

Austrian School vs. Business School

Some comparative considerations for entrepreneurial businesses.

Austrian School	Business School
Austrian school teaches value logic: defining, understanding, facilitating, contributing more value to society.	Business school teaches administration: strategizing, planning, forecasting, controlling, managing.
Customer-first: the purpose of the firm is to facilitate value; customers are the sole determiners of value, and value is customer-originated.	Many constituents: shareholder value maximization, stakeholder value, ESG, sustainability.
Business as a dynamic flow - constant change and adaptation. Value as a flow, capital as a flow, adaptive methods.	Business as comparative statics; 5-year plans, annual plans; fixed resource allocations.
Entrepreneurship is producer-side value stimulation: creative action in the pursuit of new value for customers. There is no market without entrepreneurship.	Entrepreneur-less. Strategy is the producer-side value driver. Focus on efficiency and competitiveness rather than customers.
Empathy is the key entrepreneurial skill.	Strategizing is the key business skill.
Emphasis on human relationships and qualitative assessments.	Emphasis on mathematics, measurement, modeling, and accounting.
Entrepreneurial judgment is action, generating learning from market feedback loops.	Accurate prediction and control are the measures of sound strategy.
Spontaneous order, self-organization, emergence, adaptive systems.	Visible hand, management.
Subjectivism of both producer and customer aspects of business. Value is situational, comparative, and relative, and comparisons are ever-changing.	Positivism, scientific method. Dashboards versus narratives and stories.
Creativity, unpredictability, non-linearity, islands of specialization, no boundaries (competing for dollars).	Linear. Focus on boundaries (competing within industries).



Choose Austrian Economics To Grow Your Business.

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