Volume 4. Forging an Empire: Bismarckian Germany, 1866-1890
Paths to Entrepreneurial Success: A Banker's Advice (1884)

By the 1880s, Germany's "second industrial revolution" was beginning to spawn new industries such as petrochemicals and electronics. These underwent rapid growth and directly contributed to Germany's international reputation as a leader in the fields of science and technology after 1900. German banking also grew rapidly during these years. According to the banker Georg von Siemens, whose advice is presented here, practical experience was more useful than "theoretical" university study as a means for gaining the qualifications necessary for success, particularly in a business sector marked by the scarcity of skilled workers. His simultaneous admiration for and criticism of American business practices was not uncharacteristic for the times.

Georg von Siemens was one of the founding directors of the Deutsche Bank; he also served multiple terms as a representative to the Prussian Parliament and to the Reichstag. Additionally, he made significant financial contributions to the construction of the railroad system.

You know that I think very little of theory. Ours is a time of specialization. Everything depends on becoming an expert in some field before anyone else, no matter how small that field may be. [. . .] The crux of the matter, however, is that you can only become an authority in something if you can actually do it. Professorial chatter is pure silliness. Theoretical education as such is only worth something if it is practiced as a specialization, that is, as an end in itself – in other words, when you deal with it as a professor at university. Apart from that, it is merely a servant, i.e., an aid to facilitate practical work, a luxury item for quiet hours, like a cigar after lunch. You have not chosen the pure professorial state, and in my view you have done the right thing, because in Germany this field is decisively overstaffed (overtraded, as the English would say). Therefore, you must make sure that you can take advantage of your great technical superiority, which sets you ahead of many others by virtue of your training at Fueß.[1]

By and large I believe that a lot of time, really too much time, is idled away at our universities. Our university life actually consists only of holidays with intermittent periods of work; and considering the large number of existing books, I think that one would get ahead much more quickly by jumping into practical work and, at the same time, attempting to answer emerging

[1] Probably referring to the optical instruments company founded by Rudolf Fueß (1838-1917) – ed.

questions through reading and private studies. This approach is a little bit more strenuous, but saves immeasurably more time. [. . .]

At the moment, the business situation is such that there are more enterprises than people. The Edison Company[2] suffers from not having enough technicians – and not enough with solid practical training – at its disposal. Quite soon the market will be saturated, because people educate themselves through working at companies. Old Borsig and Egell, and Wöhlert,[3] too, were journeyman blacksmiths; they achieved their huge successes because they were on the scene earlier than those technicians who felt they first needed university training. The same set of experiences holds true for all new industries.

Edison[4] complained to little Willy Siemens that the Berlin employees are such poor technicians. Werner Siemens had the same experience in the past. So that same opportunity continues to exist.

If I were in your position, I would take advantage of this opportunity; I would do practical work soon and gather plenty of experience – always with the underlying motive of joining up with a scientifically trained technician, perhaps a financier as well, and forming your own enterprise.

For this type of work, you have two avenues: either Schuckert[5] in Nuremberg or the Edison Company in Berlin – if the latter is capable of sending you to America beforehand so that you get to see everything for six months. [. . .]

Since I was in America [during the autumn of 1883] I attach great importance to a lengthier stay there for pedagogical reasons. There is no doubt in my mind that the tone in which business is carried out in America is far superior to ours. People are ruthless robbers there, but they know how to think big, and over there you have none of the petty, shady theft that is so rampant in this country. Specifically, one can learn to focus on a particular goal and to scorn aimless dithering, which I would call a glib, dilettantish business practice. It won't be long before these people will have beaten us in our very own fields, including painting and other arts; over there you get to know many more hardworking people than here.

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[2] The Deutsche Edison Gesellschaft (DEG) was an electronics enterprise founded in 1883 after Emil Rathenau acquired the right to use Edison's patents in Germany in 1881. From 1887 onwards it was known as the General Electric Company [Allgemeine Elektrizitätsgesellschaft, or AEG] – ed.
[3] August Borsig, Franz Anton Egells, and Johann Friedrich Wöhlert were Berlin entrepreneurs in machine construction in the second third of the century. Borsig's fame derived largely from his production of early steam locomotives for Germany's railway boom after 1835 – ed.
[4] Thomas Alva Edison (1847-1931), American electrical engineer and inventor of, among other things, the light bulb – ed.
[5] An eletronics company – ed.

Source: Karl Helfferich, *Georg von Siemens. Ein Lebensbild aus Deutschlands großer Zeit* [*Georg von Siemens: Picture of a Life during Germany's Great Age*]. 3 vols. 2nd ed. Berlin, 1923, vol. 2, pp. 66-67.

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