

## To Innovate You Need to Make Your Own Rules

By Harrison Barnes

One of the benefits of being an outsider is not being weighed down by the same social mores, rules, customs, and other restraints as the dominant group. Throughout history it has often been outsiders who have made the greatest inventions, innovations, and breakthroughs and achieved the most in their lives. In business, people like Mark Zuckerberg and Bill Gates were both outsiders. In Germany, Albert Einstein was an outsider. Barack Obama was an outsider. Each of these people operated by their own set of rules.

When you find someone who has been wildly successful at something, the odds are that he or she has been an outsider at some point, operating by his or her own set of rules. In the United States, this may mean the person comes from a different country, ethnic group, region, or social class than the dominant group of people in the country.

It may also mean that the person does not "fit in" with others.

More important, it means that the person feels free to play by a different set of rules than the "in crowd" and, consequently, sees things in ways that others do not.

It might also mean that the person has interests that are different from others at that time in history. Someone with Hugh Hefner's interests, for example, would certainly not attract as much attention, fame, and notoriety now as Hefner was able to attract by being different in the 1960s. This is what it means to be an innovator and a leader.

If you are going to achieve anything monumental in your life, you must realize that you can only reach your full potential if you make the decision that you will not be controlled by rules created by others. To the extent you spend your time and effort looking for rules and the way things "should" be done, you will likely limit yourself to mediocrity and competing with many instead of few. The better you become at ignoring standard rules and spending more time doing what makes sense to you and what takes you forward, the better off you will be.

Most people, groups, and others who try doing things a different way are invariably met with negative commentary. To succeed you need to make a commitment to doing things differently despite whatever negativity you hear. However, acting in the face of these negative comments is often the most difficult thing for people to do. Very few people have the courage to act differently and stand out from the group. It is the skill of doing things differently, though, that is often most likely to get you ahead.

Why is it so important to do things differently? The reason is that nothing is proprietary. Every way of doing things will be copied. If everyone is copying each other and doing something a certain way, there is going to be more competition for fewer resources and opportunities. It will be harder to stand out and make a good living. It will be more difficult to be the best.

When I was younger, I was an asphalt contractor. One niche in this industry was to fill cracks on asphalt roads for the state or city. A lot of people did not like doing this work because it took months to bid on projects. If you bid on a job for \$100,000, for example, it might take a city six months to pick you for the project. Conversely, you could do asphalt paving for businesses or homes, a niche in which you would get paid quicker and there was always a lot of work to go around. Nevertheless, because there was more work in asphalt paving, it attracted more competition for the jobs, which drove the prices down. Still, because people could get paid sooner they were more likely to be interested in doing asphalt paving than filling cracks.

Asphalt paving required large machines and a large staff, and there was a consistent way of doing the work. Everyone in the asphalt community knew how to do asphalt paving, and there was an established business model and culture of this work that had been around seemingly forever. For my business, I decided to try filling cracks. There was a machine you could purchase for around \$40,000 that would melt bricks of tar to do this work, and by a fluke of luck, I found and purchased a used one for \$10,000. Before I knew it, I was making \$5,000 a day when I went out with the machine.

One day, I met another guy who was doing this hot-tar crack work professionally, doing roads and so forth, and he was rumored to be doing at least \$100,000 a week in business—making over \$1 million a year. He had been an asphalt contractor but had moved into this hot-tar crack-filling work some time ago. He had no education to speak of and was simply going around doing this work. He kept to himself and did not want people to know about his business for fear they would copy him. He kept a giant warehouse with supplies in the middle of nowhere so he could keep a low profile from competitors.

When I was a contractor I met lots of people like this—people who did exceptionally well doing things differently, in ways that were not necessarily the traditional or expected way. For example, one day I met a guy who ran a crematorium, burning bodies for funeral homes.

"How did you think of that business?" I asked him as I stood talking to him in the driveway of his 10,000-square-foot house overlooking the water.

"I owned a funeral home and realized I could make multiple times more money, with less staff and hardly any overhead, doing this. When I sold the funeral home I had been working seven days a week, had at least 20 people working there—some quite highly paid. I also had lots of inventory (caskets) and other expenses. Now I only have three low-paid employees, cheap real estate, no inventory, I never need to go to work, and I make way more money."

The man told me how his father had owned the funeral home that he sold. Had this man not decided to do something different and look at the world differently, his life would have never changed as it had.

When I got to law school, I could not believe how many talented people were competing for the same jobs. Top law schools churn out thousands of students a year competing for scant resources and jobs. There is little security in the profession and everyone is after the same thing. It is difficult to make a living if you are playing by the rules of everyone else. In fact, if you

do this the odds are pretty good you won't have much success at anything.

When I saw all of these law students competing for jobs, grades, and resources, I always thought to myself: They should be doing hot tar work! They should be opening crematoriums!

I do not mean this in the literal sense; however, I felt that they were putting themselves into situations with too much competition for too few resources and opportunities. Why not maximize their skills in an area where they were unlikely to have to compete with as many people? Why not try something different?

The only way to stay ahead in your career is to be an innovator and play by your own set of rules. It is okay to emulate people. It is bad to copy people. Plagiarism is simply wrong. Innovation is the best.

The year before I graduated from law school, a couple of students who were getting ready to graduate were kicked out of school just days before graduating. They were taking a class in legal research taught by the head librarian in the law school. Computers were just starting to be used to go online at the time and the librarian had recently figured out a way to check all the students' papers for plagiarism using some computer program. The librarian discovered that two of the students had copied, word for word, a few lines from the footnotes of a book. The students were expelled and their legal careers presumably ruined.

For some reason this episode has always stuck with me, due to its irony. Despite the fact that these students were being programmed to be just like every other student graduating from law school (expected to be going to large law firms, live a predictable middle-class life, and so forth), this one type of copying was something that crossed the line. The fact that these students may have gone on to live their lives as a carbon copy of other attorneys' lives was not a crime—while plagiarism may have ended their careers. This just goes to show that plagiarism is one of the life's rules that you cannot rewrite.

How much of your life is a copy of someone else's life—or some other group's life? I would say that this is one of the greatest crimes you can commit. If you copy the lives of other people you are going to have a very difficult time ever reaching your full potential.

Another thing that caught my attention about this episode is how close to the edge many people live their lives. Imagine having a great academic career and working hard all of your life only to be stopped for this one infraction. These kids' poor judgment got them kicked out and halted their chosen paths. That is how close they were playing to the edge.

In terms of playing by the rules of society, many people operate close to the edge. The danger is in getting too close to the edge so that one slip results in a major fall. The better strategy is to innovate. That is where true victory lies. To innovate, you generally need to ignore rules and be different, and you have to always know where the edge is.

Recently, I was reminded of the plagiarism episode when I read a story about how Warren Buffet's top employee resigned at the same time an announcement came out that alleged he had profited off of information he gained during the course of his job. Apparently, nothing was illegal in what he did—it is just that this is not something he was supposed to be doing as part of his job. His reputation has been permanently ruined, and he will certainly never step into Warren Buffet's shoes when Buffet retires. This is an example of someone crossing the line, when he should have been innovating. For this man, the line was blurred.

These sorts of stories are extremely common and something that we hear about on a daily basis: people competing in ways that society judges to be unfair. It could be Barry Bonds taking steroids or Microsoft's antitrust lawsuits—regardless of what it is, announcements come out on an almost daily basis about celebrities and others caught breaking the rules and competing in unfair ways. Instead of innovating and doing things differently, these people broke the rules.

The rules of competition are incredibly important in our careers and lives. How we confront these rules and whether we listen to them or follow them can make a tremendous difference in whether we succeed or fail in life. There are both written rules and unwritten rules. The unwritten rules sometimes have more social pressure associated with them than the law. That said, there are (1) rules we can violate, (2) rules that we can maybe violate under certain circumstances, and (3) rules that we simply cannot violate.

The pressure to follow rules, whether written or unwritten, comes about due to social and societal pressures—and also legal pressures. You should never break the law in anything you do. People who break the law almost always get caught, and the results of this are never good. The biggest decision you face in your job and in your life is whether or not you are going to break unwritten rules. Deciding to break unwritten rules may be the best thing you can do for you career and life—if you are innovating in the process.

One of the constant stresses in the world is the pressure we face to be less than we are capable of. We may face this from parents, bosses, or others through rules associated with our professions, social circles, and more. In fact, this pressure is around us at all times. Much stress and pressure in our lives comes from people telling us which rules we should be following. But these rules can be unreasonably limiting. Unless you innovate beyond these rules, you are likely to constantly be limited.

You are the one who makes the rules for your life. Not your boss. Not your spouse. Not your parents. You. These people may want to believe that they make the rules for your life but, in reality, if people are making rules for you they are only doing this so that they can control you. You need to decide the game that you are playing. You will always have a difficult time innovating if you allow yourself to be governed by others' rules.

Think about the relationships you have been in and how unwritten rules have governed them. I was once in a relationship where if my closet was not perfectly organized, I was considered a bad person and there would be relationship turmoil and stress. This carried over to organization of items in the medicine cabinet and all sorts of rituals for how dishes were to be washed and put away. I am not being critical that these rules existed in the relationship—or the person who made them. Some men may have thrived under such rules. Nevertheless, these rules made me extremely unhappy. Without these rules and in a new relationship I was much happier. In fact, it was like night and day.

Can you see how these sorts of rules impact our lives and careers? If we live under these rules they can make us unhappy and they can have a profound influence on our level of success.

In one of my first jobs, I worked for an attorney who discouraged any form of creative thinking. This attorney required perfect spelling and punctuation and discouraged creative thinking. I was criticized harshly for creative legal thinking and did not do well in the job.

In my next job, creative thinking was rewarded profusely. I was given bonuses for my way of thinking and publicly praised in

e-mails to the entire staff.

Two separate jobs, same person—but different rules.

Why in the world would you allow yourself to be less than you are capable of? Why would you allow the same effort you are putting into something result in fewer accomplishments? You would never do this knowingly—you just do not know otherwise. You need to ensure you are constantly getting the highest and best use from everything that you do. You cannot do this if you are operating under the wrong set of rules.

Deciding the game you are playing and making your own rules is transformative. When you make up the rules of the game, you can give yourself all the advantages that you want. You can change the rules when you want to. You can play when you want to. You can give yourself the advantage.

In everything you do, you should be getting the maximum reward from every action that you take. You want each piece of effort to lead to the greatest possible result. If you innovate and do things differently, you can provide more value than others and get a greater reward. You want to receive the most reward from the least effort and the least risk. This should be your goal in everything that you do.

Several years ago, our company had two offices in Newport Beach, California. One of the offices was in a building filled with small-time mortgage companies who were busy writing mortgages and similar things. Despite the fact that these men were all from competing companies, they socialized together to some extent. I heard the people running these small companies were doing exceptionally well. They drove flashy cars and were living well. Then, all of a sudden, the mortgage market came crashing down and stopped all of these small businesses in their tracks.

From what I understood, many of the men running these little mortgage companies all lived in multimillion-dollar homes, and their income streams suddenly stopped. What was so interesting about this is what happened next. The men exchanged information among themselves, and within a few months they had completely transformed their businesses. Instead of doing mortgages, they were now marketing debt consolidation and mortgage modification services to people—and they were making even more money than before.

These men innovated, changed the rules, and competed on a different playing field. I found this example inspiring because the men were able to come out on top of what for many people ended up being a massive career setback. They did it as a group—which also goes to show that you do not need to innovate alone. You can make better rules with the people around you as well.

In your life and career, you have absolute control over the rules. You can only take charge of your life when you realize that you are the one who makes the rules. You should never copy others and, instead, should innovate. In innovating, do not cross the line or do anything unethical. Just realize the importance of thinking differently and creating and living by rules that benefit you.

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