you may not get exactly where you planned, but at least you’ll love the journey.

So for me, that love is entrepreneurship. According to Wikipedia, an entrepreneur is defined as one who undertakes innovations, finance and business acumen in an effort to transform innovations into economic goods. In addition to

this definition, I frequently read about what it takes to be a good entrepreneur, what services are available to help entrepreneurs, how to find capital to start your business and the like. I do not like this definition and, overwhelmingly, I think most of the words written on entrepreneurship are garbage.

An entrepreneur is someone who sees an opportunity, and uses all of his available resources (physical, mental, financial, and sometimes, emotional) to make that opportunity a reality.

So let's break that apart, first, let's take a look at opportunity. I specifically avoided defining opportunity in a business or profit context because I believe entrepreneurs can identify unique opportunities in many areas. Maybe you can identify a way to help school districts be more efficient, or your non-profit business to build more volunteers or raise more money. Entrepreneurs are great at solving problems.

Many people today will tell you there are few opportunities. But I just said that entrepreneurs are great at solving problems. Do we not have a lot of problems to solve?

Let's look at opportunity a little differently. The world has moved towards personalization, a customization of everything from the way your computer shows you information to the way a doctor treats your illness. We have high expectations. We want everything our way, and generally, we want it now. You simply have to sit near the counter at a Starbucks to understand that people no longer want tea or coffee but they want a "double soy latte, half-decaf, with chocolate sprinkles, and only a little foam". A quick calculation at the counter suggests that every individual on the planet could order a different drink at that counter with no repeats.

This personalization is permeating everything. You can now get some computers in a dozen different colors. The colors of covers for an iPhone appear endless. In healthcare, one can determine if they are going to respond to certain cancer drugs. Maybe there is a test to determine the right amount of that drug for you.

However, at the same time that personalization is what we want; consolidation in some industries has left us wanting for more, as fewer not more options are available. Consolidation costs jobs. Many of our bigger businesses, our entrepreneurial successes, have become homogenized, low-cost, low-service businesses. Are you happy with your service experience at Walmart or Dell lately?

Some people want good service. Some people are willing to pay a little or a lot for it. Add to this, countless examples of personalization and customization that we strive for and you have identified a number of business opportunities. Maybe the solution to a poor economy with poor service is more entrepreneurs.

A friend of mine recently lost his job as head of customer service because in his industry the number of companies went from 8 to 1 and he was not the 1 customer service leader that survived. He looked at the situation and saw despair and a lack of opportunity, particularly in this economy. An entrepreneur looks at the same situation and says "Is it possible that one company can configure their business to service the needs of all of the current and potential clients?" "Is there not room here for competition?"

The banking industry has been a good example of this. Large and medium banks buy other banks looking for market expansion and lower overall costs. But many customer like to bank with a local firm, not with a large bank in New York. Businesses especially deal with a local loan officer or manager. Frequently, in markets where bigger banks have purchased the smaller banks, new banks are created to fill this void in locally-focused customer service.

These are only a few examples of the numerous gaps, needs, wants that get created every day. An entrepreneur looks at those gaps, identifies the problems, and creates an opportunity.

The founder of our company identified one of those gaps. He found that the majority of patients receiving chemotherapy were being given a dose that resulted in them getting something other than the optimal amount of drug in their bloodstream. He created a test that helped doctors better dose the patient.

Maybe Bono, the lead singer of U2 said it best about picking an opportunity in his commencement speech at the University of Pennsylvania, "So, my question I suppose is: What's the big idea? What's your big idea? What are you willing to spend your moral capital, your intellectual capital, your cash, your sweat equity in pursuing outside of the walls of this University?"

Let's say you have a great opportunity that you are willing to invest yourself in, then what? An entrepreneur uses all his resources to take advantage of the opportunity that has presented itself. Unfortunately, this is the hard part for most people. I once heard a statistic that 99.5% of great ideas are never pursued. People think that someone else must have already thought of it, they don't have the knowledge, they don't have the money, etc.

Thomas Edison said that genius is 1% inspiration and 99% perspiration. The same can be said about entrepreneurship. One of the more interesting books on entrepreneurship this year was called "The Other Side of Innovation". The authors focus on the problem of execution, the action of building of your idea, of your business.

There is no magic single formula for creating a business, every one is different. However, there are a few basics to touch on. Every business must pay attention to all the important pieces. A business, like a stool, cannot stand on one leg. When we invest in a business, we always look for the four legs of a company: management, market, technology, and finance. But everyone has their own style of building a business.

The important point of this whole discussion is that there a world of opportunities out there. A recession is simply the lack of opportunities being made available to you by others. A recession creates a need for entrepreneurs, for people to create their own opportunities. The last major recession gave us a great class of entrepreneurs, Bill Gates, Steve Jobs, and Michael Dell.

Maybe you will be part of the next great list of entrepreneurs.

There are a lot of things to think about there. But great entrepreneurs do not start out with all the answers. They just get started. They learn well, especially from their mistakes, they adjust, and they never give up.

Michael Dell said it very appropriately, “Don’t spend so much time trying to choose the perfect opportunity, that you miss the right opportunity. Recognize that there will be failures, and acknowledge that there will be obstacles. But you will learn from your mistakes and the mistakes of others, for there is very little learning in success.”

In that vein, I am going to leave you with my own personal favorite quote from Teddy Roosevelt that has been taped to my computer monitor for years, “Far better it is to dare mighty things, win glorious triumphs, even checkered by failure than to take rank with those poor souls who neither enjoy nor suffer much because they lie in the gray twilight that knows neither victory nor defeat.”

I hope that each of you go out and dare mighty things. You have no idea yet how victorious you may become.

Congratulations again graduates. You dared to accomplish this goal and you came out victorious today.

Best of luck.