
Editorial: Entrepreneurship and the culture of measurement

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You cannot improve what you cannot measure.

-Peter Drucker

Historians have remarked and written much about Francis Galton (1822–1911) and his enormous passion for measurement. Highly entrepreneurial, a prolific inventor and half-cousin of Charles Darwin, history credits Galton with a range of original societal contributions. Weather maps, recording of fingerprints for identification, inaudible dog whistles, surveys for data collection, a physical machine that modeled statistical distributional laws – the “quincunx” – and many more innovations make up the list. Hilarious and sometimes brilliant, his myriad attempts at measurement-based inventiveness often fell flat. These attempts included creative ways to cut cakes to minimize the exposed area and preserve freshness, index the effectiveness of prayers, track personal inclinations to measure interpersonal attraction between dinner guests using engineered dining chairs and collect real-time observational data to measure boredom in an audience. Measurement was his theme, and a mindset for curiosity drove his activities.

A biographical treatment of the bright and dark chapters and verses of Galton’s storied life is outside the scope of this editorial. What I wish to consider here is what entrepreneurs and entrepreneurship scholars, the constituency that the *Journal of Small Business and Enterprise Development* serves, can learn from such a passion for measurement. How does it relate to entrepreneurial performance? Is it an essential part of the entrepreneurial mindset today?

Talk to any successful entrepreneur about their venture operations. They are well-versed in highly detailed and focused information. They can recite accounting and sales data that are parsed, computed and cross-referenced into many conceivable forms. But there is also a kind of passion for the measurement of these data in general, which goes beyond specific accounting data. The passion is marked by an intense and proactive curiosity about problems. It is a mindset. More than the consequence of simple repeated exposures to the same environment, it can be perceived and felt by other people. It is *cultural*. Mindset and culture can take an entrepreneur and her/his team to unexpected places and can generate radically novel questions.

If you have worked with a lot of successful entrepreneurs, then you know that they can usually tell you where every crack in the shop floor is located. They are familiar with how all the doors in their office creak differently when opened. They know where their customers prefer to eat dinner and what hobbies they enjoy. They remember color schemes and architectural themes in geographic areas surrounding their business, specific brands of furniture in other businesses and the qualities of various interior motifs and exterior building materials. They see all kinds of reliable patterns in time and space, feel the subtle behavioral tendencies in team members and regular customers and can recall certain email messages verbatim from years ago. When a small or trivial event happens out of the ordinary, successful entrepreneurs notice it immediately and determine if it makes sense or not. Their team members and colleagues are familiar with their orientations and can tell stories about them.

Entrepreneurship scholars have taken notice of the “entrepreneurial mindset” and have begun to research it. It usually entails peculiar focus and attention toward what is happening in one’s environment. It is obvious that the kinds of data this mindset yields do not always



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relate directly and immediately to entrepreneurial performance. So how are such data useful in entrepreneurial settings?

It is worthwhile for us to explore these linkages and ask bold questions about them. Does success compel an entrepreneur to focus on all these minutiae, or does the focus come before the success? In which direction does the causal arrow point? Is there a causal arrow at all? In popular management publications, public intellectuals admonish that metrics and measurement are usually a waste of time in organizations. Perhaps that is the case in large established organizations. Is it different for entrepreneurial ventures, where growth and evolution are vital, and uncertainty is everywhere? These kinds of research questions are important, and they will ultimately serve to advance the entrepreneurship field.

As Drucker's epigram suggests, measurement is imperative. For early-stage entrepreneurial firms, it seems that measurement is so vital that one should measure and observe everything possible. Build a culture of measurement. Seafaring ventures during the Age of Discovery were highly entrepreneurial in many aspects. Those ventures were programmed to measure and record internal operations and the environment around them intensely. Over the years, they generated literal terms of language and novel units of measurement that are still used centuries later, even if those ventures are all gone. Language is the bounty and the carrier of culture. The culture of measurement was part of performance for those entrepreneurial seafaring ventures. The industry is dead, but the spirit of the culture lives on.

How about for entrepreneurial individuals like Galton? He was known for carrying with him a pin and sheets of paper. He obsessively used this low-technology application to count various items he observed. He pricked holes in the paper to record count totals and he saved the sheets for later analyses.

Many of the data he collected were initially irrelevant, but they eventually became valuable. For example, one story holds that Galton happened upon a competition in which local residents were trying to guess the weight of an ox. Galton participated, but he did not examine the ox directly in order to guess its weight. Instead, he recorded the guesses of as many of the other participants as possible. He analyzed all those data, calculated the average guess and submitted it as his entry. His empirical activity and orientation must have seemed irrelevant and odd to the hundreds of other competitors. However, Galton won the competition.

If the costs associated with such novel measurement activities are contained, then entrepreneurs can and do find novel successes through this kind of orientation. Building a culture of measurement creates breakthrough performance because environments generate new data as they evolve. As new entrepreneurial opportunities emerge from the evolution, those erstwhile irrelevant data can become instrumental to discovering those opportunities. What are today's entrepreneurs doing along these lines to eventually compete and win?

Galton pricked paper with pins and surveyed participants to win an ox-weighing competition. Today's entrepreneurs track vehicle location data with global positioning, index blockchain transactions in terms of latency and throughput and use other high-technology applications to count and observe enormous samples of sundry items. It is easier to collect and analyze more data, passively and inexpensively, than ever before. Just like the entrepreneurs of yesterday, however, today's entrepreneurs must compete via novel and cost-effective means. What will tomorrow's entrepreneurs do? The power of the culture of measurement and entrepreneurial mindset persist, even as the actual expressions of those constructs continue to evolve apace of the ever-changing world around us.

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