

Celebrating America 250

How American Privateers Beat the World's Strongest Navy – and What That Means for Your Business



Laurence Allen
May 7, 2026

I would like to share a story from the American Revolutionary War that is not well known, but that had a large impact on its outcome.

This story offers powerful lessons in strategy for how modern businesses can create a low cost, scalable, competitive advantage and win against much larger rivals.

In 1775, the British Navy was the world's leading maritime force comprised of approximately 270 warships, 100 which were large "ships of the line" typically with 100+ guns on three decks and experienced crews.

America effectively had no Navy except for approximately 24 converted merchant ships, typically fitted with 10-20 guns. So, America faced a ship disparity of more than ten to one.

At the conclusion of the War, according to British insurer Lloyd's of London, American privately owned boats and crews known as "privateers" seized approximately 2,200 British merchant vessels including some warships and caused significant financial loss, merchant anger against King George III and Parliament, and pressure for a settlement.

In America, privateering was a force multiplier: Approximately 880 privateers generated significant prize money, captured supplies and vessels that were refitted with guns for the American Navy, and boosted morale among its citizens - that they could beat Britain.

The American privateer story shows how a small, under-resourced nation competed against the world's dominant maritime power by using focus, incentives, speed, and unconventional strategy rather than trying to match British scale directly.

For modern organizations, the privateer story is a practical framework for competing with much larger rivals: choose the right targets, avoid head-on fights, align incentives tightly, and turn agility into a weapon.

Key Privateer Tactics Adaptable to Small Organizations

- **Pick the right prizes.** Privateers did not attack every ship they encountered; they assessed the target first and pursued vessels that were both vulnerable and valuable.
Modern Lesson: Smaller organizations should define an explicit target profile and refuse work that drags them into battles where scale, capital, and brand recognition dominate.
- **Avoid fleet battles.** Privateers usually avoided Royal Navy warships and instead attacked merchant shipping, supply lines, and trade routes.
Modern Lesson: Smaller organizations should avoid markets where incumbents are strongest and focus instead on underserved niches, neglected customer segments, and weak links in larger competitors' customer experience.
- **Use speed as a weapon.** Fast privateers could close quickly, strike, and disengage if conditions turned unfavorable.
Modern Lesson: Smaller organizations can compete by compressing decision cycles, onboarding faster, launching faster, and responding to customers more quickly than large organizations can.
- **Win without a fight when possible.** Privateers often used bluff, reputation, and a confident approach to persuade British merchant ships to surrender before a destructive engagement began.
Modern Lesson: Smaller organizations can do the same by making adoption easy, reducing friction, and presenting enough proof, confidence, and momentum that the customer sees switching as easier than resisting.
- **Align incentives with outcomes.** Investors, captains, and crews of privateers all shared in prize money, which tied initiative to reward.
Modern Lesson: Smaller organizations can adapt this through equity participation, sharing profits, or performance compensation that reward people for creating value rather than simply occupying roles and payroll.
- **Use an ecosystem, not just payroll.** Congress expanded American reach by relying on private capital and privately owned ships instead of building a large navy from scratch.
Modern Lesson: Smaller organizations can do the same with channel partners, distributors, affiliates, contractors, and platform relationships that expand reach without massive, fixed cost.

Famous Privateers and What They Teach

Jonathan Haraden and the Art of Nerve

Jonathan Haraden of Salem became one of the most celebrated American privateer captains because of his willingness to take on larger enemies through nerve, close maneuvering, and disciplined gunnery. He was known not only for capturing prizes, but for creating the impression that resistance to him was often pointless, which is exactly how a smaller organization can use confidence and positioning to win against a larger rival.

Leadership Lesson: Reputation can become a force multiplier. When the market believes that dealing with you is efficient and resisting you is costly, you begin to win business before the real contest starts.

John Ordronaux and the Power of Elite Execution

The privateer, John Ordronaux, became famous for speed, aggressiveness, and the ability to survive encounters with stronger British opponents.

Its success in the English Channel and Irish Sea showed that a smaller force could do great damage by operating where enemy commerce was exposed and by relying on superior crew performance rather than on raw size.

Leadership Lesson: Elite teams beat larger organizations when they are highly trained, tightly coordinated, and fight in a clearly defined lane.

The Yankee's Ruthless Target Economics

The Rhode Island privateer **Yankee** became famous for repeated captures and for the cold economic logic of privateering. Yankee's cruises show that successful raiders were constantly evaluating whether a prize was worth manning, burning, or abandoning, which shows how smaller firms should evaluate customers, products, and partnerships by return on effort rather than vanity.

Leadership lesson: Disciplined opportunity selection matters as much as bravery. Not every apparent win is worth holding.

Conclusion

The privateer story is both a patriotic lesson for America 250 and a strategic lesson for modern businesses.

The patriotic message is that American independence was advanced not only by generals and formal institutions, but also by entrepreneurial citizens who used initiative and legal authority to multiply national power.

The strategic message is that smaller organizations do not need to outspend or outscale larger ones; they need to choose favorable terrain, move faster, use incentives well, and create wins that echo beyond the immediate transaction.

This commentary is available at <https://laurenceallen.com/>

About Laurence Allen

For over 30 years, Laurence Allen has served in various executive roles overseeing trading and investment management teams typically focused on alternative assets. He has been a pioneer in developing secondary market liquidity for alternative assets, private debt, and mortgages. Mr. Allen has advised numerous institutional investors, private funds, and family offices worldwide. He received a BS in Economics with honors and an MBA in Finance from the Wharton School at the University of Pennsylvania. He completed the Private Equity & Venture Capital Executive Education Program at Harvard Business School.

Media Contact

Katherine Jones

Email: office@laurenceallen.com

Website: <https://laurenceallen.com/>

Disclaimer

The information herein is market commentary. It is for educational and information purposes only. Nothing in the information is a solicitation of securities transactions. Information is based on sources deemed reliable and subject to change without notice.