

# Business rules 9198



**ASSIGN  
BUSTER**

The Rise Of Big Business The rise of big business came about with railroads, which were the first big businesses. In the early 1850's there were several major trunk lines, they each controlled about 500 miles of track and employed several hundred to sometimes thousands of workers. During the late 1860's and early 1870's they had built transcontinental lines, valued at somewhere between 17 to 35 million each. Which is amazing since the other larger industries were only making a little more than a million and employed much less people. The early problems with big businesses was that there had never been anything like it before and they didn't have the skills to manage all these people and profits. Herman Haupt and J. Edgar Thomson came up with some standards of management that are still in effect today. Those management strategies are they divided strategies and tactics among the managers, they had middle managers to manage regional locations, and they had the top executives in a central office concentrating on a grand strategy.

Although big businesses have succeeded small businesses have stayed afloat because of better management, differentiating their products, finding a niche for themselves, and because they offer flexibility which big business can't offer. In my opinion Andrew Carnegie was one of the most brilliant business men of all time. He started out as a poor immigrant and turned himself into a multi millionaire. He did this by vertically integrating his Carnegie Steel company. To vertically integrate means to own everything that goes into your product, like instead of just using the railroad to ship stuff you own the railroad, and instead of buying wood for the railroad tracks you own a lumber company, and so on and so on. He was also a very generous

man, probably because of his origins, his thoughts on wealth were that it's great that you get it and spend it on yourself but don't overdo it. He knew he had more wealth than he could ever use, so by the time he died he had donated over 350 million dollars to a variety of organizations and did other good things with it.