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Ohio State Engineer

Title: How to Succeed in Business

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Issue Date: Apr-1923

Publisher: Ohio State University, College of Engineering

Citation: Ohio State Engineer, vol. 6, no. 3 (April, 1923), 3-4, 28.

URI: <http://hdl.handle.net/1811/34222>

Appears in Collections: [Ohio State Engineer: Volume 6, no. 3 \(April, 1923\)](#)

HOW TO SUCCEED IN BUSINESS

BY CHARLES M. SCHWAB.

(Written for the Engineering Colleges Magazines Associated)

AS time goes on I find it more difficult to speak of retiring from my forty-three years of business life. In fact instead of retiring I find myself drawn more and more into concerns, each of which involves new responsibilities. But the greater the responsibilities, the less I find of the element of personal supervision and the less I enjoy my new work. The thing that has given me the most pleasure and that I am the most proud of is that I keep finding friends, and friends,—and yet more friends on every hand.

You want me to tell you how you can succeed in life. I know that it is very difficult to convince the great majority of people that men who are in active pursuits of life have any other object in view than the making of money. That is a great mistake. The real leaders of industry and the real men in life, and the real successes in life, are not always the men who have lots of money or a great fortune.

My idea of the successful life is the man who has successfully accomplished the objects for which he set out, to do something that is worthy of a real American man. Money is often a matter of chance or good fortune, and is not the mark of a successful life. It is not the thing that brings a throb of pleasure or a thrill into my life. And I would not pose as a successful man if that was to be the measure. But when I look about me and see the multitude of friends that I have after forty years of business association with men, when I see the great lines of smoking stacks and blazing furnaces that have come into being because of my interests and activity in life, and when I see a work that I set out to do successfully accomplished and meeting the approval of my fellow men, then a real thrill comes into my heart and I feel that I have done something worth while. The money, you do not think about as long as you have enough to pay your bills and keep your business going. The captains of industry do not keep on working for the sake of making money, but for the love of completing a job successfully. Men who typify the ideal business man in my mind are Mr. Carnegie, the elder Mr. Rockefeller, Mr. Baker, the younger Mr. Rockefeller, and Judge Gary.

One of the dearest friends that I ever had in life, Andrew Carnegie, used to say to me when I went to him with my balance sheet and showed him how many hundred thousand dollars we had made that month or year, "That's interesting, but show me your cost sheet." That is the mark of successful manufacturing, how economically and how well you do a thing, not how much money you make in the doing of it. So, his mark—and he was a wise man—his mark of successful industry is my mark of a successful life. Set out with

some definite purpose in life and accomplish that purpose. There is little that the human mind can conceive that is not possible of accomplishment. The thing to do is to make up your mind what you are going to drive for, and let nothing stand in the way of its ultimate accomplishment.

Now, in my long experience in business life and association with men, there are some fundamental things that must not be overlooked. If I were asked to say the most important things that lead to a successful life I should say that, first of all, was integrity—unimpeachable integrity. No man can ever do anything of any great value in life and have the confidence and approval of his fellow men or be successful in his undertakings with other business men if he doesn't have the reputation of being a man of honor and integrity.

I am going to speak of a young man that I regard as the most successful young man I have ever known. And if I did not regard him as the most successful young man that I know, he would not be the President of the Bethlehem Steel Company. I am going to speak of a young man that I have known since he was a man your age—I refer to Eugene Grace. You may have heard of him. He came from Lehigh University. When I first knew him he was a shoveler of coal with an electric crane. I followed his career on and on and on. And whatever may have been said of Mr. Grace you could always depend upon it absolutely that when Mr. Grace said a thing you would know the absolute facts, good, bad or indifferent. And, today, Mr. Grace stands among the great business men of New York and this country, with the reputation of being a man of absolute integrity and a man in whom everybody can place the greatest possible confidence.

A man must also be a true democrat, and not an aristocrat who condescends to talk with anyone. The educated man must not get the idea that education necessarily makes him superior to any other skilled man who has devoted his life to mastering one business.

When I first entered the business world in 1879, the United States was producing only one million tons of steel a year; now we produce fifty million. Never was the opportunity and the reward so great as it now is in this reconstructed era. The hardest struggle of all is to be something different from what the average man is. I don't believe in "super-men," for the world is full of capable men, but it's the fellow with determination that wins out.

Bet on the United States if you must bet at all, for any good enterprise in this country is worth more than six or seven per cent. Put your all into any business which depends for its success on your own brains and determination to win.

Be not fearful in borrowing money; I have borrowed more money than any other man in the United States and on less collateral.

Be sure to go into a business that will keep your interest, for you can't handle working men successfully if you only pretend to be interested in them.

If I were able to give you whatever I wanted, I would wish that you might have a rugged constitution, a desire to work, and the great American characteristic of driving onward.

Any man who goes into anything in life and does it better than the average will have a successful life. If he does it worse than the average his life will not be successful. And no business can exist in which success cannot be won on that basis.

Another important thing is loyalty. Be loyal. What measure of success I may have won in life I attribute to the loyalty I had for a dear old friend who was my first steel master, whom you perhaps have never heard of, Captain Bill Jones.

Captain Jones was a great mechanic, just a natural genius at mechanical things. No education at all. He knew nothing of engineering or chemistry of the sciences. Now, I was thrown in, fortunately, with him. I made up my mind that I could be very useful to that man by learning things that he could not learn, and, above all, by being loyal to him and never letting the world know that the things for which he received credit were not his own creation. Did you ever stop to think that a great man in life who has won great acclaim and great reputation is the very man who is willing to share and give the honor to others in the doing of the things that made him great? The man that will selfishly stand alone and proclaim that he is the man who has done these things never is the man who really did them. My own experience is that there is no real effort in life that is not done better under encouragement and approval of your fellow men. A man goes along then with greater confidence. You must learn to let others share with you in that which you are doing, and honor and credit will be reflected upon you for so doing.

Marshall Foch, the great commander, once said to me: "This great military staff is like an orchestra, and each one fills his place. Each is equally important in the functioning of the whole. If the baton is in my hands it is merely a matter of chance, but we shall see to it that each man in this staff gets recognition for that which is due." You never heard a great man say, "I did this," or "I will do that."

In the management of my great enterprises I have yet to find fault with any man. If a man is such that you must find fault with him to get the best out of him he is not a man to be desired in an organization. Show me the man that will do his best under approval, and I will show you the man that has within him the elements for successful going ahead.

Now, to come back to loyalty. Be loyal to the people with whom you associate at the start. When this good Captain Jones came to the end of his life's work, do you not suppose it was worth more

to me than anything else to have him say: "That is the man that helped me do these things"? Remember always that it will but attract attention and credit to yourself to share it with those who help you. Be loyal when you start life wherever you start. Make your employer feel truthfully that you are sincere with him; that you are going to promote his interests; that you are going to stand for the things he represents; that you are proud of being a member of his staff, and there is nothing that will reap you a richer reward. Loyalty above all!

There are other things in life than mere work. I believe an appreciation of the finer things in life. The learning to know the beauties of literature and art and music, will help any man in his career. A man to carry on a successful business must have imagination. He must see things as in a vision, a dream of the whole thing. You can cultivate this faculty only by an appreciation of the finer things in life. No active business life, whether it is manufacturing or something else, should prevent you from enjoying the beauties of life. These finer things will contribute to your success.

Be friendly. When you have friends you will know there is somebody who will stand by you. You know the old saying that if you have a single enemy you will find him everywhere. It doesn't pay to make enemies. Lead the life that will make you kindly and friendly to everyone about you, and you will be surprised at what a happy life you will live.

I want to tell you a little more about this man Grace, because one often sees the points in a successful life best by analyzing a single individual. I told you of his great faculty of making good, no matter in what position he was placed. This boy went on and on. Above all, he worked hard with the brain that had been trained in the university to think and concentrate upon the subject that he was thinking about until he had reached a satisfactory conclusion. Now, that is the great point, to concentrate and think upon the problem in mind until you have reached a satisfactory conclusion in your mind, and then finally go ahead. If you have made a mistake, all right. Never find fault with a man because he has made a mistake. It is only a fool that makes the same mistake the second time. I tell a story of my own experience with Mr. Carnegie, as showing what this might mean.

As chief engineer of the works I had just built a converting mill. I went to him and said: "If you will give me the money to build this mill I can save 50 cents a ton." Of course he provided the money, and the mill was built. He came out to see it. I walked around with him. He saw the look of disappointment in my face and said: "Charlie, there is something wrong here. What is it?" I said: "It is exactly what I told you, and it is better than I told you. We save more than I said. But I don't mind saying that if I had to do the whole thing over again I would do it so and so. I made a mistake in that particular." He said: "Can you change it?" I said: "No." He said: "What does it mean?" I said: "It means tear-

(Continued on page 28)

HOW TO SUCCEED IN BUSINESS

(Continued from page 4)

ing it down and doing it over again." He said: "Go ahead and do it. Don't make the same mistake a second time." Do you suppose if he had been a fault-finding man I ever would have told him? Not at all. He brought out the best in me. When that mill was torn down and a second took its place it was as great a success over the first as the first had been over the old one.

Mr. Carnegie had my confidence, and I had his confidence. He believed in everything I had told him. If I had told him something that was wrong and not admitted my mistake he would never have helped me to progress, and his works and his great establishment would never have progressed as they did.

Now, in my own establishment you will be interested to know something about how we do things. You boys will all probably have to start to work upon a salary. But the quicker you get out of working for a salary the better for all concerned. In our works at Bethlehem and San Francisco, and all over the United States, I adopted this system: I pay the managers of our works practically no salary. I make them partners in the business, only I don't let them share in the efforts of any other man. For example, if a man is manager of a blast furnace department he makes profit out of the successful conduct of his department, but I don't allow him to share in the prosperity of some other able man in some other department of the establishment. I give him a percentage of what he saves or makes in the department immediately under his own control and management. For example, if it takes a dollar a ton to make pig iron, and it takes him a dollar a ton to make pig iron, I say to him:

"Well, you are no better than the average manager over the country. Therefore you are entitled to only the usual wages. But if you can make pig iron at 90 cents a ton you are entitled to share with me in a large part of the profits. And if you make it for 40 cents or 50 cents a ton you share to a very large degree."

Therefore, I don't care how much a man earns. The more he earns the better I like him. And I pay in what I call bonuses to the various superintendents and managers of the different establishments more money for their successful man-

agement than I pay the stockholders of the concern in dividends. And it will surprise you to know the great sums of money that some of these men make. I would be afraid to tell you for fear of discouraging you in your start in life. But I don't mind saying that forty, fifty, sixty, a hundred thousand dollars a year for these men is not infrequent. And in the case of men like Mr. Grace, well, many, many times that.

If you have any influence in the world to get you a start in life, don't use it. The worst thing that can happen to a man is to start life with influence. He has got to do twice as well as the fellow that starts upon his own merits, because, after all, it depends on the general opinion of all those around you as to how competent and successful you are, and when everybody says that you do well because of the influence back of you, then you have got to do twice as well as otherwise. If you are going into any manufacturing establishment, don't go there by reason of any influence you may have. Start upon your own merits, and start in some lowly position, no matter what it is. Be a laborer, if you will. I don't know but that is the best way to start.

This great war has taught us many things. The one thing it has taught us above everything else is that the true life is the life of modern democracy and simplicity, that it is not one of show or of extravagance, that we are men because we are men and because we have the true instincts of men, and we are not men because we are rich or because we occupy a high social position or because we have influence.

Go at your work. You may not find yourself the first year. You may start at work that you think will not be agreeable to you. Do not hesitate to change. If you find that it is not according to your tastes and ultimate ambitions, then change and go into something that is more pleasant. No man can be successful at work if he doesn't find the work he has to do pleasant. No man can ever do a thing well that he is not interested in. When you start in life, if you find you are wrongly placed don't hesitate to change, but don't change because troubles come up and difficulties arise. You must meet and overcome and conquer them. And in meeting and overcoming and conquering them you will make yourself stronger for the future.



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