The Amish: Management, Plain and Simple

By Andrea Sachs April 08, 2010

The Amish are famous for what they don’t do. That includes driving cars, using electricity and having phones in their homes. But a new study in the Global Business and Economics Review says the failure rate of Amish businesses is less than 10% in the first five years, compared with 50% of small businesses in the U.S. over the same time period.

[...]

The Amish are known for their plain lifestyle, marked by simplicity. That carries over to an employer’s relationship with his employees. A typical example, says Wesner, is an owner occasionally working alongside his employees[...] A builder Wesner interviewed occasionally takes his 18 employees out for breakfast. The result? In the high-turnover construction industry, his employees have stayed with him an average of nine years each. So do the customers, because Amish businesses value relationships over onetime deals.

[...]

The Amish have also learned to work outside their enclave—outside their comfort zone. That takes the kind of flexibility displayed by Moses Smucker, 59, the owner of two businesses in Reading Terminal Market in Philadelphia. Smucker, a big man with a bushy beard and a straw hat, starts his day a 55-mile (about 90 km) van ride away in Lancaster County, waking at 4 a.m. to feed the horses.

America is unlikely to see an Amish CEO of a Fortune 500 company. The Amish leave school after eighth grade and avoid the Internet. The pacifistic Amish also don’t believe in lawsuits. Yet, says Wesner, their success proves that “you don’t need an M.B.A. to run an effective business.”

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