Activating an Entrepreneurial Mindset

“If you want something you’ve never had, you must be willing to do something you’ve never done.”

—Thomas Jefferson
CHAPTER 2  ACTIVATING AN ENTREPRENEURIAL MINDSET

2.1 THE POWER OF MINDSET

**LO 2.1** Appraise the effectiveness of mindset in entrepreneurship.

In Chapter 1, we learned about the Entrepreneurship Method. Part of the Method is being in the right mindset to start and grow a business. The words from “Rise and Shine” in Figure 2.1 have been transcribed from an athlete motivation video on YouTube. It is a good description of how our mindset operates. When we wake up in the morning we have a choice between the “easy” way and the “right” way. Depending on our mindset, we will choose one path or the other. In this chapter’s Entrepreneurship in Action feature, we describe how Franklin Yancey’s entrepreneurial mindset encouraged him to start his own business selling comfortable stadium seats for sporting events. Yancey credits his early entrepreneurial experiences, his college education, and supportive family for his success.

But what motivated Yancey to start his own business? After all, he was still in college and had plenty of time to think about what he wanted to do afterward. We could say that Yancey was in the right mindset to start a business. He saw a problem that needed to be fixed and he was curious about finding solutions. Thanks to prior experiences, he had the confidence to take action by knocking on doors and gaining support for his idea. He also believed enough to persist with his idea, even in the face of high financial risk. It was Yancey’s entrepreneurial mindset that kept him on the right track and ultimately led to success in multiple businesses.

2.2 WHAT IS MINDSET?

**LO 2.2** Define “entrepreneurial mindset” and explain its importance to entrepreneurs.

We emphasized mindset in Chapter 1 and it’s also in the subtitle of this text, so perhaps it is time we stopped to examine what it actually means. It has traditionally been defined as “the established set of attitudes held by someone.” It’s really our lens for viewing the world, interpreting what we see, and reacting or responding to what we hear. Our mindset subconsciously guides our reactions and decisions. Sometimes it’s really hard to define mindset, so perhaps a quick story will better illustrate. Corey Booker, a U.S. senator for the state of New Jersey, was a law student in 1997. He had great passion for the city of Newark, which at the time was one of the most
Franklin Yancey, WME Entertainment and Yancey Realty

Franklin Yancey, Founder of College Comfort and Yancey Realty

As a young child growing up in Blackstone, Virginia, Franklin Yancey used to go out to the woods, dig up trees, put them, and sell them to neighborhood families. He also sold stickers by cutting pictures out of skateboard magazines. You could say that Franklin developed an entrepreneurial mindset very early on. His father certainly helped. As Franklin said, "My father was a hard worker who came up from little means working in tobacco fields at a very early age. Later he started his own pharmacy. My strong work ethic comes from both of my parents." You could also say that athletics also contributed to his mindset. From a young age, Franklin, his brother, and his sister played sports at competitive levels and they all were inducted into their high school hall of fame. His brother even played golf on the PGA Tour.

While in college at Virginia Tech University in the mid-1990s, Franklin enrolled in a management course, which jumpstarted his interest in entrepreneurship. "I realized that I didn't want to work for someone else," Franklin said. While walking to the Virginia Tech football stadium for a game, Franklin noticed a pile of portable, dilapidated stadium seats. These were seat cushions with a back support that fans could rent for a sporting event to make sitting in the stadium more comfortable. "They were made from cheap material and had been badly maintained," recalled Franklin. Teaming up with his roommate, John Hite, he decided to make a better product to rent to the university. And so the two became the founders of College Comfort, a company that manufactured and rented comfortable stadium seats for sporting events and large stadium events.

To produce the seats, they found a local former Levi's plant for sporting events and large stadium events. Franklin noticed a pile of portable, dilapidated stadium seat attachments for events. Baseball, and others to provide thousands of rental stadium seat attachments for events.

Franklin worked hard to market the product in new places. Thanks to friends and family, they didn't have lodging expenses while they traveled around the country sourcing more customers. In their third year of business, College Comfort signed on 12 more schools and the business has continued to grow ever since.

In early 2008, a large privately owned multibillion-dollar entertainment company called WME-IMG Entertainment acquired College Comfort. Today, Franklin still works on this part of the business as a vice-president with WME-IMG. He leads a team of 15 people and has contracts with more than 100 universities, NASCAR, Major League Baseball, and others to provide thousands of rental stadium seat attachments for events.

While truly enjoying his work with WME-IMG, he still felt the "entrepreneurship itch" to start something else from scratch. So in 2016, he created a real estate company in Charlotte, N.C., called Yancey Realty that focuses on commercial real estate, residential real estate, and property management. He now has more than 30 agents in three locations. Franklin feels the autonomous nature of his WME-IMG job, combined with the use of technology, allows him to do both "jobs" well. He feels the secret sauce in his real estate business is his ability to empower his agents to get the job done by providing them with the resources they need to perform.

Franklin credits his entrepreneurial mindset for his ability to work hard. "I hear 'work smart, not hard,' and I understand the logic behind it. But the real mission is to work smart and to work longer and harder than others. You have to lead yourself before you can lead others, too!" Even after all of his success and at the age of 42, he still works many long nights, but it is all worth it to him. As he sees it, "There is only one title that matters: owner. Being an entrepreneur is about being an owner."

Critical Thinking Questions

1. In what ways does his mindset play a role in Franklin's success?
2. What is the one key trait that all entrepreneurs must possess, according to Franklin?
3. Have you considered any products or services as solutions to problems while walking through your own college campus? If so, describe them.

Source: Franklin Yancey, interview with author. December 31, 2018
economically depressed cities in the country. In his final year of Yale law school, he began working as a tenants’ rights advocate in Newark—even moving to the harshest area of the city called the Central Ward. There he met Virginia Jones, the president of the Brick Towers tenants’ association—a slum in the Central Ward. Corey expressed to Virginia his interest in helping the community. As the story goes, Virginia took Corey to the middle of the busy street outside of the Brick Towers. She told Corey to look around and describe what he saw. Corey looked around and responded with such things as, “I see a playground overgrown with weeds and the equipment is rusty. I see trash on the sides of the road. I see houses with their windows boarded up. I saw a drug deal happening on that corner last night. I see so many people out of work.” The list could go on but Virginia Jones stopped Corey Booker and simply said, “You can’t help this area.” She paused. The petite Virginia Jones looked up at the broad-shouldered and tall young Corey Booker and said, “Boy, you need to understand that the world outside of you is a reflection of what you have inside of you, and if you’re one of those people who only sees darkness, despair, that’s all there’s ever gonna be.” This is an example of mindset—the mindset Corey had but also the mindset Corey needed. His life and mindset forever changed on that day.

Fortunately our mindset is not static; it can change, as evidenced by the Corey Booker story above. Research has shown that our mindset needn’t be “set” at all. Stanford University psychologist Carol Dweck proposes that there are two different types of mindset: a fixed mindset and a growth mindset (see Figure 2.2).
In a fixed mindset, people perceive their talents and abilities as set traits. They believe that brains and talent alone are enough for success, and they go through life with the goal of looking smart all the time. They take any constructive criticism of their capabilities very personally and tend to attribute others’ success to luck (see Research at Work, below, for a study about luck) or some sort of unfair advantage. People with a fixed mindset will tell themselves they are no good at something to avoid challenge, failure, or looking dumb.

On the other hand, in a growth mindset, people believe that their abilities can be developed through dedication, effort, and hard work. They think brains and talent are not the key to lifelong success, but merely the starting point. People with a growth mindset are eager to enhance their qualities through lifelong learning, training, and practice. Unlike people with fixed mindsets, they see failure as an opportunity to improve their performance and to learn from their mistakes. Despite setbacks, they tend to persevere rather than give up.

Recent studies have found that being praised simply for our intelligence can create a fixed mindset. For example, using a series of puzzle tests, Dweck discovered that 5th-grade children who were praised for their hard work and effort on the first test were far more likely to choose the more difficult puzzle the next time. In contrast, children who were praised for being smart or intelligent after the first test chose the easy test the second time around.5

It seems that the children who had been praised for being smart wanted to keep their reputation for being smart and tended to avoid any challenge that would jeopardize this belief. Yet the children who had been praised for how hard they had worked on the first test had more confidence in their abilities to tackle a more challenging test and to learn from whatever mistakes they might make.6

Dweck observes the growth mindset in successful athletes, business people, writers, musicians—in fact, anyone who commits to a goal and puts in the hard work and practice to attain it. She believes that people with growth mindsets tend to be more successful and happier than those with fixed mindsets.7

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**Figure 2.2**

What Kind of Mindset Do You Have?

**Growth Mindset**

- I can learn anything I want to.
- When I’m frustrated, I persevere.
- I want to challenge myself.
- When I fail, I learn.
- Tell me I try hard.
- If you succeed, I’m inspired.
- My effort and attitude determine everything.

**Fixed Mindset**

- I’m either good at it, or I’m not.
- When I’m frustrated, I give up.
- I don’t like to be challenged.
- When I fail, I’m no good.
- Tell me I’m smart.
- If you succeed, I feel threatened.
- My abilities determine everything.

**Source:** Created by Reid Wilson @wayfaringpath.
Although many of us tend to exhibit one mindset or the other, it is important to recognize that mindsets can be changed. Even if your mindset is a fixed one, it is possible to learn a growth mindset and thereby boost your chances for happiness and success. How can you do this? By becoming aware of that “voice” in your head that questions your ability to take on a new challenge, by recognizing that you have a choice in how you interpret what that voice is telling you, by responding to that voice, and by taking action.

For example, say you want to start a new business, but you’re a little unsure of your accounting skills. Following are some messages you might hear from the “voice” in your head and some responses you might make based on a growth mindset.8

**FIXED MINDSET:** “Why do you want to start up a business? You need accounting skills. You were always terrible at math at school. Are you sure you can do it?”

**GROWTH MINDSET:** “I might not be any good at accounting at first, but I think I can learn to be good at it if I commit to it and put in the time and effort.”

**FIXED MINDSET:** “If you fail, people will laugh at you.”

**GROWTH MINDSET:** “Give me the name of one successful person who never experienced failure at one time or another.”

**FIXED MINDSET:** “Do yourself a favor; forget the idea and hang on to your dignity.”

**GROWTH MINDSET:** “If I don’t try, I’ll fail anyway. Where’s the dignity in that?”

Next, suppose that you enroll in an accounting course, but you score very low marks on your first exam. Once again, you’re likely to hear messages from the “voice” in your head and respond to them as follows.

**FIXED MINDSET:** “Dude! This wouldn’t have happened if you were actually good at accounting in the first place. Time to throw in the towel.”

**GROWTH MINDSET:** “Not so fast. Look at Oprah Winfrey and Jack Ma—they suffered lots of setback along the way, yet they still persevered.”

Now suppose that a friend who hears about your low exam score makes a joke about your performance.

**FIXED MINDSET:** “Why am I being criticized for doing badly in the accounting exam? It’s not my fault. I’m just not cut out for accounting, that’s all.”

**GROWTH MINDSET:** “I can own this setback and learn from it. I need to do more practicing, and next time, I will do better.”

If you listen to the fixed mindset voice, the chances are you will never persevere with the accounting process. If you pay attention to the growth mindset voice instead, the likelihood is that you will pick yourself up, dust yourself off, start practicing again, and put the effort in before the next exam.

Over time, the voice you listen to most becomes your choice. The decisions you make are now in your hands. By practicing listening and responding to each of these voices, you can build your willingness to take on new challenges, learn from your mistakes, accept criticism, and take action.

As we have explored, our mindset is not dependent on luck, nor is it fixed: We each have the capability to adjust our mindset to recognize and seize opportunities and take action, even under the most unlikely or uncertain circumstances, but it takes practice. This is why the mindset is essential to entrepreneurship.
Study on Luck

In the early 1990s, British psychologist and researcher Richard Wiseman carried out an experiment on luck to determine what defines a lucky or unlucky person. Over several years, using advertisements in newspapers and magazines, Wiseman sought out people who felt consistently lucky or unlucky. He interviewed them and identified 400 volunteers whom he asked to participate in the following experiment.

The 400 participants were divided into two groups: those who considered themselves lucky and those who considered themselves unlucky. Both groups were given a newspaper and asked to count how many photographs it contained.

In took approximately 2 minutes, on average, for the unlucky people to count all the photos, but it only took a few seconds for the lucky people. Why? Because the lucky people spotted a large message occupying more than half of the newspaper’s second page that stated, “Stop counting. There are 43 photographs in this newspaper.” The unlucky people had missed this instruction because they were too focused on what they thought they were supposed to look for.

Wiseman concluded that unlucky people tend to miss opportunities because they are too focused on something else, whereas lucky people tend to be more open to recognizing opportunities.

Wiseman’s overall findings have revealed that “although unlucky people have almost no insight into the real causes of their good and bad luck, their thoughts and behaviors are responsible for much of their fortune” (or misfortune).

Critical Thinking Questions

1. Identify a successful entrepreneur. Do you believe luck played a role in their success? Why or why not?
2. Do you consider yourself a particularly lucky or unlucky person? Or do you fall somewhere in the middle? Give some reasons to support your answer.
3. Can you think of an opportunity that came your way because you were open to it? How might you make yourself more open to “lucky” opportunities in the future?

Sources

The Entrepreneurial Mindset

The growth mindset is essential to a mindset for entrepreneurship. In Chapter 1, we discussed the Entrepreneurship Method and how it requires a specific mindset so that entrepreneurs have the ability to see the endless possibilities in the world. Although there is no single definition of mindset and how it relates to entrepreneurs, we believe the most accurate meaning of an entrepreneurial mindset is the ability to quickly sense opportunities, take action, and get organized under uncertain conditions. This also includes the ability to persevere, accept and learn from failure, and get comfortable with a high level of discomfort.

Many successful entrepreneurs appear to be very smart, but it is often the way they use their intelligence that counts. Cognitive strategies are the techniques people use to solve problems, such as reasoning, analyzing, experimenting, and so forth. The entrepreneurial mindset employs various cognitive strategies to identify opportunities, consider alternatives, and take action. Because working in uncertain environments “goes with the territory” in entrepreneurship, the entrepreneurial mindset requires constant thinking and rethinking, adaptability, and self-regulation—the capacity to control our emotions and impulses.

In Chapter 1 we touched on the concept of metacognition, which is our ability to understand and be aware of how we think and the processes we use to think (see Figure 2.3). For example, say you are reading through a complex legal document; you might notice that you don’t understand some of it. You might go back and re-read it, pause to think it through, note the elements that don’t make sense to you, and then either come back to it later or find a way to clarify the parts you don’t understand. In this example, you are using your metacognitive skills to monitor your own understanding of the text, rather than simply plowing through the document without having much comprehension at all.
Entrepreneurs regularly engage in metacognitive processes to adapt to changing circumstances by thinking about alternative routes to take and choosing one or more strategies based on these options. Metacognitive awareness is part of the mindset, and it is not something that we are born with. It can be developed over time through continuous practice.

Passion and Entrepreneurship

Among many elements of the entrepreneurial mindset, one of the most talked about is the element of passion. The entrepreneurial mindset is about understanding who you are and how you view the world. It deeply connects to your desired impact (described in Chapter 1), which some people equate with passion. In the past, researchers tended to use passion as a reason to explain certain behaviors displayed by entrepreneurs that were
What Does Your Mindset Say About You?

Visit a place that you are unfamiliar with. It can be a park, somewhere on campus you haven’t explored, a neighborhood, a new restaurant—really just about anywhere, provided you are not already familiar with the place. Bring with you a paper notepad and pen. Yes, real paper!

For 10 minutes, just look around and write down a description of what you observe. Make sure that when you write your observations, you use adjectives to describe what you see. For example, you may see a swing set in a park, but you need to describe that swing set. The swing set may be rusty, shiny, empty, broken, vibrant, or dull. A dog you see in the park may be big, cute, dirty, ugly, friendly, or hostile.

You must record your notes in writing, and you must observe for 10 minutes.

After you’ve finished, sit down and look at the list of words you’ve written. Circle all words that have a positive connotation. Using the park example above, you would circle shiny, vibrant, cute, and friendly. Now place a square around all words that have a negative connotation. In our park example, this could be rusty, broken, dull, dirty, ugly, and hostile.

What’s the point of all of this? Remember the Corey Booker story! What you see on the outside is a reflection of your mindset on the inside. If what you see in the world is predominantly negative, then your mindset for entrepreneurship needs to be further developed. If what you see in the world is more positive, it will be much easier for you to identify opportunities and make a difference.

Critical Thinking Questions

1. In what ways did this 10-minute observation exercise confirm your existing assumptions and beliefs about your way of looking at the world? In what ways did it change them?
2. Did you learn anything about yourself that was unexpected or surprising?
3. What do you think would happen if you repeated this exercise in a different location?

This type of passion is aroused by the pleasure of engaging in activities we enjoy. Studies have found that passion can also “enhance mental activity and provide meaning to everyday work,” as well as fostering “creativity and recognition of new patterns that are critical in opportunity exploration and exploitation in uncertain and risky environments.”

Passion has also been associated with a wide range of positive effects, such as strength and courage, motivation, energy, drive, tenacity, strong initiative, resilience, love, pride, pleasure, enthusiasm, and joy—all of which can occur as part of the entrepreneurship process.

Passion is not all that is needed to be successful, but research has shown that positive feelings motivate entrepreneurs to persist and engage in tasks and activities in order to maintain those pleasurable emotions.
However, there can also be a dysfunctional side to passion. As we explored in Chapter 1, it is possible to become blinded by passion and so obsessed by an idea or new venture that we fail to heed the warning signs or refuse to listen to negative information or feedback. This type of negative passion can actually curb business growth and limit the ability to creatively solve problems. Furthermore, a recent Stanford study carried out by postdoctoral fellow Paul O’Keefe and psychologists Carol Dweck and Gregory Walton shows that people who follow the old adage “find your passion” are less likely to try new things and tend to give up easily when they encounter obstacles. The researchers found that “develop your passion” through a growth mindset is a much more powerful approach to persevering in a particular area. As Dweck said, “My undergraduates, at first, get all starry-eyed about the idea of finding their passion, but over time they get far more excited about developing their passion and seeing it through. They come to understand that that’s how they and their futures will be shaped and how they will ultimately make their contributions.”

Entrepreneurship as a Habit

So far, we have discussed the meaning of mindset, the different types, and the importance of passion and positive thinking for success. As we have learned, mindset is not a predisposed condition; any one of us can develop a more entrepreneurial mindset, but how do we do it?

A good approach is to consider developing new habits. A habit is a sometimes unconscious pattern of behavior that is carried out often and regularly. Good habits can be learned through a “habit loop”—a process by which our brain decides whether or not a certain behavior should be stored and repeated. If we feel rewarded for our behavior, then we are more likely to continue doing it. For example, toothpaste companies instigate a habit loop in consumers by not just advertising the hygiene benefits of brushing teeth, but also the “tingling, clean feeling” we get afterwards—the reward. People are more likely to get into a toothbrushing habit loop as a result.

In the sections that follow, we present three helpful habits to develop to build an entrepreneurial mindset: self-leadership, creativity, and improvisation. As with all good habits, they require practice.

2.3 THE SELF-LEADERSHIP HABIT

LO 2.3 Explain how to develop the habit of self-leadership.

In the context of entrepreneurship, self-leadership is a process whereby people can influence and control their own behavior, actions, and thinking to achieve the self-direction and self-motivation necessary to build their entrepreneurial business ventures. Entrepreneurship requires a deep understanding of self and an ability to motivate oneself to act. You cannot rely on someone else to manage you, get you up in the morning, or force you to get the work done. It can be lonely, and often no one is around to give you feedback, reprimand you, or reward you! As a result, self-leadership is required. It consists of three main strategies: behavior-focused strategies; natural reward strategies; and constructive thought pattern strategies.

Self-leadership: a process whereby people can influence and control their own behavior, actions, and thinking to achieve the self-direction and self-motivation necessary to build their entrepreneurial business ventures.
Behavior-focused strategies help increase self-awareness to manage behaviors, particularly when dealing with necessary but unpleasant tasks. These strategies include self-observation, self-goal setting, self-reward, self-punishment, and self-cueing (see Figure 2.4).

**Behavior-focused strategies** help increase self-awareness to manage behaviors, particularly when dealing with necessary but unpleasant tasks. These strategies include self-observation, self-goal setting, self-reward, self-punishment, and self-cueing.

**Self-observation** raises our awareness of how, when, and why we behave the way we do in certain circumstances. For example, twice a day, you could stop and deliberately ask yourself questions about what you are accomplishing; what you are not accomplishing; what is standing in your way; and how you feel about what is happening. This is the first step toward addressing unhelpful or unproductive behaviors in order to devise ways of altering them to enhance performance.

There has been much study regarding the importance of setting goals as a means of enhancing performance. **Self-goal setting** is the process of setting individual goals for ourselves. This is especially effective when it is accompanied by **self-reward**—ways in which we compensate ourselves when we achieve our goals. These rewards can be tangible or intangible; for example, you might mentally congratulate yourself when you have achieved your goal (intangible), or you might go out for a celebratory meal or buy yourself a new pair of shoes (tangible). Setting rewards motivates us to accomplish our goals.

**Self-punishment (or self-correcting feedback)** is a process that allows us to examine our mistakes before making a conscious effort not to repeat them. Ideally, self-punishment or self-correcting feedback is a process that allows us to examine our mistakes before making a conscious effort not to repeat them. However, many of us have the tendency to beat ourselves up over perceived mistakes or failures; indeed, excessive self-punishment involving guilt and self-criticism can be very harmful to our performance.

Finally, we can use certain environmental cues as a way to encourage constructive behaviors and reduce or eliminate destructive ones through the process of **self-cueing**. These cues might take the form of making lists or notes or having motivational posters on your wall. They act as a reminder of your desired goals and keep your attention on what you are trying to achieve.

Rewarding ourselves is a beneficial way to boost our spirits and keep us committed to attaining our goals. **Natural reward strategies** endeavor to make aspects of a task or activity more enjoyable by building in certain features or by reshaping perceptions to focus on the most positive aspects of the task and the value it holds. For example, if you are working on a particularly difficult or boring task, you could build in a break to listen to some music or take a short walk outside. In addition, rather than dreading the nature of the work, you could refocus on the benefits of what you are doing and how good it will feel when it is done.
Much of our behavior is influenced by the way we think, and the habit of thinking in a certain way is derived from our assumptions and beliefs. Constructive thought patterns help us to form positive and productive ways of thinking that can benefit our performance. Constructive thought pattern strategies include identifying destructive beliefs and assumptions and reframing those thoughts by practicing self-talk and mental imagery.

As we observed earlier in this chapter, we can use positive self-talk to change our mindset and thought patterns by engaging in dialogue with that irrational voice in our heads that tells us when we can’t do something. Similarly, we can engage in mental imagery to imagine ourselves performing a certain task or activity. In fact, studies show that people who visualize themselves successfully performing an activity before it actually takes place are more likely to be successful at performing the task in reality.

These behavioral self-leadership strategies are designed to bring about successful outcomes through positive behaviors and suppress or eliminate those negative behaviors that lead to bad consequences. The concept of self-leadership has been related to many other areas, such as optimism, happiness, consciousness, and emotional intelligence. We believe self-leadership to be an essential process for helping entrepreneurs build and grow their business ventures.

2.4 THE CREATIVITY HABIT

LO 2.4 Explain how to develop the habit of creativity.

Creativity is a difficult concept to define, mainly because it covers such a wide breadth of processes and people—from artists, to writers, to inventors, to entrepreneurs—all of whom could be described as creative. Yet creativity can be elusive, and sometimes we spot it only after it is presented to us. Take the classic inventions, for instance. Sometimes, we look at these inventions and wonder why on Earth we hadn’t thought of them ourselves. Post-it® notes, paper clips, zippers, and Velcro®—they all seem so obvious after the fact. But of course it is the simplest ideas that can change the world.

Because of its elusiveness, there is no concrete or agreed definition of creativity; however, we like to define creativity as the capacity to produce new ideas, insights, inventions, products, or artistic objects that are considered to be unique, useful, and of value to others. For example, Neide Sellin, founder of Brazilian company VixSystem, was among the winners of the 2018 Cartier Initiative Awards for creating Lysa, a robotic guide dog for the visually impaired. In doing so, Sellin has created a solution that addresses the shortage of guide dogs for the millions of visually impaired people living in Brazil.

Human beings are inherently creative, but deeper creativity can be honed and developed. Studies have shown that people who are creative are open to experience, persistent, adaptable, original, motivated, self-reliant, and do not fear failure.

But what has creativity got to do with entrepreneurship? First, there is some evidence that entrepreneurs are more creative than others. A study published in 2008 found that students enrolled in entrepreneurship programs scored higher in personal creativity than students from other programs. This tells us that although everyone has the capacity to
be creative, entrepreneurs score higher on creativity simply because they are practicing the creative process more regularly.

Readers, use caution! We are about to talk about the 1980s! A classic film called Dead Poets Society was a huge hit in 1989. Yes, we know you weren’t born yet, but the story is timeless. It is a story about a maverick English teacher named John Keating (played by Robin Williams) who challenges the strict academic structure of Welton, a traditional, exclusive all-boys college preparatory school. Mr. Keating urges his students to question the status quo, adjust their mindset, change their behaviors, live life to the fullest, and, famously, to seize the day (using the Latin phrase carpe diem). We feel one scene from the movie is an excellent example of unleashing creativity and especially relevant to entrepreneurs.

In one memorable scene, student Todd Anderson (played by Ethan Hawke)—a quiet, underconfident, insecure character who is full of self-doubt about his creative abilities—has not written a poem as assigned. Mr. Keating stands him at the front of the class and prods him to yell “Yawp!” like a barbarian would do, pointing to a picture on the wall of the famous poet Walt Whitman. Then Keating encourages Anderson to improvise a poem by saying the first thing that pops into his head and using his imagination to describe what he sees. By doing so, Todd is able to let go of his insecurities and create in the moment.

As Mr. Keating demonstrates in this scene, creativity is something that can be unleashed even in the most reticent person. Many of us can identify with the Todd Anderson character. It is easy for us to become blocked when we are asked to do something creative, especially when we are put on the spot. Even though we know that every single one of us has the ability to be creative, like Todd, we still find ourselves stumbling against emotional roadblocks.

The Fear Factor

James L. Adams, a Stanford University professor who specialized in creativity, identified six main emotional roadblocks preventing us from practicing creativity:

- fear,
- no appetite for chaos,
- preference for judging over generating ideas,
- dislike for incubating ideas,
- perceived lack of challenge, and
- inability to distinguish reality from fantasy.

Of these six emotional roadblocks, it is fear that has the most detrimental effect on our capacity to be creative. Fear causes self-doubt, insecurity, and discomfort even before the beginning of the creative process. It can also block us from sharing our creativity with others because of the risk of failure, negative feedback, or ridicule.

Hamdi Ulukaya, the Turkish-born founder and CEO of the yogurt company Chobani, admitted feeling afraid every single day when he was building his multibillion-dollar business: “If I had failed, a lot of lives were going to be affected by it,” he said.
A Creative Mind

The importance of creativity in navigating the uncharted waters of an uncertain world is also reflected in our biology. The human brain is divided into two hemispheres. Generally speaking, the left hemisphere controls movement, sensation, and perception on the right side of our body, and the right hemisphere does the same on the left side of our body. This is why an injury to the left side of the brain can result in impairment or paralysis on the right side of the body, and vice versa. In the 1960s, researchers proposed that each of the two hemispheres had its own distinct thinking and emotional functions. This idea was then further expanded to propose “left-brained” and “right-brained” orientations as though they were personality types (see Figure 2.5).

In his book *A Whole New Mind*, business and technology author Daniel Pink uses the right-brain/left-brain model to describe how today’s society is moving from left-brain thinking to right-brain thinking.26 Historically, Pink observes, people have tended to use left-brain thinking over right-brain thinking because most tasks and activities in the agricultural and industrial age demanded these attributes. Those were the times when jobs were more methodical and predictable. Today, many of the methodical tasks have been outsourced or have been taken over by computers. Pink holds that we now live in a “conceptual age” that requires us to use both the left and right sides of the brain to create new opportunities and possibilities—in other words, to succeed in today’s world, we need a different way of thinking.

However, it is important to recognize that there has been little scientific support for the model of people being “left-brained” or “right-brained.” In a 2012 study, researchers at the University of Utah analyzed brain scans from more than 1,000 people between the ages of 7 and 29. They found no evidence to suggest that one side of the brain was more dominant than the other in any given individual: “Our data are not consistent with a whole-brain phenotype of greater ‘left-brained’ or greater ‘right-brained’ network strength across individuals.”27 Study researcher Jared Nielsen, a graduate student in neuroscience at the university, concludes, “It may be that personality types have nothing to do with one hemisphere being more active, stronger, or more connected.”28

Although personality traits are not “left-brained” or “right-brained,” the idea of two different types of thinking can still be helpful in understanding how to foster creativity. A study carried out by psychology professor Mihaly Csikszentmihalyi between 1990...
TABLE 2.1

Csikszentmihalyi’s Polarity of Creative Individuals

<table>
<thead>
<tr>
<th>Trait</th>
<th>Positive</th>
<th>Negative</th>
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<td>High energy</td>
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<td>Smart</td>
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<td>Disciplined</td>
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<td>Strong sense of reality</td>
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<td>Masculine/feminine</td>
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<td>Objective</td>
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<td>Joy and bliss</td>
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<td></td>
<td>Often quiet and at rest</td>
<td>Naive</td>
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<td>Rebellious and independent</td>
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<td>Feminine/masculine</td>
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<td>Passionate</td>
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<td>Suffering and pain</td>
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and 1995 shows an interesting paradox in the personality traits of creative people. Csikszentmihalyi and a team of researchers identified 91 people over the age of 60 whom they considered highly creative, or “exceptional,” in the fields of science, art, business, and politics. They discovered that although conflicting traits are not commonly found in the same person—for example, a person is typically introverted or extroverted, not both—they were present in many of the study participants. They exhibited seemingly polarized traits like discipline and playfulness, a strong sense of reality and a vivid imagination, and pride and humility (see Table 2.1). Csikszentmihalyi referred to these highly creative individuals as having “dialectic” personalities and concluded that for people to be creative, they need to operate at both ends of the poles.

If you compare the “polarized” traits in Table 2.1 with the left- and right-brain characteristics in Figure 2.5, you will see striking similarities, suggesting that creativity involves integrating “both sides” of the brain. In this sense, Csikszentmihalyi’s study is consistent with Pink’s argument that we are living in a conceptual age that requires us to tap into our creative potential and be “whole-brained” thinkers and doers.

Although successful entrepreneurs definitely do not fit into a single profile, there is some commonality in their mindset. They envision success while also preparing for failure. They value autonomy in deciding and acting and, therefore, assume responsibility for problems and failures. They have a tendency to be intolerant of authority, exhibit good salesmanship skills, have high self-confidence, and believe strongly in their abilities. They also tend to be both optimistic and pragmatic. They work hard and are driven by an intense commitment to the success of the organization. Here again, we see evidence that an entrepreneurial mindset requires more than one kind of thinking.

2.5 THE IMPROVISATION HABIT

LO 2.5 Explain how to develop the habit of improvisation.

Let’s explore the third of the key habits for developing an entrepreneurial mindset: improvisation. Improvisation is the art of spontaneously creating something without preparation. Improvisation is connected to the entrepreneurial mindset because it helps us develop the cognitive ability to rapidly sense and act as well as change direction quickly.

For many of us, the word improvisation evokes images of people standing on stage in front of an audience under pressure to make them laugh or to entertain them. While it is true that world-famous comedy clubs like The Second City in Chicago offer classes including Tina Fey, Stephen Colbert, and Jordan Peele—improvisational skills can be very useful to entrepreneurs of all types.
The ability to function in an uncertain world requires a degree of improvisation. Entrepreneurs may begin with a certain idea or direction, but obstacles such as limited resources, unforeseen market conditions, or even conflicts with team members can prevent them from executing their initial plans. This means they need to find a way to quickly adapt to their circumstances, think on their feet, and create new plans to realize their vision. A recent study showed that entrepreneurs starting new ventures who displayed more signs of improvisational behavior tended to outperform those who did not have the same tendencies.30

There is a long tradition of improvisation techniques in theater and in music styles such as jazz, but improvisation has also been growing in popularity in business and entrepreneurship. For example, many major business schools, such as UCLA's Anderson School of Management, Duke University's Fuqua School of Business, MIT's Sloan School of Management, and Columbia Business School, offer business students courses on improvisation to teach skills such as creativity, leadership, negotiation, teamwork, and communication. Indeed, Columbia takes business students to a jazz club so they can engage with professional musicians regarding how they use improvisation on stage.31

Robert Kulhan, an assistant professor at Duke University's Fuqua School of Business, teaches improvisation to business students and executives. Kulhan asserts that “improvisation isn’t about comedy, it’s about reacting—being focused and present in the moment at a very high level.”32 In the world of business, teams from The Second City are often brought in to teach improvisation skills to staff working at the Chicago branch of Deloitte Consulting.33

Improvisation is especially relevant to the world of entrepreneurship when uncertainty is high and the ability to react is essential (see Table 2.2).

For those of you who may feel a little apprehensive about engaging in spontaneous creation, it may comfort you to know that anyone can improvise. In fact, you may not realize it, but each one of us has been improvising all our lives. Think about it: How could any one of us be prepared for everything life has to throw at us? Often, we are forced to react and create on the spot in response to certain events. There is simply no way we can prepare for every situation and every conversation before it takes place. We are naturally inclined to deal with the unexpected, now all we have to do is deliberately practice that ability.

### TABLE 2.2

**Improvisation Guidelines**

- Improvisation is not just for actors or musicians.
- There’s no such thing as being wrong.
- Nothing suggested is questioned or rejected (no matter how crazy it might sound!).
- Ideas are taken on board, expanded, and passed on for further input.
- Everything is important.
- It is a group activity—you will have the support of the group.
- You can trust that the group will solve a certain problem.
- It’s about listening closely and accepting what you’re given.
- It’s about being spontaneous, imaginative, and dealing with the unexpected.

However, many of us are apprehensive about sharing our ideas for fear of being shot down. One of the most useful improvisation exercises to address this fear is the “Yes, and” principle. This means listening to what others have to say and building on it by starting with the words, “Yes, and.” Consider the following conversation among three friends.

Peter: “I have a great idea for a healthy dried fruit snack for kids that contains less sugar than any other brand on the market.”

Teresa: “Hasn’t this been done already? The market is saturated with these kinds of products.”

Sami: “I think it’s an interesting idea, but I’ve heard that these products cost a fortune to manufacture and produce.”

In this conversation, Peter has barely touched on his idea before it gets shot down by the others. Peter may not be conscious of it, but the reaction from his friends changes his mindset from positive to negative, instantly limiting his freedom to expand the idea further. Rather than helping Peter to build on his idea, Sami and Teresa rely on judgment and hearsay.

Now let’s take a look at how the “Yes, and” principle can completely change the tone and output of the conversation.

Peter: “I have a great idea for a healthy dried fruit snack for kids that contains less sugar than any other brand on the market.”

Teresa: “Yes, and each snack could contain a card with a fun fact or maybe some kind of riddle.”

Sami: “Yes, and if enough cards are collected, you could go online and win a small prize.”

By using “Yes, and,” Peter and his friends have managed to expand on his original idea and inject a bit of positivity into the conversation.

Why don’t we practice improvisation more often? Self-doubt is the most common barrier to improvisation: “I don’t want to pitch my idea. I hate speaking in public”; “What if I freeze up?”; and even worse, “What if I make a fool of myself?” The fear underlying the self-doubt is the fear of failure, which stems from not being able to plan in advance.

Yet people who engage in improvisation are actually more tolerant of failure because it helps us to break free of traditional structured thinking, releases our need for control, opens our minds, improves our listening skills, and builds our confidence by encouraging us to think quickly under pressure. Originally actors were trained in improvisational techniques so they could overcome forgetting their lines on stage during a performance.

Improvisation has a significant effect on our brain activity. Scientists studied the effects of improvisation on brain activity by asking six trained jazz pianists to play a combination of learned and improvised pieces of music while lying in an MRI machine with a miniature electronic keyboard. When it came to analyzing the brain scans, the scientists found that the musicians tended to switch off the self-censoring part of the brain, which gave them the ability to freely express themselves without restriction (see Figure 2.6).34

FIGURE 2.6

MRI Scans From Jazz Improvisation

Building Entrepreneurial Habits

There are four tips to building new habits:

1. Start with a small habit.

Make the habit so small you can’t say no. Make the habit so easy you can get it done without a ton of motivation. Make the habit so small that you don’t have to psych yourself up each day to do it. For example, say you want to start a habit of doing push-ups every day. Start with 5 push-ups a day instead of 50 per day.

2. Increase your habit in very small ways.

After you start small, you need to gradually improve your habit. Even a 1% improvement can add up fairly quickly. With our push-up example, you could do five push-ups a day for a week, then go to six push-ups a day the following week.

3. As you gradually build up your habit, break the habit into small chunks.

It is critical to keep each habit reasonable. Why? You need to keep momentum going and to make the behavior as easy as possible to accomplish. When you get your push-ups to 20 a day, you may want to do 10 push-ups, twice a day. This makes it an easier physical and mental challenge.

4. Plan to fail.

The boxer Mike Tyson said, “Everyone has a plan until they get punched in the mouth.” Understand that you probably will get punched in the face at times and fail. But you need to realize that this is ok in terms of practicing your new habit. Research shows that failing to do your habit once has very little impact on the long-term progress of performing your new habit. Even the best performers fail. The difference is that the best get back on the horse, so to speak, and keep riding, keep trying to do their new habit. So, if you don’t have the motivation to do your push-ups one day, then don’t think, “I’ve missed one day; I might as well miss the whole week.” This is habit-defeating thinking. Instead say, “I missed today but it’s no big deal; I’m going to get back on track tomorrow and do my 20 push-ups.”

Now it’s time to apply the four tips to an entrepreneurial habit of your choice. This could be looking at problems with a growth mindset or looking beyond what you are supposed to look at, as in the Research at Work feature Study on Luck. It could also be getting out of your comfort zone once a day or once a week. It could even be getting more comfortable with rejection or perhaps learning one impressive new piece of information every day. The possibilities are limitless, so use your imagination.

What amazing entrepreneurial habit do you want to build?

_________________________________________________________________________

How can you break it down into a smaller habit? What are you committing to do this week?

_________________________________________________________________________

_________________________________________________________________________

How can you increase the habit next week?

_________________________________________________________________________

_________________________________________________________________________

Is the habit “chunkable”? In what ways?

_________________________________________________________________________

_________________________________________________________________________

Critical Thinking Questions

1. At what point will you feel the habit has actually become a habit?

2. At what moment did you experience failure, and how did the learning inform your next attempt?

3. How can you apply the tips for building a habit to also breaking a habit?


In other words, we have a brain that is designed to generate unpredictable ideas when the self-monitoring part is suppressed. As we have learned, developing an entrepreneurial mindset requires practice in the areas of self-leadership, creativity, and improvisation. However, all this practice is meaningless unless your mindset is geared toward action.
2.6 THE MINDSET AS THE PATHWAY TO ACTION

>> LO 2.6  Relate the mindset for entrepreneurship to entrepreneurial action.

The mindset is the pathway to action. There is no entrepreneurship without action, and the mindset is antecedent to action. As we have seen in the preceding sections, the entrepreneurial mindset requires the habits of self-leadership, creativity, and improvisation. These habits create an emotional platform for entrepreneurial actions. You can have the best idea in the world, but without a mindset with a bias for action, there is nothing—no new venture, product, organization, or anything else. Taking action is the only way to get results. Even the process of changing and expanding your mindset involves taking action through deliberate practice.

But taking action requires a degree of confidence and belief in our abilities—an attribute known as self-efficacy. Let’s take a look at how self-efficacy supports entrepreneurial activity.

Self-Efficacy and Entrepreneurial Intentions

There have been an increasing number of studies on entrepreneurial self-efficacy (ESE), which is the belief entrepreneurs have in their ability to begin new ventures. Self-efficacy is an essential part of the entrepreneurial mindset, and it is thought to be a good indicator of entrepreneurial intentions as well as a strong precursor to action. In fact, recent research suggests that entrepreneurial self-efficacy can enable the entrepreneur to more effectively confront demands or stressors and thus improve entrepreneurial performance. In other words, the research suggests that when we believe in our ability to succeed in something, we are more likely to actively take the steps to make it happen.

However, sometimes there is a fine line between self-confidence, self-efficacy, and arrogance. Arrogance leads a person to believe that he or she achieved success without help from others; further, the arrogant person may feel entitled to success and entitled to “bend the rules” to get ahead.

Kevin Plank, the CEO of the fitness apparel company Under Armour, believed in his vision so deeply that he invested all his savings—about $20,000—and took on an additional $40,000 of credit card debt just to fund the company. Thanks to his high degree of self-efficacy, Under Armour has taken in almost $2 billion in sales and has almost 6,000 employees.

Like many other factors of entrepreneurship, researchers have found that ESE can be heightened through training and education.

In general, research shows that people with high levels of self-efficacy tend to put in more effort, persist with an idea, and persevere with a task more than those people who possess low levels of self-efficacy. For example, The General Self-Efficacy Scale (GSES; see Table 2.3) was designed by researchers to assess the degree to which we believe our actions are responsible for successful results. It measures the belief we have in our ability to carry out difficult tasks, cope with adversity, persist in reaching our goals, and recover from setbacks.

The GSES has been used all over the world since the 1990s to measure the self-efficacy levels of a whole range of ages, nationalities, and ethnicities. It is thought to be an accurate way of testing self-efficacy levels. It consists of 10 items, takes 4 minutes to complete, and is scored on a range from 10 to 40; the higher the score, the stronger the belief in your ability to take action. Take 4 minutes and complete the scale.

Keep in mind that self-efficacy can change over time. The more you practice something, such as entrepreneurship, the greater the likelihood that your self-efficacy related to entrepreneurial action will increase.

The Role of Mindset in Opportunity Recognition

As our mindset grows and expands through practicing self-leadership, creating, and improvising, we are more inclined to recognize and create opportunities. In fact, Richard Wiseman’s study of luck, described in the Research at Work feature, shows us that people who consider themselves lucky are more open to recognizing opportunities.
TABLE 2.3

The General Self-Efficacy Scale (GSES)

| 1 | I can always manage to solve difficult problems if I try hard enough. |
| 2 | If someone opposes me, I can find the means and ways to get what I want. |
| 3 | It is easy for me to stick to my aims and accomplish my goals. |
| 4 | I am confident that I could deal efficiently with unexpected events. |
| 5 | Thanks to my resourcefulness, I know how to handle unforeseen situations. |
| 6 | I can solve most problems if I invest the necessary effort. |
| 7 | I can remain calm when facing difficulties because I can rely on my coping abilities. |
| 8 | When I am confronted with a problem, I can usually find several solutions. |
| 9 | If I am in trouble, I can usually think of a solution. |
| 10 | I can usually handle whatever comes my way. |

Response Format
1 = Not at all true. 2 = Hardly true. 3 = Moderately true. 4 = Exactly true.


ENTREPRENEURSHIP MEETS ETHICS

Family and Friends Along for the Ride

Switching to the realm of the entrepreneur means giving up the mindset of being an employee. Significant risks come with the change in lifestyle, and most notably, your steady paycheck disappears. For the avid entrepreneur, the risk to one’s finances are often calculated, but what of the risk to those who are financially dependent on the entrepreneur, or even those who will be financially dependent in the future?

Conventional wisdom states that 9 out of 10 startups will fail (although the jury is still out on the accuracy of that number), and with such a high risk of failure, entrepreneurs face the daunting prospect of bankruptcy and poor credit before the businesses even take off. Taking precautions against the possibility of failure is a necessary step for any entrepreneur. Before beginning, it is important to decide just how much personal investment an entrepreneur should commit to, whether by using family savings or taking out loans.

It is easy to overlook the heavy financial risks for young entrepreneurs who have nobody financially dependent on them. But, the financial ruin of a failed venture has the capacity to follow an entrepreneur for many years to come. A poor credit situation and accumulated debt can take a toll on any future partner or child.

On the other side of the issue, perhaps financial stability and security do not build the strongest families. Children who grow up with an entrepreneur for a parent might develop a stronger ability to overcome adversity and cope with hardship. Although the situation may be difficult in the short term, those children could grow into stronger adults.

Critical Thinking Questions
1. How much patience should a spouse, child, or anyone financially dependent on an entrepreneur be forced to have during dire financial situations? How many failed ventures are too many for them to endure?
2. Is it fair to risk your family’s financial security to pursue a dream?
3. Are the benefits of being an entrepreneur worth the heavy risk involved? Is the probability of failure too high to bet a family’s future upon?

Sources:
Think back to how Franklin Yancey started his original business, College Comfort. Alongside his friend John Hite, he identified an opportunity to make more comfortable stadium seating at a lower price than the competition by simply observing how the product was used. Through creativity and improvisation, both men succeeded in providing high-quality cushions to the sports and entertainment industry.

It is so easy to miss opportunities if we are not in the right mindset. Yancey and Hite could just as easily have casually exchanged remarks about the drabness of the seat cushions available and then simply moved on to a new topic of conversation, forgetting all about their initial observations. Even worse, one of them might have pointed out the opportunity to design new cushions, but the other could have discouraged him from persevering with the idea by saying that creating a new set of cushions would be time-consuming, expensive, and so on. Fortunately, both men were in the right mindset to identify a need for practical seating cushions and to support each other in their pursuit of the goal.

As we have explored, in order to develop an entrepreneurial mindset, we need to recognize its importance and consciously take the steps to nurture it through the practices of self-leadership, creativity, and improvisation. Working on those areas helps build higher levels of self-efficacy, which give us the confidence to create, share, and pursue our ideas. By building an entrepreneurial mindset, we are better able to identify exciting opportunities and to take action to begin new initiatives, start new businesses, and create new products and services. A continuously improving mindset is the key to successful entrepreneurship.

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SUMMARY

2.1 Appraise the effectiveness of mindset in entrepreneurship.
Part of the Entrepreneurship Method is having the right mindset (or mental attitude) to start and grow a business. Entrepreneurs who have the right mindset are more likely to persist with ideas and act on potential opportunities.

2.2 Define “entrepreneurial mindset” and explain its importance to entrepreneurs.
An entrepreneurial mindset is the ability to quickly sense, take action, and get organized under certain conditions. Of the two mindsets proposed by Carol Dweck, the growth mindset represents a fundamental belief that failure is something to build on, and a learning mindset is essential for personal and professional growth.

2.3 Explain how to develop the habit of self-leadership.
Self-leadership is a process of self-direction that is developed by using behavior strategies, reward strategies, and constructive thought patterns.

2.4 Explain how to develop the habit of creativity.
Creativity is defined as the capacity to produce new ideas, insights, or inventions that are unique and of value to others. Developing the habit of creativity requires engaging in new experiences, making new associations, and letting go of fears and insecurities.

2.5 Explain how to develop the habit of improvisation.
Improvisation is the art of creating without preparation. Improvisation is recognized as a key skill not just for budding entrepreneurs, but for business practitioners of all types. Developing the habit of improvisation requires practice to quickly adapt to changing circumstances, think on your feet, and build on the ideas of others.

2.6 Relate the mindset for entrepreneurship to entrepreneurial action.
As entrepreneurship demands practice to achieve success, the right mindset is necessary for that practice to be successful. When people believe they can succeed, they’re more likely to pursue the right activities to make that happen.
Maliha Khalid, founder and CEO, Doctory

Before the inception of Doctory.pk, Maliha Khalid was accustomed to the regular routine of having a stable job in the corporate sector; however, she eventually found her work to be unfulfilling. “Sending emails to people on the same floor did not seem like the best way to spend the rest of my life,” she recalled. She needed to see the impact of her actions. And her journey began. . . .

“The context in which we are working is of deprivation. There is still a large number of people in Pakistan that do not have access to proper health care,” says Ayyaz Kiani, one of the three cofounders and CHO (chief health officer) of Doctory (www.doctory.pk), a platform that connects those with little or no access to the appropriate doctors, resources, and health care specialists all throughout the country of Pakistan. Maliha Khalid, the cofounder and CEO of Doctory, says, “Pakistan is a diverse country in terms of the socio-economic backgrounds of the health care consumers and in terms of diversity in geography and languages. There are a lot of people who cannot access quality health care; primarily due to financial reasons and the lack of access to the right information. This wide range of population belong in different categories and have different needs and Doctory is working towards serving them all.”

Doctory’s service aims to improve access among these people. It provides a free database of doctors segmented based on specialization and location on their website. People can look for a doctor or a specialist in their locality and reach out accordingly. However, 70% of the population live in non-urban areas and need to navigate unfamiliar territory to obtain health care. Doctory points toward the fact that because every person in the country has a mobile phone with an SIM card installed in it to call Doctory health centers, services such as food delivery and cab hailing have been able to take advantage of this. However, delivery of basic services such as health has been quite late in this regard, which seems quite surprising. By taking several doctors on board, Doctory has been able to tap this market by providing consultation services to the common person on the phone. The service is free of charge and doctors answer phone calls 12 hours a day for 5 days a week.

Public health indices data (regarding health indicators created and measured by the WHO wing of the UN) of Pakistan are not particularly favorable when compared to public health indices of its South Asian counterparts. Mother and infant mortality are pretty high even when the average income is steadily increasing. The rising middle class in big cities has also led to many big “5-star hospitals” opening up for those who can afford them. People travel long distances to cities like Islamabad (the capital of Pakistan) to get quality treatment. However, not everyone can afford to travel or use the services of these hospitals.

“There are three reasons why people don’t go to doctors for treatment. One, they don’t have the money required to access hospitals—they can’t afford the trip, the fees of the doctor, the medicines. Two, people live in far-flung areas and health services networks set up in the early 1980s are now dysfunctional. You might find a primary health center in these areas but with no doctor or medicines. Lastly, people prefer to go to a religious or a traditional healer as doctors speak a difficult language,” explains Ayyaz.

Lack of trust in the system is another hurdle. When Maliha was 17, she suffered from a mysterious series of symptoms. However, arriving at the right diagnosis of her condition was a “long and frustrating experience.” The lack of information became a hurdle in her way of getting an adequate diagnosis. Even the information that she received from her personal network was incomplete and sometimes outdated and irrelevant. Each consultation with the doctor led her to another doctor resulting in more questions than answers. Maliha believes she is not alone in her experience, which causes millennials in Pakistan to avoid doctors altogether.

Maliha’s journey into health care started with some insight from her uncle, Ayyaz Kiani. Having worked in consumer protection for a better part of his professional life, Ayyaz asked Maliha for her feedback on a consumer protection model in health care adopted from the United States (something similar to ZocDoc). She found this intriguing and started discussing this with her family and friends in order to understand the problem better. She was not only able to relate to her own experience but every new conversation got her more excited about solving this problem of access to health care professionals and resources.

“When we started, we never thought that this was going to be a startup or a social enterprise. We just started one day because we knew that there was a need and that we needed to work on it. It then turned into a
social enterprise. It was exciting to imagine using technology to work for common good and solve a real-world problem,” says Maliha. She cofounded Ezpz Sehat with Ayyaz in August 2014 with the vision to allow for informed decision making for those seeking health care.

Ezpz Sehat was aimed at addressing the problem Maliha had faced when she was unwell; it was a database giving details of all doctors in the vicinity along with a system to provide feedback on the services provided. It aimed to bridge the gap between doctors and patients by improving the quality of information provided. Maliha strived to address the disparity between the access to health care and the population distribution in Pakistan, and the culture that surrounded seeing health care services. “It is common in Pakistan for patients to visit specialists instead of General Physicians to seek consultation. Since people don’t necessarily know what they need, they usually spend 80% of their time and money looking for the right doctor (usually the sixth doctor they meet),” Maliha explains. This approach found its roots in the lack of trust in public health services, making access to private health care very important. Maliha and Ayyaz are working to address the problem of accessibility and affordability through multiple prototypes they built over 3 years.

However, they ultimately realized that a technology product, such as a mobile or web app, would likely alienate a big portion of the population that were not comfortable browsing on the Internet. It was around this time (March to April 2018) at a startup accelerator program in Berlin that they met Mike Lavigne, the third cofounder and CPO (Chief Product Officer) of what then came to be called Doctory.pk. Having been the cofounder and CPO of Clue, a health app for women all over the world with over 10 million downloads, Mike had research, product design, and development experience that could prove crucial to Doctory’s technological development.

The focus of Doctory shifted from not only providing access to information but providing access to high-quality health care while improving accountability. It aims to serve those people that are not properly served. With pockets of the populations not being able to afford even $0.70 in doctor’s fees to treat their child, the team at Doctory demand accessibility to all. In the future, the team would also like to leverage the platform to review the services being provided by doctors. They believe that these reviews could be effective in altering the level of service provided by doctors as well as build greater trust between patients and doctors. “Once doctors and health care providers know that reviews might affect careers and business, it might affect their operations for the better,” says Ayyaz. “If the doctor’s practice suffers because of the negative comments received, he/she is likely to be motivated to provide a better service to the consumer. This sense of responsibility and empowerment of the consumer might help transform the industry for the better.”

Since November 2017, Doctory has received a great response from its customers. Its first interaction with the market was through being featured on a radio program in Pakistan. The market reaction exceeded expectations. They received 500 calls the day they went on air, a busy day for the one doctor that they had employed then! This was a good start for Doctory and it has grown extensively by word of mouth, except for the occasional SMS campaigns. The number of calls received in the first 4 weeks was around 6,000. Doctory now employs six doctors who take calls based on their availability. Usually, a call is transferred to a doctor within 5 minutes. The act of talking to a professional over the phone not only provides the necessary counseling but even helps the patients navigate the health care system in Pakistan. Through their experience, the team has learned that 60–70% of all calls received usually require nonpharmaceutical remedies and that a simple conversation can help fix the problem. Their trained doctors provide valuable, accurate, and relevant advice for their patients’ health concerns—everything from advice on the common cold, to diabetes, to sexual health.

Doctory’s vision is one of creating maximum social impact. The databases of doctors are available for free online and are expected to remain free in the future. In the long run, Doctory is looking to provide a host of paid services, including concierge services to help generate revenue to fund the business while reaching as many people in Pakistan as possible. All in all, the people at Doctory have found their experience to be humbling. They are able to successfully direct their callers in ways that have not only saved patients money but also helped them avoid unnecessary medical procedures.

Maliha is very optimistic about the role the next generation can play in shaping the world as we know today. She says, “Millennials can create that impact and change that is needed to take the world to the next level!”

**Critical Thinking Questions**

1. In your own words, how would you explain Maliha’s entrepreneurial journey?
2. In what ways does Maliha Khalid’s approach to life exemplify the entrepreneurial mindset advocated in this chapter? Does her approach differ in any ways?
3. Can you think of limitations you are placing on yourself that may be restricting your ability to achieve your goals? Name some specific examples.
4. How can you apply an entrepreneurial mindset to your life to help you break through these limitations in order to reach success?

*Source: Maliha Khalid and Ayyaz Kiani (interview with the author. January 15, 2019)*
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