PART I

Big Ideas About You

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Who Is an Entrepreneur and What Do They Do, *Really*?

WE NEED TO NAIL DOWN OUR DEFINITION of *entrepreneur* right now or our plane will never leave the gate. There are as many definitions as there are books, blogs, and helpful aunts. But they seldom agree and they set false expectations, and that stops a lot of people from starting.

The number one myth is that you need to be a genius like Steve Jobs, or a visionary who goes around all day seeing things that others don't see, or a lone rider control freak who either has to be CEO or nothing, or a daredevil who basks in risk. People also believe all entrepreneurs must have access to a financial stash that others don't (such as venture capital—VC—investment money), have some specialized knowledge or education, and start with a complete, fail-safe plan that's guaranteed to succeed.

That's all wrong—by around 180 degrees.

Most people are startled by the findings that author and professor Amar V. Bhide uncovered in one of the most extensive studies on the subject. Bhide explains that the vast majority of start-ups that eventually make it to the *Inc*. 500 list of fastest-growing private companies began like this:

- no new technology or breakthrough idea
- $10,000 of friends and family financing
- little or no formal planning
- opportunistic adaptation instead of vision—that is, they reacted as much as they acted.
- unproven human capital—they weren't experts when they started[1]

In other words, most noteworthy businesses come from completely unremarkable origins. They start their businesses by copying or slightly modifying someone else's idea. Their vision isn't set in the beginning; instead, they adapt it as they learn what works and what doesn't through rapid trial and error. Only an elite few start with VC-type capital funding, and none of them are Bill Gates.[2]

OPINIONS: EVERYBODY'S GOT ONE . . .

Definitions of *entrepreneur* run the gamut. They range from the intellectual, such as this one by Harvard Business School professor Howard Stevenson, who said, "Entrepreneurship is the pursuit of opportunity beyond resources currently controlled," to the homespun and humble, such as this one from Eric Jacobsen, a successful entrepreneur I know: "I've read dozens of books on the subject. They disagree as much as they agree. The only consistent truth we can find that comes up over and over again seems to be this: 'The difference between entrepreneurs and everybody else is: the entrepreneurs are

[1] Amar V. Bhide, *The Origin and Evolution of New Businesses* (New York: Oxford University Press, 2003).

[2] Ibid.

simply the ones that step up to the plate; successful entrepreneurs are the ones that *just keep swinging*.' "

It's the entrepreneurs themselves who always give the most simple, bottom-line definitions for what they do. Eric later told me with a hint of pride, "They give a test in business school with the ten traits that are absolutely essential for an entrepreneur. I only had one."

Different industries skew the definitions, too. Case in point: the high-tech and Internet industries are by nature innovative and iconoclastic or they wouldn't exist. Every business element—the products, the platforms, and the markets themselves—are all moving targets! So definitions of entrepreneurship from people in silicon valley often sound like this: Entrepreneurs are iconoclasts who create a new product or service under conditions of extreme uncertainty.[3]

This definition assumes disruptive new products and scary levels of risk. That would scare lot of folks away from trying—if it were true.

The fact is that many of the best entrepreneurs in the world don't fit this definition. They are *risk mitigators*, not risk lovers. They avoid risks except when absolutely necessary, and rather than producing earth-shaking industry disruptions, they just make small, fundamental changes in a business model that turn out to produce good results. Take McDonald's master builder Ray Kroc, for instance. He didn't purchase his small chain of hamburger stands from the original McDonald brothers under "extreme uncertainty." And he didn't sell a revolutionary product like an iPad that no one had ever seen. He sold burgers. He knew the basic model worked—that people wanted to buy cheap, hot burgers and shakes that were ready in a minute—because the stores he bought had proven it. What he wasn't certain about was how far he could build his idea of automating and systematizing the food-preparation process, or just how fabulously

[3] Eric Ries, *The Lean Startup: How Today's Entrepreneurs Use Continuous Innovation to Create Radically Successful Businesses* (New York: Crown Business, 2011).

big McDonald's would grow. That's where his own entrepreneurial contribution came in.

The point is, you may or may not fit into somebody else's neat definition of an entrepreneur. But no one can exclude you or predict your future success or failure. Trust the Navy SEALs on that.

WHO'S GOING TO MAKE IT THROUGH HELL WEEK?

SEAL team instructors know one person can't predict another's heart, mind, and soul, so they don't try. On the first day of training, 119 or so gung-ho, preselected candidates show up on the beach for BUD/S (Basic Underwater Demolition/SEAL) training. Many are star athletes, team captains, and military academy grads—physical specimens right out of *Rambo*. Others are as ordinary looking and undistinguished as the stock room kid at Home Depot. Greeting them are the instructors, all veteran SEALs who pride themselves on having a sixth sense about being able to pick a brother SEAL out from the crowd.

But no instructor ever knows ahead of time who will be the 19 or so left standing about a month later. There's no reliable psychological predictor, no body type, no IQ or background benchmarks. "Doing" itself will be both the teacher and the decider. As the saying goes, "Action is character." The only guarantee is this: If you don't start, you fail. If you quit, you fail. Everything else is up for grabs.

Many of the best entrepreneurs would tell you that entrepreneurship itself is that disarmingly simple: "When all is said and done, when the theories and books are put away, the only difference is that the entrepreneur *did*. And everyone else *didn't*." So says Dan Schley, another successful entrepreneur (who also happens to be a Harvard MBA).

What makes you do or not do, quit or not quit, is the paramount question in *The UnStoppables*—and for you as an achiever of anything. Because nobody knows who will become a successful entrepreneur. But—

HERE'S WHAT WE DO KNOW

Entrepreneurs have a *yearning*. It's simply an unfilled personal need to get something, fix something, find something, do something, experience something, or make something that simply doesn't exist.

Having this unfilled need eats at them and causes anxiety. Anxiety makes them uncomfortable. Being uncomfortable makes them move to change their situation.

Some call this *entrepreneurial anxiety*—but yearning is all it is: a specific dream + desire. And any one will do—as long as it's strong enough to get you in motion, because motion is magic. Psychologists may tell us that anxiety is bad, but a smidgeon of anxiety is a blessing for any entrepreneur.

It can push you or pull you. It can even be totally mundane, as long as it tips your scale. Mark Zuckerberg supposedly started Facebook because he wanted to get girls, not change the whole world.

Graham Weston says he started coming up with ideas for businesses that he could work in because "I thought no one would ever hire me. I thought I'd never be able to excel as an employee. In high school, I wasn't just the last kid to be picked for the team—I wasn't even picked. But I still had this yearning for someone to see I had some potential."

Some entrepreneurs are running toward a dream of riches, power, or fame. Some are running away from a nightmare of poverty, or a disappointing parent, or the fear of not being able to use the gifts they have. Some just dream of owning a business and being the boss.

What all entrepreneurs have in common is the intense drive to satisfy their yearning—and they accept that they'll have to travel through some risk to get there. But the less risk, the better. No successful entrepreneur jumps out of bed each day because they want to play roulette with their personal savings or take risk for its own sake.

There's an interesting parallel here with skydivers. Although most people have never met one, they assume skydivers do it because they love the danger. But a skydiver does it because she yearns to fly, not for a chance to die. She'll say she has a *life* wish, not a death wish. So she's willing to take a managed risk and accept its realities to get where she wants to go—in this case, the sky. The goal is to get the minimum necessary proficiency as fast as possible so she can practice and teach herself to be really good at it.

Whether or not they'd ever jump out of a perfectly good airplane, entrepreneurs have a life wish and accept that there will be obstacles in the path to living it.

. . . AND SO DO MOST FIVE-YEAR-OLDS

Needs, anxiety, dreams, yearning: according to education expert Chris Lehman, all we've described are the magical properties all five-year-olds have.

Chris runs a charter high school in the city of Philadelphia called Science Leadership Academy. He has worked the principles of entrepreneurship into the core curriculum for all grades, and he reminded us that "every five-year-old is a creative inventor." Just watch how they play with their friends. They imagine making something they don't have. They are anxious to get it. They instantly act to put it together with whatever resources they have lying around in the yard or the closet, because they have no Fear, Uncertainty, and Doubt (FUD) to extinguish their dreams and desire.

Education and creativity expert Sir Ken Robinson says that at the age of five, 98 percent of kids score at nearly a genius level for a quality called *divergent thinking*: the capacity to think "laterally," entirely outside the box, to find creative answers to mundane problems. But it drops off precipitously as we advance from age five to grown-up—squelched by our educational system, he says, which tells kids, "There's just one answer, at the end of the book, and don't collaborate—that's cheating." There are millions more of us who are brilliant at thinking divergently but have been told we can't, we shouldn't. Entrepreneurs have just managed to hold on to more of that way of thinking that we all had when we were five-year-old inventors.

It’s never been lost, it just needs to be exposed. It’s there whether you’re five or fifty-five. It just needs to be retapped, like an undepleted oil well.

THE ENTREPRENEUR’S REAL DIFFERENCE

Entrepreneurs are not smarter, savvier, or luckier than anyone else. They have simply mastered the emotional mechanics of *doing*. Not the technical ability to do, or the talent to do, but the decision, the act, and—with practice—the art of doing. So here’s a really simple definition of *entrepreneur*:

> Entrepreneurs have an idea, then put themselves in motion to make it reality. They turn ideas into physical value: goods, services, and jobs that weren’t there before.

Everyone dreams and talks. Entrepreneurs *do*.

The second sentence of our definition is pivotal: creating value that wasn’t previously there. If you want a single sentence about why our world needs entrepreneurs, that’s it. An entrepreneur who imagines owning a tennis shop and opens it in a once-vacant space has produced a new entity and an opportunity that wasn’t there. An entrepreneurial employee inside a big company who convinces IT to program a new software module for his team to give faster, more personal customer service has fabricated an asset that wasn’t there. Entrepreneurs are society’s makers of the intangible into the tangible. They literally turn mind into matter. And because it doesn’t exist before it’s imagined, the value that entrepreneurs add to society originates out of thin air.

WHAT DO THEY DREAM ABOUT?

Where does the opportunity originate in the minds of so many innovators and entrepreneurs? It’s the result of a habit they have that anyone can learn, a habit of asking the three or four great entrepreneurial questions whenever their desires are unfulfilled or they're blocked by a process that doesn't make sense:

1. I wish I could, so why can't I?
2. What if?
3. How come no one ever fixed that?
4. Why does this have to be such a pain?

It's remarkable how easy it is to ask these questions, and the more you do, the more often you respond with commonsense answers that *no one has ever thought of*. There seldom is anything profound about these answers, just a need and an unsatisfied individual. And if other people happen to share this need, successful entrepreneurial businesses result.

Entrepreneurs distinguish themselves by asking these kinds of questions a lot and by going ahead and actually *doing* things to answer their own questions. Everybody else just talks.

Even many of those who have followed the Rackspace story closely don't realize that Rackspace was originally founded by three web developers, fresh out of college, who just needed more server space. Pat Condon, Dirk Elmendorf, and Richard Yoo wished they could just go to a secure, professionally-run data center and rent the space they needed for their fledgling IT service—a kind of fractional share, the way you can buy time on a private jet. But they couldn't find a service that made sense. They wondered, "Why not?" And because no one else had an answer for their question, they just set up their own. And since there was extra capacity, they decided to see if there were other techies who might like to rent some unused server space like they had wanted to. They did!

Graham met the three founders and, as a young entrepreneur himself, he recognized their potential. They became partners. Today they have more than 200,000 business customers. All because three college kids had the audacity to wonder, "Why not?"

FROM ENTREPRENEUR*IAL* TO ENTREPRENEUR

Yearning + doing makes you *entrepreneurial* at any stage. And that's very important, because it allows you to overcome inertia and get started.

But there is one thing more you must do to earn your wings and call yourself an entrepreneur. Successful entrepreneurs *do + don't quit*.

This doesn't mean you don't try different avenues, fail, regroup, and sometimes halt one effort to reallocate your resources. It just means, as Winston Churchill said, "When you're going through hell, keep going." You persist, you work through the problems and around the obstacles that you know are always on the path to value. You persist because UnStoppable principles and practice make you believe you can. You persist because there is no entrepreneurship without it. Daring and doing always pays dividends.

The entrepreneur keeps swinging until he's achieved some worthwhile value. It is not always the exact value he originally set out to create, because unknowns are revealed along the way. The advantage is seldom in the brilliance of the initial idea, which always morphs and changes in the process. As we'll see, the magic comes through the simple act of putting oneself in motion and adapting as needed.

It'd be a cliché and incorrect to claim that entrepreneurship is for everyone. But millions more can decide to think and act in the entrepreneurial way. A great proportion of those will discover they are entrepreneurs as well. People like you.

It's a numbers game. And we need every one.

BIG WIDE TENT

Chris Lehman made another vital point for us: "People think entrepreneurship and they immediately think business. But entrepreneurship is the idea that people can have powerful ideas, own those ideas and do meaningful things with them. Not just to create a job, but to create a life. Where that leads to businesses, great—where that leads to non-profits or to schools, great. But the core idea is that doing things like we've always done is not going to solve the world's problems in the next 100 years."

Amen.

NOT JUST FOR START-UPS

So if you thought an entrepreneur was an iconoclast who risks it all to invent a whole new category like Cirque du Soleil or Netflix, you'd be right. But you'd be right about only a fraction of the process because entrepreneurship is vital at every one of the following business stages—*not just for start-ups*.

Start-up entrepreneurs find their sweet spot in early-stage organizations. They love the urgent pace, the thrill of takeoff, the close-knit teams, the lack of rules, the sense of mission, and the ability to wear lots of hats and do something no one else has done. They have what it takes to build a business from, let's say, 0 to 50 employees. But they may not have the desire or the skills to manage beyond that size.

Second-stage entrepreneurs have a different but no less important set of skills and affinities. These are the ones that take something small- or medium-sized and make it global—orders of magnitude greater than the founders ever envisioned. They create a lot of jobs as they do.

Donald Trump, Thomas Watson, Jr., Ray Kroc, and Charley Housen didn't start the companies that made them famous. They inherited or bought more modest businesses that were already working. Then they blew open the original model with vision and strategies that were every bit as creative as the company founders'.

Inside entrepreneurs are employees already working within companies or organizations. They have an idea for how to make an improvement, and then they act to make it real. Some would say that these people don't take the kind of existential risks that outside entrepreneurs do. But that depends on where you look. In companies that are run the old-fashioned way—those that punish employee weaknesses instead of managing to their strengths—employees may risk their jobs and reputations to be entrepreneurial. Inside entrepreneurship can flourish in organizations that genuinely feed it and water it—the way Google and 3M, for example, allocate paid work time to their employees to develop personal projects that may or may not produce a financial payoff.

Solo entrepreneurs may not create organizations, but they make a huge collective entrepreneurial contribution nonetheless. They develop networks and generate commerce while supporting households on a broad scale. Don't forget that most titans of industry began as bootstrapping solo entrepreneurs at one point.

Nothing precludes anyone from going all the way from garage to gargantuan, of course. Doing that requires founders committed to the long-term and an extraordinary team. The way Bill Gates and Steve Jobs did it, of course. So did Rackspace founders Richard Yoo, Dirk Elmendorf, Pat Condon, Morris Miller, and Graham Weston. They're not as famous as Bill and Steve perhaps, but then again, you may not have visited Rackspace—yet.

NOT JUST FOR CEOS

People think of CEOs when they hear "entrepreneur," but CEOs are just the tip of the iceberg. There is one commander on any four-person SEAL team, but all four members are warriors. All four are essential for success. All four are at risk. All four must solve a shared set of problems on a shared mission. Responsibility and accountability fall on one and all.

In an entrepreneurial company, the founding team and their key employees are *all entrepreneurs*. There must be a leader, a CEO whose job is to be the constant keeper of the vision, the one main person who focuses on the big and little pictures. But each member takes on entrepreneurial risk and responsibility when they join this team. Each has volunteered to get on the roller coaster and go up or down with it. Each comes to work every day to turn an idea into action.

The same can be true in traditional large companies—if and when entrepreneurial culture is allowed to survive and thrive. Team members who are allowed to ask "What if?," "How come?," and "Why couldn't we?"—who are willing to risk mistakes, discomfort, and failure anxiety to create a value that wasn't there before—are operating as entrepreneurs.

We need 'em all.

WHAT IT ADDS UP TO

> "Whatever you do, or dream you can, begin it. Boldness has genius and power and magic in it."
>
> —*Goethe*

Substitute "motion" or "doing" for "boldness" in that quote and you're on your way.

Through our travels, I did find one reliable predictor for who becomes an entrepreneur that has ramifications for the larger culture of entrepreneurship (which we'll talk about later). The biggest predictor is whether or not you've had direct exposure to entrepreneurs among your family or friends (including mentors) while growing up. Exposure to those with whom you have emotional attachments sets you up with the four tenets of belief, flipping the "It's possible for me" switch at a formative age. (Belief Cultures are described in the following chapters.)

If you haven't had the gift of such exposure, the UnStoppable principles and learning techniques are going to provide it. As you'll learn in Chapter 2, we are going to get you wet.

I hope you're no longer wondering who is or isn't intellectually, educationally, or financially qualified to be an entrepreneur—that you realize that those factors are irrelevant. The key to the kingdom is your ability to simply *do*: to harness emotional mechanics and Accelerated Proficiency to unstop what inhibits you from getting yourself in motion.

Doing pays dividends.

- Entrepreneurs *dream + do*. They have ideas and execute them to build new economic value. Everybody else talks. That's the difference.
- Most entrepreneurs are not geniuses or visionaries, despite what the media says.
- Entrepreneurs have a need, a yearning for something better, that causes creative anxiety. They let their desire become stronger than their doubt.
- They ask the simplest "What if?" and "Why not?" questions.
- Everyone can't decide to be brilliant, educated, or clever—but *anyone* can decide to do.
- Don't bemoan your struggles. Your gift is the difficulty you've overcome.
- Doing pays dividends.