

DISCOVER
— THE —
ENTREPRENEUR
WITHIN

*A Step-By-Step Guide To
Making It Happen*

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INTRODUCTION

“Your time is limited, so don’t waste it living someone else’s life. Don’t be trapped by dogma – which is living with the results of other people’s thinking. Don’t let the noise of other’s opinions drown out your own inner voice. And most important, have the courage to follow your heart and intuition. They somehow already know what you truly want to become. Everything else is secondary.” - Steve Jobs

“Twenty years from now you will be more disappointed by the things that you didn’t do than by the ones you did do. So throw off the bowlines. Sail away from the safe harbor. Catch the trade winds in your sails. Explore. Dream. Discover.” - Mark Twain

“The critical ingredient is getting off your butt and doing something. It’s as simple as that. A lot of people have ideas, but there are few who decide to do something about them now. Not tomorrow. Not next week. But today. The true entrepreneur is a doer, not a dreamer.” - Nolan Bushnell

The Entrepreneurial Revolution

You tap your fingers impatiently: The Wi-Fi is horrific; you know you are running late, but you can’t resist uploading this Instagram of your best friend’s puppy. The potential “Likes” are just too good to resist. The traffic looks brutal on Waze, so you text your friends. The new tapas place you’re going for dinner is supposed to be fantastic. Your two roommates from college are close to launching a new clothing company combining their flair for designing clothes, with a manufacturer they’ve located in Asia and you’re excited to hear about their progress.

You are happy for your friends. They always seem to be doing something different, creative and adventurous (they went skydiving last weekend), have a nice apartment and appear to make a good living. You like their lifestyle and there it is again, the thought that’s been gnawing at you for some time: *“Could entrepreneurship be for me too?”*

Such a choice was not always the case. Only a few decades ago, most people worked for one organization all their lives. Today that would be highly unusual. You will probably have 10-20 work experiences in your lifetime. The notion of an early retirement will be a faint memory of a bygone era.

The entrepreneurial revolution kicked into high gear thirty years ago when the Internet became widely available and China, India, Philippines and many countries in Eastern Europe started to embrace free trade and the benefits of globalization. We have come so far, so fast, that it is worth reminding ourselves that Google and the reincarnated Apple, are less than 20 years old. Facebook, Twitter, Airbnb and Uber are of more recent vintage. The Apple App Store, started in 2008, today offers more than a million apps. The rate of change is breathtaking with thousands of new businesses seemingly sprouting up every nanosecond.

I meet many people who are seeking meaning and fulfillment in all aspects of their lives, willing to give up “job security” for the possibility of following their passion. I suspect many of you feel this way too. Your experiences have been different from those of your parents. You have a greater sense of adventure and you like to travel. You love experiencing food, music and ideas from a plethora of cultures. You have the talent and enthusiasm to collaborate with people from every corner of the globe, the capacity to influence customers through social media and the ability to deliver goods speedily and inexpensively, all of which give rise to many opportunities. If anything, the array of choices is overwhelming. The starting lines from *A Tale of Two Cities* capture this dichotomy perfectly: *“It was the best of times, it was the worst of times...”*

Money, once a limiting factor, is now far more accessible from a variety of sources. Kickstarter, the consummate crowdsourcing site is one of many such examples. Their website offers the following statistics: *“Since our launch on April 28, 2009, over \$1 billion has been pledged by more than 7 million people, funding more than 77,000 creative*

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projects.” Projects are classified into 15 categories from art to technology and from fashion to dance. There is something to whet everyone’s appetite. One of their biggest successes has been “The Pebble: An E-Paper Watch” which raised more than \$10 million.

Besides Crowdsourcing, funds can be raised from friends and family, grants, angel investors and venture capitalists. Suffice to say that virtually every form of creativity and value creation, if it makes business sense (and sometimes even if it does not), appears to have backers.

Another trend favoring entrepreneurship is the dawning realization that large monolithic, bureaucratic organizations can stifle the creativity of their people with their mindless rules and regulations. Schumpeter’s “creative destruction” starts as a revolt against this soul stultifying, value destroying, ecosphere. It beckons entrepreneurs to take on these big, rigid, smug dinosaurs. Apple started life taking on IBM while Amazon is challenging all forms of retailing. Skype made communicating with everyone easy and free. Google and Facebook are changing the advertising industry while Uber is revolutionizing personal transportation.

If all these trends are pointing towards entrepreneurship, why are we all not rushing to the promised land of entrepreneurship? *Why are you still wondering? Why have you not jumped into the fray?*

The most likely reason is *fear*. Fear of the unknown. Fear of risk. Fear of failure. Fear of not being good enough. Fear of not being creative. Fear that your idea will be laughed at. Fear of making the wrong choice. Fear of losing what you currently have. Fear of fear.

Are you the only one with this fear? No, this is called the human condition.

If you take the plunge, is success assured? Of course not. No one can guarantee success. But factors such as hard work, commitment, vision, discipline and an intense desire to create something, do increase the probability of success. Entrepreneurship is a process and can be learned and practiced. Peter Drucker, the great thinker and teacher, put it thus:

“Entrepreneurship is neither a science nor an art. It is a practice.... Everyone who can face up to decision-making can learn to be an entrepreneur... Entrepreneurship, then, is behavior rather than a personality trait. And its foundation lies in concept and theory rather than intuition.”

Is there an entrepreneur lurking within you waiting to be freed? Is there an Instagram, WhatsApp, Snapchat, Slack, Nest, SpaceX, Warby Parker, or Kiva somewhere deep down there? Perhaps it is something more personal - a novel, maybe even a trilogy that demands to be given birth. Or, it is a screenplay or movie that you must produce.

Whatever it might be, I am glad you are here.

And, while this book is written as if I am talking to my young students, it is meant for people of all ages.

The journey of a thousand miles starts with a single step.

Welcome to your first step.

How does one start a company? What are the building blocks? How do you come up with a new idea? How do you work well as a team? How do you market and sell? Where will the money come from? How will you make a living? The questions are almost endless. Our goal will be to answer the key questions in an easy to understand way.

Still, this addresses only half the equation of life:

“How to make a living?” Is not the more important part of the equation: “How will I live my life?” So many young people talk and think about changing the world, but the change they have in mind often focuses on changing others. It is worth reminding ourselves of Gandhi’s advice:

“Be the change you wish to see in the world.”

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We will therefore explore not only the key elements of entrepreneurship, but will also take time to look within, to ponder on things such as success, happiness and how to live a life of purpose and meaning.

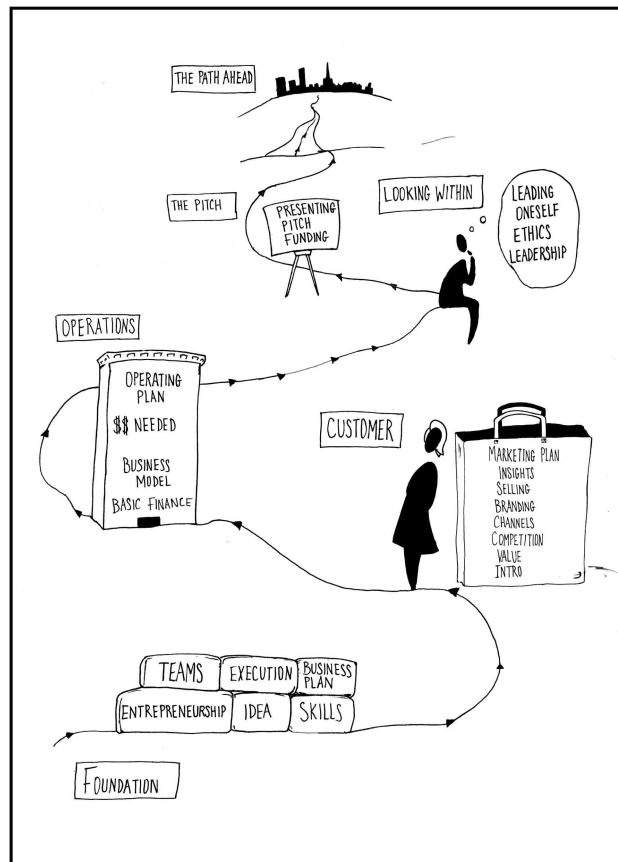
The Design of the Workbook

Each chapter in this book could easily be, and most likely is, a book unto itself. Therefore, this book, just like my classes, has been designed to focus on only the *essence* of each subject. Theory and jargon have been kept to an absolute minimum. I will act as your coach and teach you the fundamentals. It will be your job to dig deeper when the need arises.

When in doubt, focus on the simple, the basic, the essential. Do not get side tracked by the complex, the gaudy and the ephemeral. Remember Einstein's five ascending levels of intelligence:

1. *Smart*
2. *Intelligent*
3. *Brilliant*
4. *Genius*
5. *Simple*

There are exercises in almost every chapter. Be sure to do each one and collect your ideas in this book, in one place, and see and feel the progress you are making. The goal of this book is to: 1) help you launch your business and 2) help you look within and define what you want from your life and how you will live it. The following mind map provides a good overview of how the book is laid out



1. **The Foundation:** We will start by defining entrepreneurship - what it is and what it is not. You will then develop a list of ideas that appeal to you and pick one to explore in greater depth. You will learn what skills are needed, why entrepreneurship is better done as a team, how to form a team and how to organize the team to

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execute successfully. You will then briefly explore what a business model looks like and how it can be best used.

2. **Refining Your Idea - Customer Focus:** In this segment you will take your business idea and refine its customer focus. Without a customer, there is no business. You will learn how to understand your customer, the problem you are solving for them, or a need that you are meeting of theirs. You will learn how to look at an industry, its segments and the competition. You will then determine how you will differentiate your offering, price it, position it and brand it. You will also determine your channels of distribution and develop a sales strategy. By the end of this segment you will have developed a workable marketing plan.
3. **Refining Your Operating Model:** Next you will focus on the profit margins and structure of your business. Can your pricing and margins be improved? Do you have the right operating structure for the level of service you want to provide? You will examine other businesses and develop ideas to refine your business model. You will then determine how much investment is needed to launch your business and develop a 3-year financial forecast.
4. **Looking Within:** We suggest that you explore this segment much sooner, *maybe even start here*. You will think about what leadership really is and why leading oneself is perhaps the hardest thing to do. You will be challenged to develop your values and principles that will lead you not only through your business journey, but also very possibly through your life. You will ask yourself what happiness is and how you plan to live a meaningful life.
5. **The Pitch:** You will now have enough data and ideas to assemble a 10-page business plan and a 10-slide presentation to “pitch” your business to your external and internal constituencies. You will also decide how you will fund your business.
6. **Stepping Out:** This section is brief. You have all the knowledge you need and you will have done all the work necessary to get started. We will remind you of a few simple “rules of the road for the journey” and wish you bon voyage.

Note: We will use the generic "he" throughout the book to make it read consistently. You can substitute it with the word "she" whenever you want.

Replicating the Class

In class we interact extensively. The students have many assignments that are designed to lead them through the process, step by step. Similarly, each chapter of the book will contain an assignment, which you will have to do without my being there to cajole, coax, or grade you. This part of the journey you will have to do with your team.

Let me tell you why the students in my class end up doing a prodigious amount of work, usually voluntarily. In the very first class, we develop a class contract which I call *The Five Accountabilities*. The students define five things they will hold themselves, as individuals, responsible for; five things that the class will hold itself, as a community, responsible for; and five things they want from the professor.

What are the five things that *you* will hold yourself responsible for? (Hint: Here are some things the students generally come up with – put 110% into it, challenge your comfort zone, stay true to yourself, be honest with yourself and be open to constructive criticism. Feel free to add new things to your list.)

Some of the things the students ask of me are: share your experiences, be vulnerable, lead by example, set clear expectations, etc. Even though I will not be in the same physical space as you, here is what I commit to you. This book is as comprehensive, compelling and simple as I can make it to be. I have involved some of my students,

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and other young people, to get feedback so I could make it even more relevant to you. It has in it all the knowledge that I have accumulated. I believe it also has the key pieces to help you get started.

Holding yourself and your teammates accountable will be the fundamental building block to your success.

Are You Ready?

Michelangelo stated: "Every block of stone has a statue inside it and it is the task of the sculptor to uncover it."

Do you want to uncover this statue within?

Do you want to Discover The Entrepreneur Within?

Peter Drucker proclaimed:

"They (Entrepreneurs) achieve what Jefferson hoped to achieve through revolution in every generation, and they do so without bloodshed, civil war, or concentration camps, without economic catastrophe, but with purpose, with direction, and under control."

My question to you is very simple:

Are you up for a bit of a personal revolution?

Personal revolution to achieve freedom.

Freedom to do what you love and to do so on your own terms.

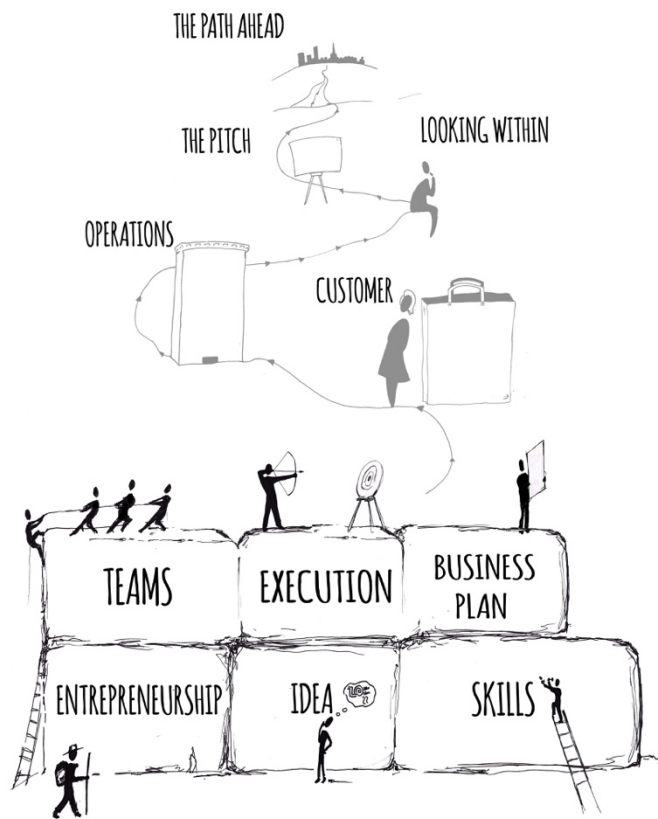
And to help those whose lives you touch.

And to do all this while living a life of meaning and significance.

I believe you are. So, let's get started!

Part I

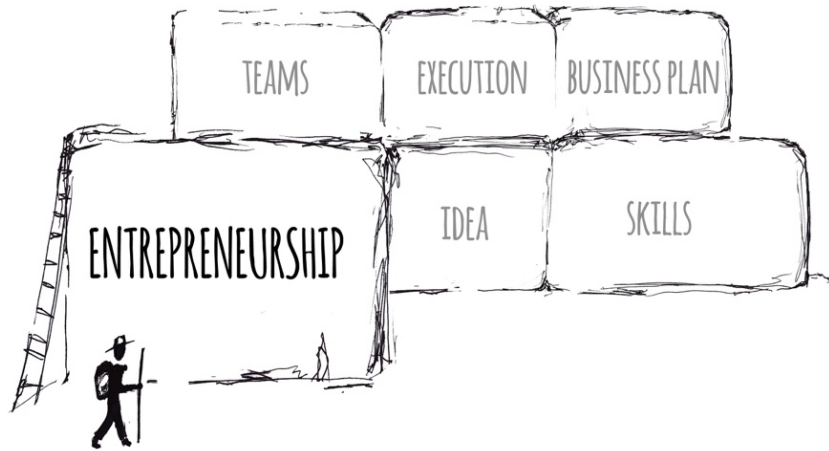
FOUNDATION



A solid foundation lets you build a tall and long lasting edifice. This first segment is similarly designed to provide you with the foundation to build a strong business. You will learn a new definition of entrepreneurship, generate your starting idea, assess what skills will be needed and get a clear sense of what makes a good team. You will then develop a framework to execute successfully and be introduced to the workings of a business plan.

Chapter 1

WHAT IS ENTREPRENEURSHIP?



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"I can honestly say that I have never gone into any business purely to make money. If that is the sole motive then I believe you are better off not doing it. A business has to be involving, it has to be fun, and it has to exercise your creative instincts." - Richard Branson, Losing My Virginity: How I've Survived, Had Fun, and Made a Fortune Doing Business My Way

"The way to get started is to quit talking and begin doing." - Walt Disney

"When confronted with freedom, we make up things to be afraid of, we invent threats, we seek out things that might go wrong, all so we can avoid the fear of failure, all so we can push ourselves away from the opportunities right in front of us." - Seth Godin, What To Do When It's Your Turn

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## Key Topics in this Chapter

- Common Definition of Entrepreneur
- Entrepreneurship Redefined
- Common Fears
- Common Myths
- Entrepreneurship is Everywhere
- Where will you find your ideas?
- Assignment: Get Started

## Common Definition of Entrepreneur

Ask someone to describe an entrepreneur and you are likely to hear something like this: a person who creates businesses, works insane hours, takes great risks, hocks everything he has, and sometimes becomes very rich, and at other times goes broke. Run the movie a bit longer and you will catch glimpses of young, beautiful people living in desirable places, sharing insights to rival the Greek philosophers and having lifestyles that would make Cleopatra envious.

Perhaps I exaggerate. But just a smidgen. Like most myths, there is a hint of truth to such images combined with a fair bit of smoke. It is true that an entrepreneur does start an enterprise with considerable initiative and hard work. Is taking huge risks a necessary condition for entrepreneurship? We don't think so. As for their wit, wisdom, looks and lifestyle, we'll just say "no comment."

Another common misconception is that entrepreneurship and technology are synonymous and this creative world is restricted to Silicon Valley. The media extol the glamorous stories about Apple, Facebook, Google, Instagram, Snapchat, or a WhatsApp, in part because it is far more fun visiting California than Cleveland. In reality, technology is being created all over the world. Furthermore, technology is only a part, actually a small part, of the entrepreneurial revolution. In the United States, technology accounts for less than 2% of the economy. The application of technology, however, may be a far greater wealth creator.

Just as there is a real world beyond Hollywood, the real world of entrepreneurship is not limited to a tiny sliver of California. You can start your revolution from anywhere in the world, including Cleveland. You do not have to be a technology wiz to start your journey.

## Entrepreneurship Redefined

Fundamentally, entrepreneurs are problem solvers. *They identify problems and instead of complaining about them, they ask, "What is the solution? How can this be fixed, changed, or done better?"*

Peter Drucker, in his classic book *Innovation and Entrepreneurship*, defined entrepreneurship as follows:

*"Entrepreneurship is neither a science nor an art. It is a practice....  
Innovation is the specific tool of entrepreneurs, the means by which they exploit change as an opportunity for a different business or a different service... Entrepreneurs innovate.  
It is the act that endows resources with a new capacity to create wealth."*

He further added:

*"Everyone who can face up to decision-making can learn to be an entrepreneur... Entrepreneurship, then, is behavior rather than a personality trait. And its foundation lies in concept and theory rather than intuition."*

While these thoughts challenge conventional wisdom, take that as a good sign since conventional wisdom is often wrong. Let's examine these insights again:

- Entrepreneurship is neither a science nor an art. It is a *practice*.
- Everyone who can face up to *decision-making* can learn to be an entrepreneur.
- Entrepreneurship, then, is *behavior* rather than a personality trait.
- *Innovation* is the specific tool of entrepreneurs, the means by which they exploit change as an opportunity for a different business or a different service.
- Entrepreneurship, when done right, *reduces risk*.

Most people never start on this entrepreneurial path because they believe that "successful" entrepreneurs have "it," whatever "it" might be, while they do not. They think of entrepreneurs as an alien race kissed by the

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gods. They imagine this super race receiving text messages from the heavens proclaiming “Facebook, that’s it my son! Too late for that? Try WhatsApp. Again, too late? Really? Oh well, then how about Snapchat? Don’t tell me that the image has already disappeared?”

Relax. Entrepreneurs are not some incarnation of an evolved species. Entrepreneurship is a process. If you are willing to learn this process and embrace the discipline, you will give yourself a good chance to succeed.

Look for problems to be solved. Look for change that is happening around you, because change signals opportunity. All the pieces you need are often right in front of you. Sometimes you just have to assemble these pieces in a different way.

Let’s examine some examples:

- Hamburgers had been sold for a few millennia, but it was Ray Kroc who brought new value to McDonald’s by developing standardization of the products, production and service. This then endowed the same resources – meat, potatoes and the like - with considerable wealth generating capacity. Given the focus on eating healthier and the concern with obesity across the globe, it appears that McDonald’s will have to reinvent itself again.
- Walmart revolutionized the world and added considerable economic value by developing and fine-tuning what we now call the “supply chain.” At its core, supply chain is about becoming more efficient by eliminating unnecessary steps in a process. Ikea is another example of rethinking the entire process from conception to sale. All industries across the world have adopted many of these practices, thereby reducing inefficiency and creating wealth.
- Amazon challenged the book publishing and distribution industry and is now taking on just about every other retailer on the planet.
- Apple has made a considerable dent in the oligopolies of the music and telephony industries and Netflix is doing the same with the television industry.
- Skype has obsoleted the long distance telephone monopolies.
- Grameen Bank brought microfinance and economic growth to the poor in Bangladesh by looking at things afresh.
- Zipcar offered an alternative for city dwellers to owning cars.
- Uber is taking this further and revolutionizing personal travel while turning the traditional taxi model on its head.

Notice that in most cases technology was not the driver but only a component. It was the ability to rethink the existing processes that led to many of these new products and services.

New ideas engender new solutions, which invariably destroy the status quo. In a 2012 article in *The Wall Street Journal*, Andy Kessler passionately explains how entrepreneurs, following Schumpeter’s dictum of creative destruction, create many, many jobs even as they destroy existing businesses. “Apple employs just 47,000 people and Google under 25,000. Like Staples, they have destroyed many old jobs...But by lowering the cost of doing business they’ve enabled innumerable entrepreneurs to start new businesses and employ hundreds of thousands, even millions, of workers worldwide - all while capital gets re-deployed more effectively.”

You are probably thinking that this is fine for large organizations, but how does this apply to me, a one-person marching band? Everything starts off small. Many of the well-known entrepreneurs did not even finish college - Gates, Jobs, Dell, Zuckerberg, Branson - and some of their initial ideas started in dorm rooms. It is the passion, desire and need from within to do something that allows people to start this journey.

You might be wondering how entrepreneurship is different from starting any business. It’s a good question that requires some digging into.

Assume you are thinking of opening a pizzeria in a district full of restaurants, including two pizza places. You are opening the pizzeria because it has been your life-long dream to own a restaurant. You feel that not only can you make better pizza than anybody else, but you’ll also be able to run the place more efficiently, essentially by outworking everybody. Your spirit is undoubtedly commendable but let’s examine the logic.

## What is Entrepreneurship

First of all, you must ask yourself what problem are you solving? Does the area need another restaurant? Not really – after all, there are already several restaurants there.

Does the area need another pizza restaurant? There are two existing pizza places currently. What problem would you be solving, or what new delight do you plan to offer?

If you don't have answers to these questions, then the business is not only risky, but it's quite possibly not a good idea. Suffice to say, *it is also not entrepreneurship*. After all, entrepreneurship demands that either a problem be solved or a new delight be created.

Now let's assume that you have done your research and found that people in that particular area are bored with the pizzas that are available. They would like a greater variety of crusts, toppings and perhaps meatless or gluten-free options. Also in demand is a wider selection of craft beers to accompany the meal and, because you are near a university town, they would like late night delivery, which is currently not available. *Now you are solving potential problems and thinking more like an entrepreneur.*

Then you would look at several other factors such as the team, location, lease, capital needed and the returns that investors would require. You would think of pricing, profits and develop a rudimentary cash flow forecast. You would do this thinking and research *before* you decided to sign a lease and launch. *This is how you reduce risk.*

This type of pre-strategizing sometimes scares people because they are afraid that their precious idea won't make the cut. However, it is this very forethought that can lead to modifying an idea for the better, or if the idea is not feasible, it can potentially save a whole lot of trouble, time and money.

## Common Fears

The first session of our entrepreneurship class is always memorable. Visualize 25 students, bright, fresh and eager to learn. A few fancy themselves as entrepreneurs and are not sure why they are even taking this class, other than the fact that a friend has told them “this was *the* class to take.” Some have come to see what this thing called entrepreneurship (“How do you spell it by the way?”) is all about, but are quite certain that it's *not* for them. Then there are others who have already decided that they do not want to work for “soulless monolithic giants.” Amidst their excitement, a palpable sense of fear is discernible.

I ask them what are they most afraid of? I sense their angst and doubts as to whether they can succeed. In rapid fire I hear:

- I am not creative.
- I am not an engineer.
- I do not know anybody. I have no network. I hate every single one of my Facebook friends!
- I never have any really brilliant ideas.
- I have a lot of great ideas, but I do not know where to start.
- I never finish anything I start.
- I have no money.
- I have no time.
- I'd like to give it a try, but I am just too risk averse.
- I'd love to, but I don't think I can.
- What will people (my parents, friends) think or say?

The list is almost endless. Does any of this sound familiar to you? Do you have any of these doubts? It would not be human to not have some of these doubts. I have had these doubts as well. So, how do we confront them? We will examine them one at a time and understand what the problem really is and see whether we can develop a solution. Let's don our “entrepreneurial hats” and lift this cloud of darkness.

- *I am not creative:* Actually, most of us have a fair bit of creativity. We just don't tap into it often. Why not watch a couple of TED videos - “*Your Elusive Creative Genius*” by Elizabeth Gilbert and “*How to live before you*

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*die*” by Steve Jobs - to get your juices going? Furthermore, entrepreneurship is a team sport. Perhaps someone else on your team will be the creative spark plug. You do not need to do everything.

- *I am not an engineer:* It turns out that engineers are about 2% of the U.S. workforce. Most of you will not be engineers. That is why you need a team.
- *I do not know anybody. I have no network:* We mistake the superficiality of social media interaction for having, or not having, friends. I once challenged a student to make a list of people whom she could call at any time for help. The list turned out to be far more extensive than she had imagined. Everyone has a network - big or small. It just has to be nourished and sometimes rejuvenated.
- *I never have any really brilliant ideas:* If this is the case, find friends who do. Entrepreneurship is more than just about brilliant ideas. An idea without execution is meaningless. Sometimes the ability to complete things may be the more pressing talent a business needs.
- *I have a lot of great ideas but I do not know where to start:* This book will provide you with a model to starting and completing tasks.
- *I never finish anything I start:* You are going to have to learn and commit to doing so, or you will let your team and yourself down. Start first by finishing this book!
- *I have no money:* There are many new options now, including crowdfunding.
- *I have no time:* All of us have 24 hours in a day. What we do with those 24 hours is what can make or break us. We all waste time. I know I waste time catching up with the news more frequently than needed. Could you find a couple of hours of time for yourself in a day? I think most people can, if it is important enough to them.
- *I'd like to give it a try but I am just too risk averse:* We are all genetically programmed differently. But what if entrepreneurship is not as risky as you think? Everything in life entails some risk, even crossing the street. I challenge you to reexamine your risk preference.
- *I'd love to but I don't think I can:* Henry Ford said, “*Whether you think you can, or you think you can't - you're right.*” Most of us limit ourselves with our beliefs. How about you?
- *What will people (my parents, friends) think or say?:* We will examine some of these questions in a later chapter. For now, ask yourself, whose life is this anyway?

This thought experiment was not meant to be glib; rather it was designed to help you think from a different perspective. We all have doubts and fears. The human brain is wired to worry. How do we surmount our fears? By finding solutions while also trying to understand ourselves. The reality is that the vast majority of the problems that we worry about never come to pass. To be paralyzed or not to be paralyzed is our choice.

Not living is not an option. Could working hard, being persistent, resilient and embracing life with passion be a better answer?

## Common Myths

Some of the more common myths are:

- Entrepreneurs are born - one cannot learn to become an entrepreneur.
- Entrepreneurs take huge risks.
- I have to do it alone.
- I have to have a large network.
- I must have a big idea.
- I must be lucky or a real genius to come up with a big idea.
- I need a lot of money to get started.
- Silicon Valley is where all entrepreneurship takes place.
- I have to be charismatic.

How many of these fears and myths are accurate? *Not many. Perhaps none of them are.*

## What is Entrepreneurship

Entrepreneurship can be learned and if done right, you will reduce some of the risk before you embark on something. You don't need to do things alone. Form a team and divide the work and leverage each other's strengths. It is strange how luck seems to favor hard work. Also, you do not need to move anywhere to get started. If charisma is not your strong suit, be thankful.

A myth is a story often involving supernatural forces. It is generally a widely held belief that is not true. How then do we dispel our fears and myths? We wake up and take action.

## Entrepreneurship is Everywhere!

Undoubtedly there is a lot of energy, excitement and buzz around things that come out of Silicon Valley. *The Wall Street Journal* published an infographic in 2015 depicting the 73 companies globally valued at over \$1 billion. Yes, admittedly, tech unicorns like Uber (\$41.2 billion) and Palantir (\$15 billion) were in the upper echelons with possibly inflated valuations. But there were several non-tech companies too, such as a consumer good company - Honest Co., (\$1 billion), a healthcare company - Theranos (\$9 billion) and a real estate company - WeWork (\$5 billion).

Silicon Valley has been the center of a great technological revolution. The tech valuations do sometimes defy imagination and their successes are not always easy to replicate. None of this is meant to diminish what is happening in Silicon Valley, rather it is meant to assert that entrepreneurship is possible everywhere in every industry. Furthermore, businesses that tend to make money, rather than just hoping to make money, are more sustainable. So where should *you* look? Everywhere.

To help my students understand the breadth of possibilities, I have them read Rachel Bridge's *My Big Idea* which highlights 30 small entrepreneurial ventures across a variety of industries in the UK. Examples include companies offering hot dogs, coffee, baby foods, insurance, travel a computer service. There is even the story of the young lady who convinced the musical group Abba to support her idea of making the musical *Mama Mia*. Where did all these ideas come from? Often they arose from their passions, their life circumstances and their travels. The students breathe a sigh of relief because these are stories they can relate to and they can see themselves doing similar things.

To dispel the myth of "only Silicon Valley," my friend and entrepreneur, Robert Jordan researched 45 entrepreneurs from technology and non-technology companies in the Midwest, who had created \$41 billion of value. Based on their stories, he wrote *How They Did It: Billion Dollar Insights from the Heart of America* - a book that you may want to read for both ideas and inspiration.

An excerpt: "Founder Joe Mansueto shares how he started Morningstar in his apartment in Chicago Illinois and grew the company to serve 7 million customers. Raj Soin talks about founding MTC with \$1,700 in Columbus Ohio, surviving without cash and eventually selling to BAE for \$425 million. Rock Mackie, founder of TomoTherapy in Madison Wisconsin, had to lay off all his employees at launch but eventually went on to a billion-dollar IPO."

I do not want to minimize the great benefits created by Silicon Valley type companies; they have generated enormous value and in many cases changed the way we live. But I do want to emphasize the fact that there are many ways to create value, in virtually every industry and in every country. Create a technology company if that is your passion, but using technology as a driver may open up even more opportunities.

*Problem – Solution, that is the real mantra of entrepreneurs. Understand the process, develop the discipline and see how your world changes.*

## Where Will You Find Your Ideas?

Ideas are all around us. Often they are within us, but we do not see them. How then do we develop a systematic way of collecting ideas? It starts with the mindset.

**The Mindset: Don't get annoyed, smile.**

## Discover The Entrepreneur Within

Entrepreneurs are problem solvers. Therefore, you need to start looking at the world with a new set of eyes and developing a new thought process. Every time something does not seem right - be it a product you have bought or a service that has been unsatisfactory - instead of getting annoyed, smile. You have just been handed a gift. You have encountered a problem that may require a solution, which has in it the seeds of a possible business. Given the craziness and ineptness of the world at large, you may find yourself smiling a lot.

Tina Seelig in her book: *What I wish I knew when I was 20*, has the following suggestions to expand your mindset:

- Take off your blinders.
- See problems afresh.
- Question all rules.
- Don't wait to be asked.
- Give yourself permission.
- Failure is not fatal. This is the secret sauce of Silicon Valley.

Seth Godin, the author of *Purple Cow* in a blog post observed:

- Ideas occur when dissimilar universes collide.
- Ideas fear experts, but they adore a beginner's mind.
- Ideas come from nature.
- Ideas don't need a passport.
- Ideas hate conference rooms, particularly where there is a history of criticism.

This then is the mindset of the entrepreneur that you must embrace. You must give yourself permission to think and act differently and be open to ideas and thoughts from everywhere.

### The Search For Ideas

I suspect you already have a few ideas. Let me suggest ten ways to add to your list, by looking at both things in your personal life as well as looking at the "Big Picture."

#### Personal

1. **Frustrations:** Things that frustrate you in your immediate life, where you say to yourself, "Why do they do this or why do they not do this?" I wonder if this is how Zuckerberg started Facebook when he could not get a date? On a less jocular note, Dropbox came about because Drew Houston found himself in a place where he wanted to work, but had forgotten to bring his flash drive containing the files he needed.
2. **Improvements:** There is this app that you use, *all the time*, but something about it always irks you. Maybe you need to develop a new app. If you have such a need, others probably do too. *Babylicious*, a UK company, was started by a mother who was not satisfied by the convenience of the baby food available. She decided to develop a baby food in the form of ice cubes.
3. **Hobbies:** This is a fertile area. Do you like playing games? Is that how Candy Crush came about? Instagram was a hobby before it became a big business. Do you have a hobby that would enrich the world and you?
4. **Passion:** This drives many of us. What are you passionate about? Photography? Helping the indigent? Scarce water resources? Teaching? Saving the whales? Whatever it might be, what could you do to actually make a difference? Patagonia has combined its passion for the environment with its clothing business. Kiva allows people to provide help to the needy with microloans.
5. **Cross Pollination:** Perhaps you saw something in your travels that you think could be used in your hometown; or you saw an idea on the web that could be applied to another business. Nowadays, ideas float freely across borders. Flipkart is attempting to do in India what Amazon has done in the United States and Europe.

## What is Entrepreneurship

### Big Picture

- 1. Demographic Trends:** What are some of the key trends you see? There are many, but let's look at a few to get started:
  1. An aging U.S. population: Their needs and wants will be many: healthcare, housing, finances and travel to name just a few. The Baby Boomers may be getting old, but for now, they have a lot of money and can afford many goods and services.
  2. A much more diversified population: Hispanics are now 17% of the population and growing. Asian Americans are now close to 6% and are also one of the most affluent groups in the country. What do these groups need and want? What kind of foods, groceries, restaurants, medicines and health clubs are needed to support their needs and wants?
- 2. Perceptions / Beliefs:** Peter Drucker once pointed out that we are living much longer than ever before, but we are also more focused on health as never before. Perceptions and beliefs do not need any mathematical proofs, they just are. The Green movement is strong today. There are people who believe that being a vegetarian or even a vegan is the best diet. Others feel strongly that a low carbohydrate diet is the way to go. Understand that each of these areas is rife for adding value in the form of a product or service.
- 3. Things that just don't make sense:** Zipcar found a solution for people who lived in cities and did not need a car very often. iTunes was the answer to not being forced to buy an entire album when you only wanted a few songs. I personally don't care for the TSA at the airports. To my delight, on a recent flight I discovered a new company called Clear (Clearme.com) whose slogan warmed my heart: "*Travel Better. Faster. Smarter. Skip the line and get to your gate in half the time.*" As soon as the service becomes available in Chicago, I will sign up. Taxi services in most cities leave much to be desired creating a perfect opening for Uber.
- 4. Food and Fashion:** Forty years ago, the only upscale restaurant experience in Chicago was limited to French cuisine. For the more plebeian palate there were two additional choices - Mexican and Chinese. Today, that is certainly not the case. Alinea proclaims that it "combines food with science and art" and NEXT, the spinoff restaurant from executive chef Grant Achatz, which pioneered rotating menus and ticketed dining, are changing the way high-end dining out can be experienced. Stephanie Izard, a past winner of Top Chef, uses her celebrity chef status, and branding chops, to reign supreme over her two Chicago staples, The Girl & The Goat and The Little Goat. This scene is being repeated in many cities, as they become modern meccas for foodies.
  1. On the fashion front, a recent business headline blared *Nasty Gal just raised a \$12.7 million round*. Sophie Amoruso was 22 when she started the Nasty Gal store on eBay in her garage to appeal to stylish, young, women who couldn't afford premium fashion labels. The company was incorporated in 2008 and in six short years, it has grown 10,000 percent. At 22, she saw a problem and offered a solution. Do you see any problems?
- 5. Connections:** People are more connected than ever before in the history of the world thanks to Tinder, Yik Yak, WhatsApp, Viber and Facebook. Air travel, made quite affordable by the likes of Southwest, Spirit and Ryan, extends this connectivity even further. Undoubtedly there are still many more opportunities to be developed in this space. At the same time, I believe that technology is making us more self-centered and shy. The last time you were in a restaurant, did you perchance see a table with a group of people texting, checking emails, talking on the phone, all the while being oblivious to their dinner companions? Our favorite mantra may be: "Any place but here, any time but now." Could it be that despite the thousands of friends on Facebook we are lonelier than ever before? Is there a need for ventures focused on real connections?

This list is just to whet your appetite. You are only limited by your imagination.



**ASSIGNMENTS – GET STARTED BY ANSWERING THESE QUESTIONS:**

**How do you define an entrepreneur? What do you think it takes to become one?**

**What are YOUR fears?**

**What are some of your myths about entrepreneurship?**

**Where Will You Find Your Ideas? Here are some suggestions:**

**What are some things in your daily life that could be improved?**

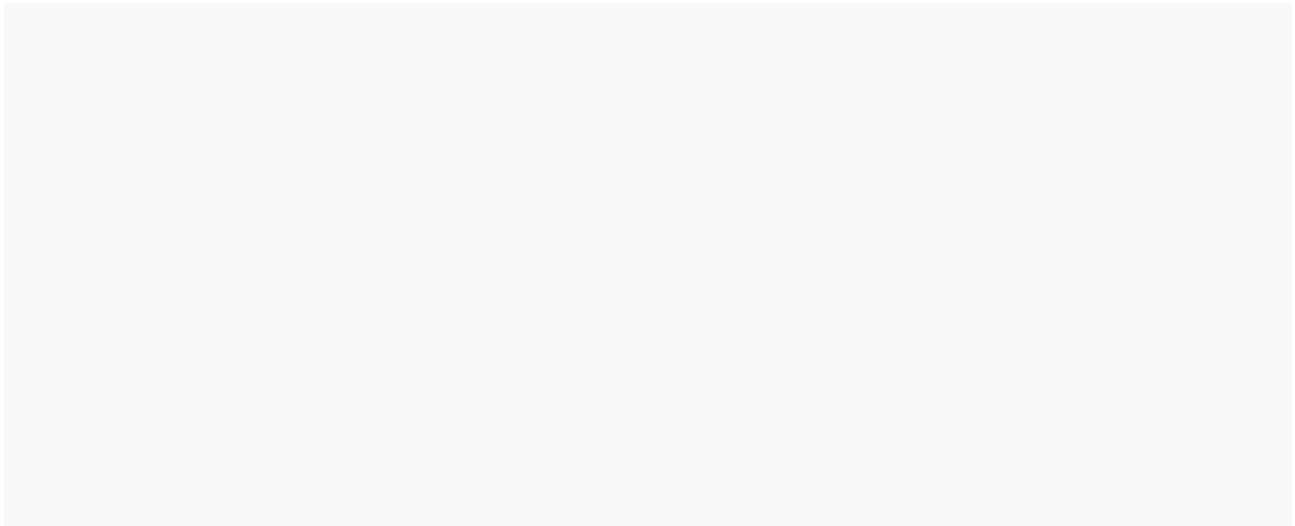
**List your hobbies and passions.**

## What is Entrepreneurship

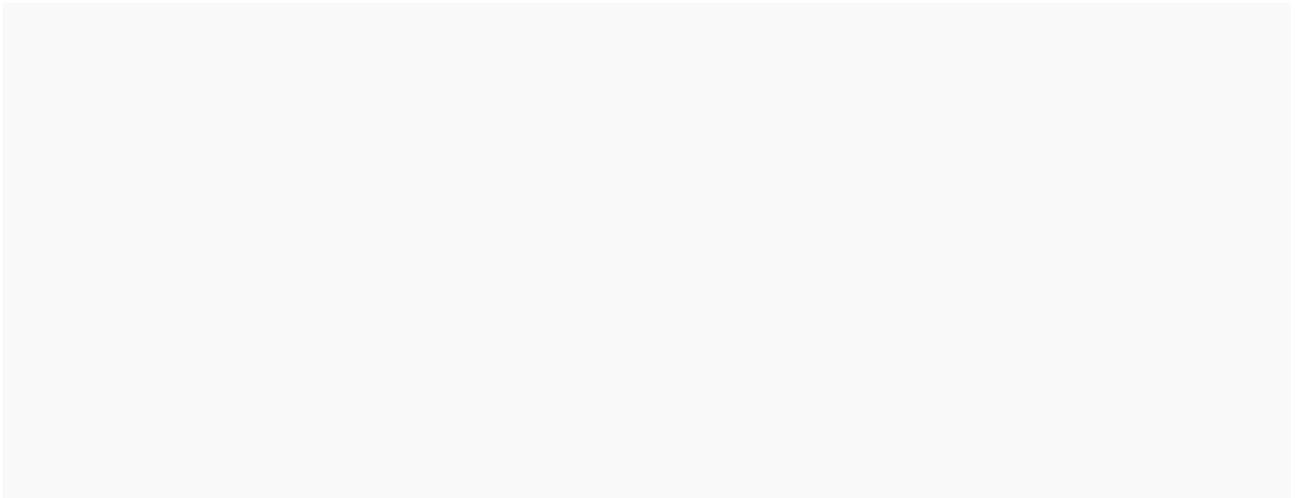
**Is there something in another country or another industry that could be cross-pollinated?**



**What are some demographic trends you notice and feel passionate about?**



**Things that don't make sense.**



**The Starting List: Look at the ideas above and pick TEN of them for now. Don't overthink it for now.**

1.

2.

3.

4.

5.

6.

7.

8.

9.

10.

*As you close this chapter, please remember: Problem – Solution, that is the real mantra of entrepreneurs. Understand the process, develop the discipline and see how your world changes.*

**Additional Notes**

