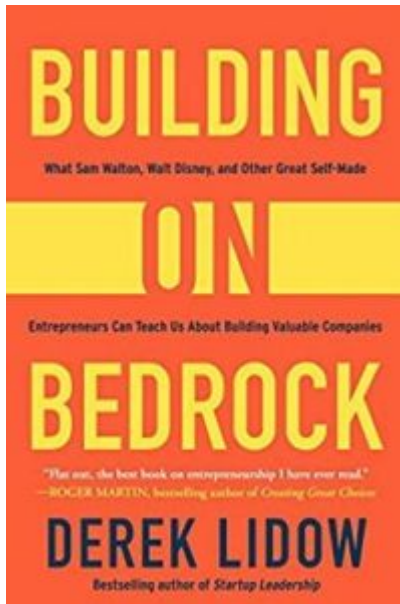


Building on Bedrock – An Interview with Derek Lidow



What does it take to be a successful entrepreneur and how can we shift the conversation to help more entrepreneurs succeed? Read this post and find out. Global CEO, Princeton Professor and best-selling author Derek Lidow's profound experience and knowledge are a gift to those who follow his work and read his books. Building on Bedrock is an exceptional book, a roadmap to success that must be studied and used. Buy this book, and when you have finished buy

Start-Up Leadership also because both of Mr. Lidow's books are exceptional; they are must reads.

What inspired you to write Building on Bedrock?

I wrote this book because I was disturbed by the misconceptions surrounding entrepreneurship and what it takes to be a successful entrepreneur. Our misconceptions around the concept that successful entrepreneurship requires, "shooting for the moon with other people's money" cause nascent entrepreneurs to fail unnecessarily, cause aspiring entrepreneurs with great skills and ideas that could make lots of people happier to decide not to go forward, all resulting in a decline in entrepreneurship in our society – a society that counts on entrepreneurs to create new jobs, innovate, and grow our economy.

Why is understanding entrepreneurship critical to at least 50% of the workplace? 60% of the population today aspires to do that and about 50% of the population will actually attempt to start their own business sometime in their working career. So

our world is filled with aspiring entrepreneurs and everybody therefore needs to understand how entrepreneurship works to decide whether entrepreneurship is the right career path for them, or for someone in their family, or someone they care about.

There are many people that vehemently believe we are all entrepreneurs because we're all making decisions about how to lead our lives based upon the assessment of what risks we want to take, or not take. But a majority of people; myself included, would say that entrepreneurs are people that decide to stake their livelihood on founding and running a business of their own.

How can knowing the 3 critical principles of entrepreneurship help business owners accelerate the growth of their businesses?

In my book *Building on Bedrock*, I outline the fundamental principle of entrepreneurship that applies to us all. Successful entrepreneurs make groups of people happy enough to gladly give them money in return. It's simple: what we need to do is make others very happy and not be scared to ask for money in return.

This fundamental principle has some other implications too.

First, entrepreneurship is about a trade: feel happier in return for giving money and feeling a bit poorer. It's reciprocal and successful entrepreneurs understand a great deal about their customers. And they also realize that their customers can change with time so the job of understanding customers is never done.

Second, successful entrepreneurs understand their product and service is about creating positive emotions. Many entrepreneurs forget this and feel that just by delivering a product or service that their mission has been accomplished. But without the creation of positive emotions there's no bond

created and that customer will sooner or later be taken over by competition. It is very profitable to build positive emotions into our products and services.

Third, this principle illuminates when someone stops being an entrepreneur and slips into just being a manager of an enterprise, and that's when they're too distracted by profit or no longer have the desire or energy to figure out how to make existing customers even happier or to find new customers to make happy enough to gladly give their money in return.

What is your greatest professional and personal success?

My greatest personal success is having partnered with a fabulous person where together we created a successful and loving family, where our sons are great friends with one another, good people, and accomplished entrepreneurs themselves, as well as great husbands and fathers.

My greatest professional success has been in creating a company from scratch and growing it through incredibly turbulent times to be a global leader in its field and ultimately selling it for over a hundred million dollars.

What is the worst advice you were ever given?

"Stick to the facts and you can't lose" [Click for free tools](#)

What are the tricks, tips tools, tactics, or psychology hacks that allow you to succeed at the highest level?

My book *Startup Leadership* contains a dozen chapters of very practical leadership hacks. Since nobody can create much value on their own, it's critical to learn how to work productively with others. Understanding how to lead under the stress of a startup is a very potent set of skills everybody can learn.

One of the hacks I talk about in the book is when it's best to cooperate, compete, or retreat. In our society we think that within a group it's always good to cooperate, bad to compete,

and wimpy to retreat...

In my new book *Building on Bedrock* talks about what we can learn from successful entrepreneurs about how to create value in the world. Virtually all successful entrepreneurs found a way to make large groups of people very happy, happy enough that the people they made happy would gladly give the entrepreneur money in return. Matter-of-fact that is the fundamental principle of entrepreneurship.

What would you go back and tell your 13-year-old self?

Understand how value is created in the world because that's what you'll need to do when you grow up. The better you get at creating value for others the more independence of action you'll have for yourself that you can then use to help others create value.

What challenges do you still face/what have you not yet figured out?

I still struggle with work-life balance. I get fixated by ideas and opportunities and drawn in to them and I can forget to enjoy my friends, family, and the pretty day outside. I am so fortunate to have a great wife that regularly pulls me back into the world of living and enjoying rather than the world of thinking and doing. Without her help, I think I'd get lost.

What's the biggest misconception that gets in people's way when they think about starting a business?

Most people think that being a successful entrepreneur requires a brilliant enough idea to get strangers to give you money to start a business based upon the idea. Contrary to popular perception, great ideas do not make entrepreneurs successful. The "what" entrepreneurs create is more varied; and not as innovative as we believe.

Our work-driven culture encourages us to take the

entrepreneurial bait, but how can you know whether being an entrepreneur will end as a dream come true or a nightmare?

1. In my book *Building on Bedrock* I describe what are the real facts about the who, what, where, when, and how of being a successful entrepreneur, which helps the reader understand whether entrepreneurship is a good career option for them.
2. The single most important criteria that correlates with ultimately being successful as an entrepreneur is being selfishly motivated enough to want to show that you can succeed in being your own boss and creating your own value.

Is the current startup culture and is this a bubble ready to burst?

Entrepreneurship is in decline in the US. We have fewer new businesses than any time in the past 30 years and the failure rate for entrepreneurs trying to start their own business has increased – so it's not a pretty picture for entrepreneurs and I want to help sound the alarm.

Yes, startup valuations of VC backed companies are in a bubble because there is more than 5 times as much money being invested in VC backed companies, but the number of new VC backed companies hasn't changed in the past 20 years, so valuations had to go up. The bubble will pop when more unicorn companies like SNAP go public at disappointing valuations and quickly lose value.

How can we restore more long-term thinking, especially for a generation that expects everything immediately?

- First, WE'RE NOT EDUCATING THE POPULATION ABOUT BEDROCK ENTREPRENEURSHIP, WHICH IS THE WAY THAT 99% OF ALL ENTREPRENEURS WILL ACHIEVE SUCCESS. So, we need our press, politicians, and pundits to all understand this distinction and start talking about it.

- Second, ENTREPRENEURSHIP IS SO CRITICAL TO OUR SOCIETY THAT WE NEED TO TEACH IT IN HIGH-SCHOOL AND PREPARE EVERYONE TO UNDERSTAND A CHOICE THEY WILL LIKELY HAVE TO MAKE DURING THEIR WORKING CAREER.
- Ultimately, WE ARE FASCINATED BY ALL THE HUNDRED OR SO VALUATION SENSATIONS THAT WERE CREATED USING HIGH-RISK, SILICON VALLEY TYPE ENTREPRENEURIAL TECHNIQUES.
- THIS IS A DISTRACTION; AND EVEN WORSE, IT IS WHAT IS SCARING PEOPLE AWAY FROM BEING SUCCESSFUL ENTREPRENEURS.
- ENTREPRENEURSHIP IS WHAT WE'VE COUNTED ON TO CREATE JOBS, DELIVER, INNOVATION, AND GROW OUR ECONOMY AND WE'RE KILLING IT OFF BY FIXATING ON FANTASIES AND IGNORING WHAT ENTREPRENEURSHIP IS REALLY ABOUT.

Can a small business set-up use your advice just as well as a business person who learns the skills at a larger company?

Entrepreneurs create value, whether in small chunks or in large chunks, and whether they're funded by their own credit cards, a VC, or a large company. The fundamental principle of entrepreneurship: "A successful entrepreneur is someone who makes some group of people so happy they'll gladly give him or her money in return." We've lost sight of this fundamental principle but it applies to every aspiring or existing entrepreneur in whatever position they're in.

What do you think is missing from the entrepreneurship support ecosystem?

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Author bio: Derek Lidow

Derek is the former CEO of International Rectifier and the founder of iSuppli, a leading market research firm, which he sold in 2010 for \$100 million to global information leader IHS. He is the author of two books on entrepreneurship: *Building on Bedrock: What Sam Walton, Walt Disney, and Other Great Self-Made Entrepreneurs Can Teach Us About Building Companies* (January 2018) and *Startup Leadership: How Savvy Entrepreneurs Turn Their Ideas Into Successful Enterprises* (2014). He is currently a professor at Princeton University, where he teaches entrepreneurship, innovation and creativity.

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