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THE AMERICAN DREAM

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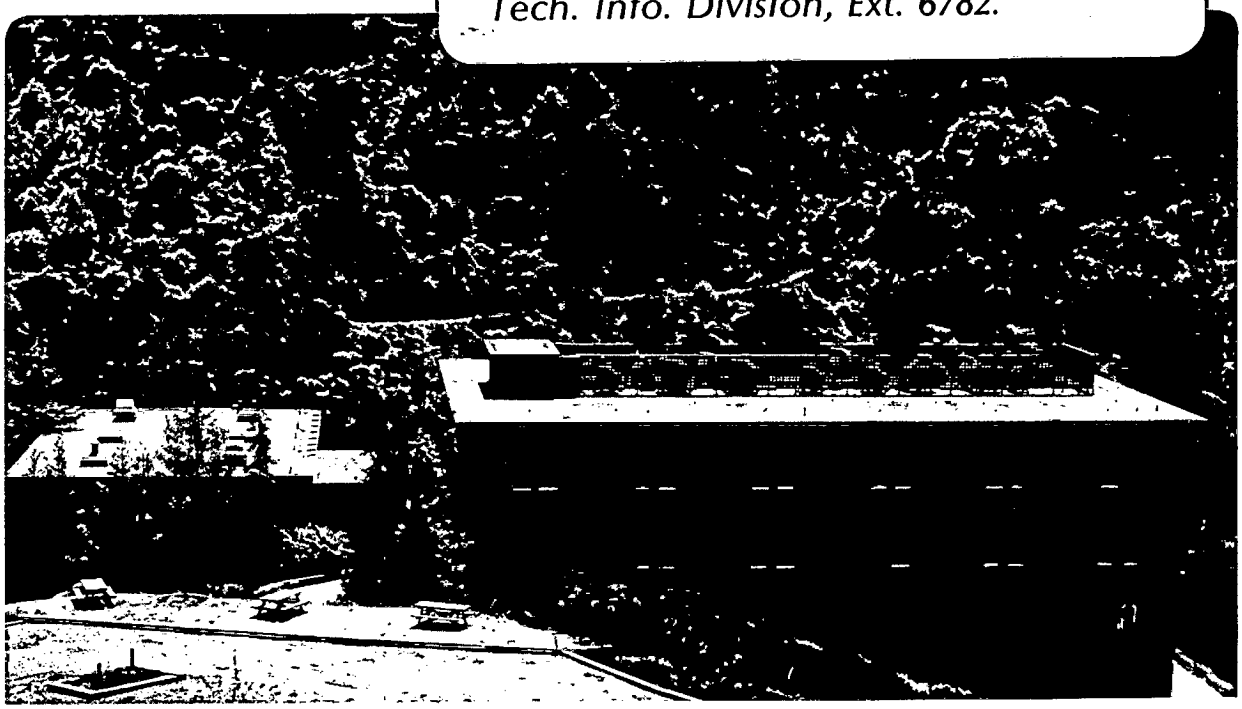

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THE AMERICAN DREAM

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The American Dream

The glitter of gold brought the 49ers to California and the promise of abundant fertile land attracted the pioneers to the western frontier. But the miners left with little more than the possessions they arrived with and those who cleared the forest and plundered the land then moved on never to look back. In their place came those who settled and developed this abundant land by patient toil, gradually building their fortunes and providing unparalleled opportunities for generations to follow.

In the early 1960's our technology and wealth permitted us to rapidly seize new opportunities at home and abroad. We were assured of profits and a rapid return on investments because of our high productivity and unique know-how. Expectations of good return on investment within 3-5 years became the norm to judge managerial quality and success. The incentive structure built up in corporations rewarded those who showed "results" on an ever shortening time scale. Corporate strategies that required longer-term investments and promised pay-offs on a 10-15 year time scale were frowned upon and abandoned. Basic research, which needs the longer lead-time, was one of the first to go in many corporations. Many corporate laboratories engaged in research were eliminated or were rapidly converted to carry our short-term fire fighting.

There came the rise of managers who, like the 49ers, collected all the research nuggets that were uncovered by the hard-working scientists who worked for years to discover them. By cashing in on the gold the manager was promoted, leaving behind a group thoroughly discouraged from digging deeper for it would "take much too long." An aura of glory surrounded these rapidly rising whiz-kids, and their success stories were not unlike the 49er stories of fabulous finds and rags to riches without much work.

By now most of the nuggets are found and the success stories have disappeared. The new manager who takes over the group finds no new ideas to develop new products or processes and discovers a "creativity gap." There is, perhaps, a grudging realization that long years of careful work must be invested to obtain new leads that result in new inventions but "there is no time." Let somebody else do the research, other companies or academia, then buy them out. A management that believes in short-term pay-offs becomes increasingly conservative and justifies its incentive strategy as to be "in the investors' interest."

And new people arrive who work hard and have no choice but to make long-term investments in order to build a new enterprise. Their long-term perspective brings back basic research as the foundation to build on. However, these new people come mainly from foreign lands mostly from Japan. Many of our corporate management structures still have not adapted to the changes and they pay dearly for their inflexibility as the new generation of technologies that are based on long-term R & D strategies take over.

Let us wake up from the dream to succeed fast without years of investment of money and hard work. Our country was not built by the 49ers but by those who followed them. Let us once again adopt long-term investment strategies to build, starting with basic research, for generations to come.

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