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OVERCOME OBSTACLES,
MITIGATE RISK

BREAK

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The 6¹ Conventional
Mindsets of Entrepreneurs

THAT CAN HELP ANYONE CHANGE THE WORLD

JOHN MULLINS, PhD

WILEY

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The insights in this book are drawn from more than 20 years of field research, some of which provided the basis for my earlier journal article, “The Counter-Conventional Mindsets of Entrepreneurs,” *Business Horizons* (2017) 60, 597—601.

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Contents

<i>Acknowledgments</i>	<i>xiii</i>
<i>Preface: Why This Book</i>	<i>xvii</i>
1 It's Time to Break the Rules: Challenge Assumptions, Overcome Obstacles, Mitigate Risk	1
2 When You're Tempted to Say No, Instead Say "Yes, We Can!": Then Figure Out How	13
3 It's the Customer's Problem That Matters, Not Your Solution: Problem-First, Not Product-First, Logic	41
4 Why "Moving the Needle" Doesn't Matter Much to Entrepreneurs: Think Narrow, Not Broad	69
5 How Entrepreneurs Get Things Done with Almost No Money: Ask for the Cash, Ride the Float	97
6 Make the Future Winnings Yours!: Beg, Borrow, But Don't Steal	125
7 What Entrepreneurs Can Do That Big Companies Can't: Instead of Asking Permission, Beg Forgiveness Later	151
8 Act Your Way to a New Way of Thinking (Because the Reverse Won't Work!): From Mindsets to Action	179

<i>Notes</i>	193
<i>About the Author</i>	209
<i>Index</i>	211

1

It's Time to Break the Rules: Challenge Assumptions, Overcome Obstacles, Mitigate Risk

Are you ready to adopt your own entrepreneurial mindset? Let's dive right in. Buckle your seatbelt, because here we go!

A \$1.5 Billion Story That Begins with “No”¹

It was 1984, and Lynda Weinman had just bought a Macintosh computer. Thanks to its user-friendly interface, Weinman, with the occasional help of Mac user group meetings, taught herself how to use it. “I was doggedly persistent and stubborn about wanting to learn it. You could just try everything and you’re not going to break it,” she remembers.² Before long, she was getting hired to do contract work for Hollywood animators, including working directly with film director William Shatner, where she worked on animations for the movie *Star Trek V: The Last Frontier*. What she didn’t yet know how to do, she figured out.

By the early 1990s, she found herself teaching graphic arts at the Art Center College of Design in Pasadena, California,

where she was teaching students how to use tools like the then-new-fangled Photoshop, Illustrator, and other computer graphics software. She was looking for a web design book she could assign to her students. Searching the bookstore, she grew more and more frustrated. She found only complicated technical guides that were impossible for the average person to understand. “I remember thinking, maybe this book doesn’t exist yet,” she says. “I went home from the bookstore and wrote the book proposal.”³ Alas, the proposal was rejected.

“No” Is an Answer Waiting to Be Turned into “Yes”

Ever-persistent, as was her style, Weinman convinced a magazine publisher to let her publish her book chapters as a series of monthly columns. While researching one of the chapters, she came across a website called *debbie.com*, which was compiling all the Debbies on the Internet, consisting of only about 20 Debbies at the time! “I wonder if *lynda.com* is available,” she asked herself. It was, and for \$35 she bought it, using it as her sandbox to teach herself web design and as a place where she could gather and post resources to which she could refer her students.

Eventually, she found a publisher, a division of Macmillan, to publish her first book, *Designing Web Graphics*, in 1996. “It’s a book on web design, but no one has a website! They did not have a website!” she exclaimed. “Art Center doesn’t! But I do!”⁴ The book quickly became the top-selling web design book in the world. The *lynda.com* website, mentioned therein, got more and more popular, and before long it was ranked among the top 100 websites in the world. Weinman began getting teaching and speaking gigs about web design anywhere and everywhere.

The Second “No”

With a highly successful first book plus a second one with her husband Bruce Heavin also in print, the couple decided to quit

their day jobs and move to Ojai, an idyllic resort town not far north of Los Angeles.⁵ Heavin had an idea. “If they’ll pay for you to teach a workshop in Peoria, Illinois, why wouldn’t they pay for you to have a workshop in Ojai, California, and why don’t we produce our own workshops?”⁶ But there was nowhere they could find to teach. Another “No.” Fortuitously, they were able to convince a local school to let them use its computer lab during spring break. In 1996, they placed an ad on lynda.com. The workshop sold out, with one of the attendees coming from as far away as Vienna, Austria!

In 1998, the couple opened a school, the Ojai Digital Arts Center, and started hiring other teachers that Weinman knew from the speaking circuit. “We had so many customers, we were turning them away,”

“In the school’s first year in business, it did \$1.7 million in revenue, with payment made weeks or months in advance.”

she says.⁷ In the school’s first year in business, it did \$1.7 million in revenue, with payment made weeks or months in advance. Even leading companies like Adobe and Martha Stewart were sending their employees.

The Third “No”

Weinman was eager to publish more books on additional topics in her burgeoning field. But her publisher didn’t see eye to eye with her for some of them. She turned to video, using the main recording and playback medium of that time, VHS tapes. Soon, checks were arriving in their post office box, with the training tapes shipped out the same way. It was a simple mail order business. The business grew, and by 2001, annual revenue hit \$3.7 million.⁸

Disaster Strikes, Opportunity Beckons

The attacks on New York City’s Twin Towers on September 11, 2001, caused air travel to dry up overnight. “No one wanted to

“There’s only so much you can do with a couple of kids in a shipping room.”

come to Ojai, California, for a training class,” Weinman recalls.⁹ At the same time, the dot-com boom of the late 1990s was turning to dust. “People who had been paying to come to our workshops had been doing it with funny money. We were very worried that we were going to go out of business.” Staff was cut from 35 to 9 to keep the business afloat. Heavin came up with another idea. “There’s only so much you can do with a couple of kids in a shipping room.”¹⁰ He wanted to start selling their videos online.

They started with 24 courses in 2002, the same things they’d been teaching and writing about. “We were way too early,” recalls Weinman. The Internet was dial-up in those days, and bandwidth was limited. By the end of the first year, they had only 1,000 customers paying \$25 per month for a subscription that provided access to all their titles. Worse, subscriptions were cannibalizing the sale of the stand-alone videos, which were being sold at \$150 each.

Nonetheless, sales grew and within less than five years, the company was back to its pre-2001 revenue level. They stopped in-person classes. Stopped writing books. No more DVDs. They went all-in on the online idea. As it turned out, people everywhere who taught Photoshop and web design were using Weinman’s courses and bringing them into their schools and into their companies. Says Heavin, “We’d be installed in all of Apple, all of Adobe, all of Microsoft, all of Google. And the employees were starting to demand that companies bring it in. It was just a word-of-mouth thing.”¹¹

The Rest of the Story

In 2007, having passed the 100,000-subscriber milestone, they brought in an outside CEO, Eric Robison. “We were fumbling with success,” says Heavin. “Here I am an art student, and Lynda

is a teacher. We had no business background.”¹² Revenue had hit \$10 million and California’s venture capital community had noticed. The phone was ringing off the hook.

As the new team took shape, they stepped on the gas. Sales reached \$100 million in 2012. In 2013, somewhat reluctantly, the couple finally took outside investment. The business grew even faster and in 2015, LinkedIn made an unsolicited offer to buy the business. LinkedIn wanted to broaden its business from helping its users with “How to get a job” and add “How to get trained.” LinkedIn paid \$1.5 billion for the business, which they subsequently rebranded as LinkedIn Learning. The business that Weinman and Heavin had lovingly nurtured for nearly 20 years had made its mark!

Why the Success?

“Lynda.com was ed tech before ed tech was cool,” said Betsy Corcoran, chief executive of EdSurge, an information resource on educational technology.¹³ “It’s one of those overnight success stories that wasn’t overnight at all,” said Raymond Pirouz, formerly Director of Marketing at lynda.com.¹⁴ Weinman explains:

I’d like to believe that we were doing something differently. I think we had a teaching pedagogy that other training companies did not use. It was about making the information very approachable, breaking things into bits. And it’s freedom. You’re not in a classroom; you’re not getting a grade. It’s really tapping into this beautiful learning philosophy that I’ve been living my entire life that is just curiosity. Learn interesting things. Learn things that give you joy.¹⁵

But there was much more to this remarkable success story than meets Weinman’s self-effacing eye.

Weinman's Counter-Conventional, Break-the-Rules Mindset

Arguably, Weinman changed the world for many of the more than 4 million students who took one or more of lynda.com's online courses. New skills. New passions. New jobs. New careers. Lynda Weinman is the poster child, the exemplar entrepreneur, perhaps, whose journey foretells the lessons I'm about to impart in this book. Turning "no" into "yes" three times only scratches the surface.

“Though Weinman probably didn't know it at the time, she and Heavin consciously or unconsciously broke many of the rules that define how business is conventionally done.”

Though Weinman probably didn't know it at the time, she and Heavin consciously or unconsciously broke many of the rules that define how business is conventionally done. What she didn't yet know how to do, like graphically build the hull of the Starship Enterprise, she figured out—her *prior competencies* or lack thereof be damned. She was *problem*-focused (on her students' learning) and relaxed about what sort of *product*—a college class, a book or magazine article, a video, or whatever—could best deliver a compelling solution. She chose to serve an extremely *narrow target market* at the outset—Apple Macintosh users who wanted to learn graphic arts skills. She always asked for *payment up front*—a publisher's advance for her books, payment in advance for her courses. She and Heavin *borrowed* a high school computer lab to test their idea of running workshops in Ojai.

As we'll see in Chapters 2 through 6, these practices run counter to the spoken or unspoken rules that most large companies typically follow. And they run counter to some of what's taught in business schools like mine. In my view, it was Weinman's innate entrepreneurial mindset, as much as her superb pedagogy, that made her journey so successful. Fortunately for you, you don't have to have been born with the six break-the-rules elements of an entrepreneurial mindset.

You can learn them and apply them. Entrepreneurs are made, at least most of the time, not born.

So What's a Mindset?

What, you might ask, do I mean by *mindset*? As best-selling author and social psychologist Carol Dweck puts it, a mindset is a self-perception or “self-theory” that people hold about themselves.¹⁶ More particularly, mindsets are the “collection of beliefs and thoughts that make up the mental attitude, inclination,

“Most successful entrepreneurs interpret and respond differently to events, circumstances, and situations than do their more conventionally minded business peers.”

habit or disposition that predetermines a person's interpretations and responses to events, circumstances and situations.”¹⁷ More than two decades of my research has taught me that most successful entrepreneurs interpret and respond differently to events, circumstances, and situations than do their more conventionally minded business peers.

In the remainder of this book, you'll read 19 inspiring (or occasionally discomfoting) case studies of world-class entrepreneurs—some whose familiar names you'll find in the business press regularly, and others who you'll hear about for the first time in these pages. These case studies will vividly bring to life the six break-the-rules, counter-conventional mindsets of entrepreneurs (see Figure 1.1).

- **“Yes, we can!”:** When asked by a prospective customer whether they can do something that's entirely new and unfamiliar and falls outside their current competencies, entrepreneurs say “Yes, we can!” Then they figure out how!
- **Problem-first, not product-first, logic:** Entrepreneurs know that if they solve genuine customer problems, their

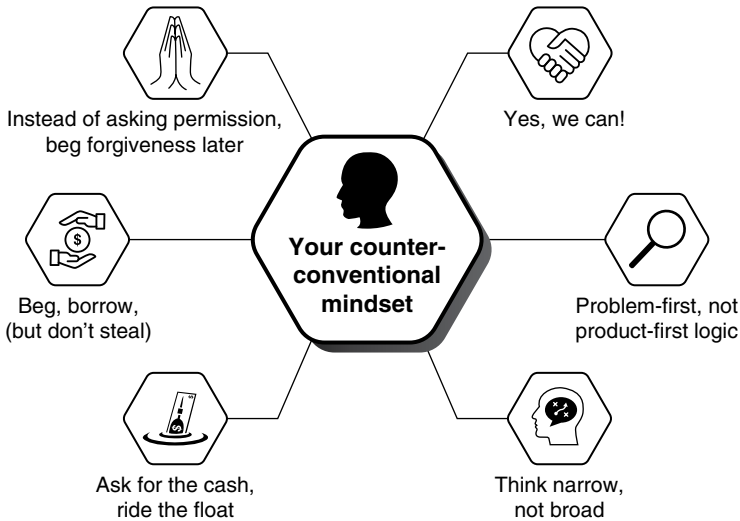


FIGURE 1.1 The six counter-conventional mindsets

businesses will thrive! As one prominent venture capital investor famously remarked, "It's very simple. Nobody will pay you to solve a non-problem."¹⁸

- **Think narrow, not broad:** Big companies want to serve big markets: "It won't move the needle," they say when markets are small. But once success is established in a tiny market, entrepreneurs know, a foundation is in place to enable their businesses to grow from there.
- **Ask for the cash, ride the float:** By getting customers to pay in advance, and by paying their suppliers afterwards, entrepreneurs "ride the float" and put that cash into growing their businesses.
- **Beg, borrow, but don't steal:** Borrowing the resources you need to start something new beats investing in those resources, especially as the outcomes of almost anything new are highly uncertain.
- **Instead of asking permission, beg forgiveness later:** Getting new things done in established companies typically

requires permission, sometimes from higher-ups in the organization, sometimes from company lawyers, sometimes from regulators or others. When the legal or regulatory landscape is ambiguous or uncertain, entrepreneurs simply plow ahead and deal with any necessary regulatory issues later, begging forgiveness if necessary.

Did Weinman run her business with an entrepreneurial mindset? Did she break the conventional rules? Time after time! So, too, can *you!*

Breaking the Rules

Best-selling author Francesca Gino says it simply, in her 2018 book, *Rebel Talent: Why It Pays to Break the Rules at Work and in Life*: “Most businesses are all about following the rules, not breaking them.”¹⁹ But she also observes that breaking the rules is associated with innovation. It’s about courage. About bringing about positive change. About making the world a better place. Most entrepreneurs I know are all about changing the world. Sometimes in a big way; think Elon Musk. Sometimes in their small corner of the world or for some small audience; think Lynda Weinman at the outset of her journey.

This book is all about breaking the conventional rules that are so dearly held in most big companies, and in business schools, too. It’s about teaching you how to adopt a counter-conventional mindset so you, too, can put it to use in your endeavors. Whether you’re about to embark—or you’ve already embarked—on an entrepreneurial journey; whether you’re working deep in the bowels of a big company that needs to get out of its slow-growth rut—or you’re a leader hoping to drag your people kicking and screaming into more counter-conventional thinking and acting; or even if you’re a student thinking about starting your business or working for a start-up, this book and these six mindsets are for you!

Why Break the Rules Now?

As I write in mid-2022, the world is replete with daunting challenges: pervasive economic and social inequality the world over; war in Europe; a warming planet; political discord and dysfunction seemingly everywhere. And more. Regardless of whether we like it or not, the conventional rules and conventional behavior seem not to be making much progress. But entrepreneurs—and sometimes those working in established companies, too—can and often do make a difference.

“**If you have an idea about how to make your corner of the world a better place—in a small way or large—now is the time.**”

As we’ll see in Chapter 4, Elon Musk has almost single-handedly made electric vehicles relevant, against long odds. As we’ll see in Chapter 6, Sunil Bharti Mittal brought mobile phones to rural India—profitably! As we’ll see in Chapter 7, Manish Sabharwal and Ashok Reddy have brought more than

3 million mostly young people into the Indian workforce. If you have an idea about how to make your corner of the world a better place—in a small way or large—*now* is the time. And a key ingredient in making that happen—*your* entrepreneurial mindset—is here in the book you now hold in your hands.

What Lies Ahead

In this Chapter 1, through Lynda Weinman’s case study, I’ve brought to life what it means to be an accomplished entrepreneur—yesterday, today, and tomorrow—and what makes her tick. I’ve explained what I mean by *mindset* and briefly overviewed the six mindsets that comprise a “mindset menu” from which you can choose those you wish to make your own.

And I've argued for the importance of breaking the conventional rules—and breaking them now.

In Chapters 2 through 7, the beating heart of the book, I'll dig deeply into each of the six counter-conventional mindsets, one chapter for each. You'll get inspiring case studies of entrepreneurs—some of them inside big companies, perhaps to your surprise—who bring these mindsets to life. In each of these chapters you'll also get the story of a not-so-inspiring failure. Isn't failure often the best teacher? As some say in Silicon Valley, failure is an education on somebody else's dollar! But there's more. In each of these six core chapters, I draw lessons you can take away from the case studies therein, together with steps *you* can take now to make that chapter's mindset your own.

Then, to tie things together, in Chapter 8 I'll examine how best to get started on your journey toward making these mindsets yours, depending on who you are and where you sit:

- An aspiring entrepreneur
- Someone already traveling an entrepreneurial path
- Anyone in business elsewhere, whether you're the leader of that business or someone doing your best to make things happen from deep inside
- Or even a student pondering an entrepreneurial career

Finally, I'll address four key obstacles that will undoubtedly stand in your way, and how to overcome them. And I'll wish you *Bon voyage!*

What This Book Is Not

This book, and I say this emphatically, is *not* about breaking the law, a theme I'll explore in some depth in Chapter 7. It's not about how to discover a promising entrepreneurial opportunity or how to get a job in a fast-growing entrepreneurial venture,

though it may well help you succeed in either role. It's not about how to start a new venture, or grow an existing one, either, although adopting one or more of the six mindsets will surely help you make progress in either of those endeavors. It's not about planning, or strategy, or financing, or exits, though it will probably illuminate those things, too. Perhaps most importantly, it's not for entrepreneurs alone for, as you'll see, the six mindsets are occasionally found in very large and well-established companies, too.

The Book in a Nutshell

Reading this book from cover to cover will equip you with a counter-conventional, break-the-rules mindset to enable you to challenge assumptions, overcome obstacles, and mitigate risk. Better yet, I hope it will inspire you to take on and address the kinds of meaningful challenges that only entrepreneurs dare to take on. As the famous anthropologist Margaret Mead noted long ago, "Never doubt that a small group of thoughtful, committed citizens can change the world; indeed, it's the only thing that ever has."²⁰ Are you ready to join them? Read on!

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