

## ***Worthless, Impossible and Stupid***

By David Isenberg

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When rate of unemployment rises, it is often said that entrepreneurs are the job creators and we should encourage them. Since they are more suited to startups and small businesses, maybe the first question to ask is why.

David Isenberg, who has taught at Harvard Business School and now teaches at Babson, has been an investor in startups himself. He sets out immediately to dispel myths about the entrepreneur. You don't have to be an innovator, but you have to be able to spot an opportunity. You don't have to be young.

The book's title, ***Worthless, Impossible and Stupid***, has a double meaning. One is Isenberg's definition of an entrepreneur's grazing ground: a place where others see no value. The entrepreneur steps in and finds value where others do not and then creates it. The other meaning is the not so flattering attitude of the outside world toward entrepreneurs.

Isenberg then zig zags through his points showing us how entrepreneurs zig zag to good effect.

Isenberg states: "I have gradually come to the difficult conclusion that the burning desire for extraordinary value capture is almost a sine qua non for the supreme effort required to convert the value from imagined into tangible value...Personal gain is the simplest and most powerful motivation. If a person does not feel deeply that 'This must pay off for me,' there will rarely be extraordinary value creation." The author adds that his "primary focus on financial gain bothers some people, particularly since 'social entrepreneurship' has become a popular term."

In one classic study on small business management, entrepreneurs are defined as individuals who have a keen perception of what they want and brook no interference with achieving their goals. The entrepreneurial temperament is sometimes defined as grasping, self-centered, and hungry.

Yet business schools have begun to look at another entrepreneurial temperament that is just as powerful as the personal need for success, but not so twisted to self-serving ends.

Some people are born with what the great American philosopher William James called 'high spirits.' They have unusual energy and drive. If they are in touch

with themselves, they know they have to express this drive in a positive way. Certainly, if we take Isenberg's definition, finding value where no one else does is as good as place to start as any.

What then of getting from A to Z in a start up? People with great ideas can't always realize them. A successful entrepreneur can. What ingredients keep him going, from the difficult beginning days to a successful launch?

Isenberg tells the stories of several different entrepreneurs. In successive articles, we will synopsise the stories and what they teach. Suffice it to say here that the self-centeredness and greed so often attributed to entrepreneurial success are not as apparent as the 'drive' to make something of value out of nothing.

Of course you work hard and you want to make money. But spend time in the locker room of a major league baseball team or in the players' lounge of a Grand Slam tennis tournament where millions of dollars are at stake. You never hear players discuss money. I suspect this is true of many entrepreneurs. Of course, the deals they are making to raise money and survive involve discussions of money. But that is different than Alberich protecting his gold in the Ring of the Niebelung. It is the thrill of the competition, the creation of a winning team, a winning match. Only people who are not entrepreneurs fail to understand who they are.

Demons? Not if they are creating the jobs we so sorely need. Braver than others? Perhaps in that they are born with a prominent combination of fearlessness and foolishness. These are immigrant traits. Is it any wonder that Israel and the US are the best countries for entrepreneurs. Politicians are forced to create a good playing field for so many of their recent and not so recent immigrants.

Money is the last taboo, but veils are being lifted from its meaning and function. As we begin to look at money squarely, we can ask, not why does someone want to create wealth, but what is wealth and how can we create it.

Reading Isenberg's entertaining stories will suggest ways in which entrepreneurial enterprise happens and who is an entrepreneur.

Derivative trading may be a good way for individuals to make big bucks, but it benefits only a few, creates no jobs, creates no wealth. And Buffett, who always talks wealth, made half his money from derivatives last year.

Why should we pan individuals who go out and create a new generic pharmaceutical company or a movie theatre chain in Mexico? They have not only found value. They are creating it.

In future articles based on this book we will discuss:

1. The start up moment. From idea to funding.
2. “The valley of death.” Cash outflows exceed inflows. What to do?
3. Getting from nothing to scale.
4. Dealing with external challenges like a cratering economy.

Nuggets of knowledge abound in Isenberg’s telling. Although a sometimes winding road, it is a very good read indeed.