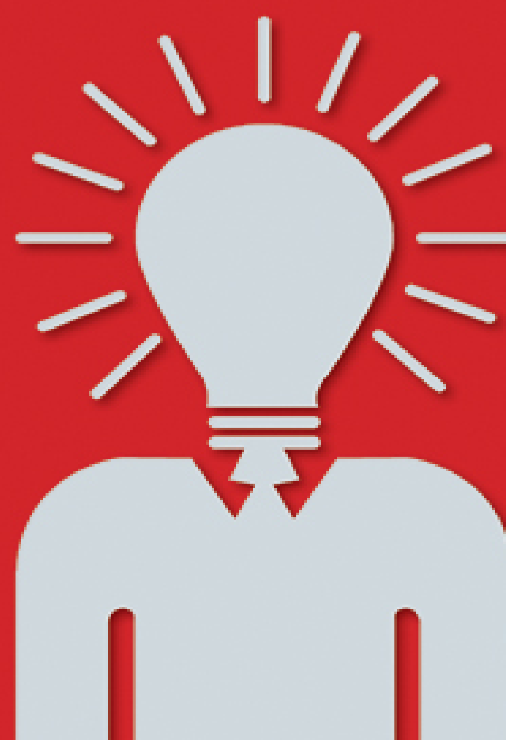
DOUGLAS KRUGER

Is Your Thinking Keeping You Poor?

50 WAYS THE RICH THINK DIFFERENTLY



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To my sister Lauren, the best living example I know of excellence over victimhood. Lol, there are few who shine as brightly as you do. You make me proud every day.

There is only one class in the community that
thinks more about money than the rich, and that
is the poor. The poor can think of nothing else.
– Oscar Wilde

One way to help the poor is not to be poor.
Help yourself so that you will be in a position to help others.
– Bishop Noel Jones

For as a man thinketh in his heart, so is he.
– Proverbs 23:7

Don’t think poor

I do not choose to be a common man,
It is my right to be uncommon … if I can,
I seek opportunity … not security.
I do not wish to be a kept citizen.
Humbled and dulled by having the
State look after me.
I want to take the calculated risk;
To dream and to build.
To fail and to succeed.
I refuse to barter incentive for a dole;
I prefer the challenges of life
To the guaranteed existence;
The thrill of fulfilment
To the stale calm of Utopia.
I will not trade freedom for beneficence
Nor my dignity for a handout
I will never cower before any master
Nor bend to any threat.

It is my heritage to stand erect.

Proud and unafraid;
To think and act for myself,
To enjoy the benefit of my creations
And to face the world boldly and say:
This, with God’s help, I have done
All this is what it means
To be an Entrepreneur.

– Dean Alfange, US politician and economic commentator, 1950

INTRODUCTION

Poverty is *so* Dark Ages!

In his book *Why Africa Is Poor: And What Africans Can Do about It*, Greg Mills declares that '[p]overty is now optional'.

What a staggering idea: there is no reason for Africa, or Africans, to be poor.

Mills argues that our continent is richly blessed with resources and the hard-working labour forces to exploit them. It is no longer prevented from self-governance by colonialism, nor has it been for some time. In fact, it receives aid and trade assistance from the rest of the world. For business owners and entrepreneurs, Africa is, in some ways, an almost ideal market. There is great need and desire for growth, coupled with relatively low levels of regulation – an entrepreneur's paradise. A great many people have realised this, acted differently from the norm, and become fabulously wealthy as a result.

Most importantly, there is no end to the economic models that have worked – dazzlingly – across regions like Asia, from which to pick and to emulate. African governments could simply copy them. Their nations *would* prosper. We know the systems work.

So, why the poverty? Why the continued, clichéd news footage of children with ribs showing and flies on their faces?

Sad to say, Mills's research shows that the answer comes down to one thing: African leaders.

Mills asserts that they are the sole reason for the continued poverty of their nations. Every African nation is different in a myriad of tiny ways, but the overarching themes are remarkably similar: leaders hoarding wealth from state coffers, pouring money into guns, focusing on crushing 'undesirable' minority tribes rather than on building nations, investing little to nothing in infrastructure, borrowing money from the International Monetary Fund and then stealing it, thus ensuring that an already impoverished nation only gets further into debt. Repeat.

Perhaps most important, observes Robert Calderisi in his book *The Trouble with Africa: Why Foreign Aid Isn't Working*, is one interesting element: how Africans are taught to view themselves. In every other post-colonial country in the world, citizens are taught to believe that they have *overcome* colonialism, and that they are glorious victors. In Africa, uniquely, post-colonial citizens are raised to believe that they are *victims of* colonialism, and that they are still suffering.

That's a big difference in thinking. It contains within it the seeds of greater poverty.

In Asia, the belief is: we have risen above!

In Africa, the belief is: we are victims of …

Both views are technically correct. They are only a choice of mindset. But one choice of mindset leads to prosperity, while the other leads to poverty. As a man thinks in his heart, so is he.

In the interests of our own financial futures, we should choose our mindsets very, very carefully.

Part I:

Rich isn't normal

CHANGING YOUR MINDSET

My goal is to alter your mindset regarding work and wealth radically. Why do mindset choices matter? Because being rich is not normal. The very word ‘rich’ describes someone who has greater resources than the median – someone whose life is abnormal, even extraordinary.

In South Africa, some 12 million people live in extreme poverty, according to Statistics South Africa’s 2015 report. That’s about 20 per cent of the population. Over 53 per cent are living under the broadest definition of poverty (which means not extreme poverty, but, in simple terms, ‘poor’). More than half of the people in our country qualify as poor.

No, rich certainly isn’t normal and, to become rich, you will have to think and behave in ways that are not normal to those around you. You will have to become a philosophical rebel.

In *How to Be a Billionaire: Proven Strategies from the Titans of Wealth*, author Martin Fridson writes:

> Most of the self-made billionaires are mavericks […] Group thinkers have not cracked the Forbes 400 in significant numbers for one simple reason: Doing the same thing in the same way as everyone else is decidedly not the way to overcome the leveling effects of competition.

To become wealthy, you will have to be a dissenter, a risk-taker, an outsider, with all the initial difficulties that a life lived against the grain entails, but also all the rewards that ‘normal’ thinking will never generate.

Given that it’s scary to depart from the norm – to think differently from your tribe of people – you may already be experiencing some anxiety about what is in store for you.

Allow me to alleviate some of your fears. This is not an economics textbook. It will not delve into the terrifying waters of hedge funds, portfolios, investments and equities and the sort of financial tools that cause most people to feel insecure (*Why don’t I know about those things?*).

It will not be especially political, although I will spend some time showing why socialist and collectivist systems tend to make nations poorer, not wealthier.

Instead, it's simply about the differences in thinking between rich and poor. It's about discovering the different ways of behaving that will lead to either wealth or poverty, and it's about attempting to drop the bad behaviours and start using the good ones.

As a man thinks in his heart, so is he. If you believe these words, then there is a simple fork in the path for you: thinking like a poor person will keep you poor. And let's say it outright: thinking like *most* South Africans will keep you poor. Thinking like a wealthy person will make you wealthy. This will entail thinking *unlike* most South Africans.

I would like to show you exactly what those differences are and how you can use them in your favour.

THERE IS NO SINGLE SOLUTION: IT'S ABOUT YOUR ARMY OF IDEAS

There is no single solution to wealth. I'm not going to tell you that the only path to prosperity is to buy property, or that the only path to wealth is (heaven forbid) to join a network-marketing group. Instead, thinking like a rich person implies having a range of ideas and philosophies, all working together.

But this does not mean that the path to wealth is vague, or incomprehensibly convoluted, or that I will be offering you little more than a collection of generalised aphorisms or feel-good slogans. Real wealth creation may require a range of ideas, but these ideas are specific and concrete. Some will not feel good. Others may jar your current world view. But I aim to provide you with exactly the information that you need.

To that end, would you like to know the primary wealth secret of the past two centuries' richest human beings? It's reasonably simple:

Sell something that is needed, in a market that is growing, and prevent anybody else from doing the same.

It doesn't sound very politically correct, does it? But it is certainly true. That's what made people like John D. Rockefeller richer than most humans who have ever lived. The same principle, with a few variations, made Bill Gates the richest man alive today. His software may not always be technically superior to that of his competitors, but he has made it so difficult for competitors to enter the market that his company has become something of a natural monopoly. Monopolies are a major wealth secret. Have you ever been told this?

Before we are done, I will tell you many more things that may surprise you. But don't worry, you *can* become wealthy and still go to heaven. Effective, modern wealth principles are not evil. In many ways, they depend upon how much good you do in the world – how much value you add to it.

Just as there are different levels of wealth, there are different principles for getting to these levels. In each case, I will share them openly with you. Perhaps you *do* want to be the next Rockefeller, holding the world in the grip of your monopolistic empire, but maybe you don't; most people just want to find out how to add an extra zero to their annual income, and don't imagine becoming multibillionaires.

We will explore the full range of ideas used at every level of wealth. Some of these ideas may be easy to implement in your life immediately, while others will take more sacrifice (building a multinational monopoly, for instance, is incredibly difficult: it works, but it's hard).

The more of these types of thinking you add to your arsenal over time, the greater your total capacity for becoming wealthy. Use one or two of these ideas effectively and they will positively impact your life and help you to grow your wealth. Master them all, and you will become unstoppable.

A WHOLE LOT OF 'YES, BUTS …'

Here is the problem that I face. I am going to have to present you with a lot of 'Yes, buts'. For example, I will tell you:

- *Yes*, it's important to save, *but* saving does not fast-track wealth.
- *Yes*, formal education is important, *but* it won't make you rich.

- *Yes*, it's important to create new things, *but* merely coming up with great ideas won't make you rich.
- *Yes*, debt is bad, *but* it may be necessary to create wealth.
- *Yes*, it's important to portray success, *but* taking a selfie while holding an expensive bottle of whisky isn't going to get the job done.

Now, here's the danger: that you will read these ideas and conclude that saving isn't important, education doesn't matter, inventing new things isn't a path to wealth, debt is bad, and portraying success doesn't matter.

These ideas *are* important. However, they are not the complete answer. Your path to genuine wealth requires a mix of tools, philosophies and formulas. In some cases, such as creating new things, there is more to the picture.

I know many people who are walking fountains of great ideas. Some of their ideas have even made it to market and are making money. But they have not personally retained ownership, production and retail rights to their ideas; so, even though they are brilliant inventors, they have not become rich. Instead, the people selling their ideas have become rich.

I am going to have to ask you to tolerate quite a few 'Yes, buts' and not to interpret them to mean, 'No, don't bother'. Becoming rich is not incomprehensibly complex – but let's be fair, it's not child's play either. You can master it, but you need to see the full picture to do so.

THE STATE VS YOUR WEALTH GOALS

In Africa, leaders have been identified as the primary problem that holds entire nations back. In fact, as I write, my TV is tuned to CNBC Africa, and the newsreader is announcing that six of the world's 10 most corrupt countries are in sub-Saharan Africa.

Governments in general – even good ones – are a problem when it comes to wealth. In *Equal Is Unfair: America's Misguided Fight Against Income Inequality*, authors Don Watkins and Yaron Brook cite study after study showing that when governments regulate industries, general prosperity decreases. When governments remove restrictions, prosperity (and innovation) greatly increases. One of the greatest examples of this dynamic was the economic boom in India that followed a broad repeal of restrictions in the 1970s and 1980s. India began to blossom when the government simply got out of the way.

So, governments in general can be a hindrance to wealth. But corrupt governments in particular are catastrophic wealth annihilators.

Can we solve the leadership problem in this book? No, but we don't have to. We have a different focus here: you. We are not concerning ourselves with how to fix poverty across the continent – just in your home.

Yes, our leaders may be dismal. Many are demonstrably corrupt, which has a direct effect on our economy (remember the day in 2015 when President Jacob Zuma announced the replacement of our finance minister, and our economy lost R40 billion overnight?). But we still don't have to be poor, unless we choose to be.

I take the finding that poverty is optional a step further: if you arm yourself with the correct thinking, you can be wealthy *in spite of* the poor leadership around you. You might even see opportunities in it.

This, then, is the first important message of this book: divorce your ideas about wealth from anything and everything to do with dependence upon your government. *Do not* count on those in power. They are a source of poverty perpetuation; to rely on them is to set yourself on a certain and predictable path to poverty. They are no friends of your wealth aspirations.

Separate the fate of your finances from any notion of state aid. Take total ownership over your wealth potential as a thinking individual. If you want to be rich, *you* will have to make yourself rich. Your mind, your efforts, your responsibility. You are the captain of this ship, and you cannot afford to sail a course set by the state.

Yes, you live on a continent that is largely hamstrung by its leadership. But it's also a continent that is home to a number of US-dollar billionaires and even greater numbers of millionaires. If you are not dependent on the leadership, the leadership doesn't matter. There is wealth in abundance for Africans who choose to be wealthy, and who choose to think in wealth-generating ways.

Let's identify, explore and internalise what those wealth-generating ways of thinking may be. Welcome to a different course for your life: to a dismissal of political correctness and mainstream ideas, and a radically different way of thinking.

SAME SCENARIO, DIFFERENT WAYS OF THINKING

Consider this: the primary difference between the rich and the poor does not lie in the wallet or the bank account. It lies in the *mind*. The results merely show in the bank account. The thinking always comes first.

When two of history's richest-ever individuals, the aforementioned Rockefeller and Gates, were young and unknown, they reportedly told their classmates and friends often that one day, they would be really, really rich. In *Wealth Secrets of the One Percent: A Modern Manual for Getting Marvellously, Obscenely Rich*, author Sam Wilkin details the lives of these two giants, along with a handful of the richest individuals in human history. One common factor was their belief that they would be extremely wealthy someday. This drive appears to be a necessary part of the mindset of the people who ultimately make it.

Here are some of the other mindsets that history's multibillionaires shared:

1. They had hard-driving personalities and didn't believe that obstacles represented full stops.
2. They found ways to change scenarios that didn't suit them. If infrastructure was lacking, they built it. If laws were prohibitive, they got the laws changed. They were willing to alter the rules of the game to work in their own favour.
3. A surprising number of them played poker, and loved games of strategy.
4. They were capable of keeping their master plans to themselves, even as they carried out deals and strategies in the public arena – deals that helped them to achieve those master plans.

5. They viewed life as a kind of game. Numbers were the scorecard that merely reflected how they were doing. They were fascinated by increasing their own numbers: the amount of wealth they had accumulated, the number of sales they had made, the number of businesses they had bought, etc. Many did not love money itself, but derived great satisfaction from these numbers.
6. They benefited from a combination of luck and industriousness. The luck came from being involved in the right industries at the right time, but wasn't sufficient on its own. They also had to spot opportunities and work extraordinarily hard to realise them. In other words, they didn't become lucky while sitting on their couches eating Pringles. They became lucky while deeply im-mersed in their work.
7. They were risk-takers, willing to bet on themselves and on the success of their own ventures.
8. They were dealmakers, seeing a bigger picture and negotiating their way to success, always fighting for their own interests.
9. They were not sentimental about the past, but optimistic about the future. They didn't yearn for the way things used to be. Instead, they genuinely believed that their own stories were on the way up. They were, in other words, creators of their own fate.

These are some of the common mindsets of humanity's great multibillionaires. There are gentler versions of these mindsets at every level of wealth. Right at the bottom of the wealth pile, among poor and working-class families, the prevailing mindsets tend to be very much the opposite of those detailed above, and may look like this:

- *They* are responsible for my situation (with 'they' being anyone from governments to employers to parents to teachers to spouses).
- The government should improve my situation.
- I need a better job so that my boss will take care of me.
- One day, the lottery will make me rich.
- It's too dangerous to be your own boss.
- The harder I work at my job, the better my chances of getting rich.
- Being careful with my money is the key to wealth.
- Going bankrupt is the worst thing that could possibly happen to me.

- You have to start off rich to make real money.
- I long for the good old days, when everything was wonderful. Everything is much worse today.

The good news is that your mindset is not a given. You can choose, and even train and condition, your own mindset. You can choose to see yourself as a victor, like the Asian nations after imperialism, or you can choose to see yourself as a victim, like the African nations. You can train yourself to shift from a poor mindset to a prosperous one, provided you know what the differences are.

Let me illustrate the degree to which you can choose your own mindset. Imagine two people, a rich person and a poor person. The poor person lacks money and, as a result, regards himself or herself as a poor person. A wealthy person has money, loses it all, then rebuilds his or her fortune, sometimes many times over. Build and fall, build and fall, build and fall. Bankrupt, and back again. Curiously, when the wealthy person has no money, he does not regard himself as a poor person. Not even for a moment. He regards himself as a wealthy person who, temporarily, has no money.

Mindset truly is everything. So, let's explore your mindset. Let's determine whether you have any self-limiting beliefs about work and wealth, and let's set you thinking about *how you think* about money. Change your mindset and you can change your world … which, in this case, translates to the figure on your bank statement.

The thinking always comes first. As a man thinks in his heart, so is he.

Of course it entails work. Becoming wealthy entails very hard work. But consider this: it's also entirely possible to work very hard and remain poor.

Isn't that a frightening thought?

The difference between being rich and poor is not measured by how hard you work. In fact, working incredibly hard at the wrong thing might be the very problem that is keeping you poor. It's the old analogy of rowing terrifically hard in the wrong direction.

There are some rare cases, on the other hand, of men and women who work only a few hours per day and have become phenomenally rich as a result. I'll tell you some of their stories, and we will explore the principles that they have used.

WHERE DOES THIS BOOK FIT INTO THE SCHEME OF THINGS?

I believe in reading broadly and voraciously, and that having done so is one of the major reasons I was able to lift myself out of poverty. I'm very interested to hear other authors of books on wealth secrets echoing this sentiment.

M.J. DeMarco, author of *The Millionaire Fastlane: Crack the Code to Wealth and Live Rich for a Lifetime*, talks about being desperate to escape poverty, and attributing a significant portion of his ultimate success and prosperity to the books he read in the taxi limo that he drove as a poor young man. He would sit in his limo on cold nights, waiting for clients, and devour books about success principles.

Tony Robbins shares a similar story – although, in his case, he was homeless and living in his car. 'Books were my way out,' he tells his audiences, explaining that he consumed any book he could that would improve the quality of his life. Other authors share similar themes; almost all of them (myself included) believe in the core of their beings that wealth is all about knowledge and ideas. It's about *thinking*.

I find it tragic that most of life's complex riddles have been answered extensively in books, but that the people who need these answers the most, generally do not read much at all. (Shockingly, it is estimated that only about 1 per cent of the South African population buys books in stores – that's very nearly akin to saying, 'Nobody buys books in South Africa.') If you know these answers, you can copy and paste them into your own scenario.

Speaking of which, here is a quick quiz. How many times have you worried about money in the past year? Now, how many books about wealth have you read ?

Some people even brag about how the last time they read a book was in high school. I find no pride in saying, 'I choose to remain ignorant of the answers I need' or 'I'm poor despite the solutions to my problems being publicly available.'

My experience is that self-made successes are always adding to their own education. They hungrily seek out the ideas that will give them greater leverage and effectiveness in their lives and businesses. They are excessive consumers of coaching, teaching, books and articles, and they act on the knowledge they gain.

So, even if you don't read any other books on wealth besides this one, I would encourage you to become the sort of person who is constantly adding to your own knowledge. I have done my best to ensure that this book contains all of the critical answers that you need. I may recommend other books on wealth (and I strongly recommend you become the sort of person who is always reading such books), but I do want you to get as much as possible from this one.

One wealth book that made a big impact on society was Robert Kiyosaki's *Rich Dad, Poor Dad: What the Rich Teach their Kids about Money that the Poor Do Not!* I feel that *this* book should precede books like that one in your thinking.

One of the primary ideas in *Rich Dad, Poor Dad* is that if you are generating more than you are spending, you are growing wealthier, whereas if you are spending more than you are generating, you are growing poorer. That is crystal clear and impossible to deny.

However, people tend to raise the legitimate question: What if I'm not earning enough in the first place? It may not be possible for me to save anything, because my expenses are already greater than my income.

For that reason, and a few others, my focus here is slightly different from Kiyosaki's. I am especially interested in the nature of the 'generating' part of the equation. I feel that while merely keeping more than you spend is an effective path to wealth, is also a slow and passive one.

I've read a small mountain of books on the topic of wealth, all of which were useful to varying degrees. My great criticism of most of them is that they focus almost exclusively on saving and investing.

Even Tony Robbins's book *Money: Master the Game*, which is over 600 pages long and includes detailed contributions from a plethora of top-level experts, essentially opens with, '… so, take your money and …' It's also reasonably heavy on retiring right. Safe retirement is a worthwhile financial goal, but it's not the *only* goal.

CAN YOU BECOME WEALTHY JUST BY SAVING?

Yes, you can. Compound interest is a powerful thing. It just takes a very long time. In *The Millionaire Fastlane*, DeMarco calls it ‘getting rich slow’ – the ‘wealth-in-a-wheelchair plan’.

An article in the December 2012 issue of *Braintainment* magazine draws attention to this principle, listing ‘Don’t die’ as the number-one way to grow wealthy. Funny, but true.

‘The explanation is pretty logical,’ the article says. ‘Old-timers have had more time to gather money by working, investing and saving. The gap between wealthy elderly people and young people is remarkably big and it’s only getting bigger […] If you take all the possessions and income of the average 65-year-old, then they will be worth 47 times more than the average 35-year-old (American) […] So avoiding getting hit by a bus will be the best advice to embark on your journey to riches.’ (Interestingly, the same article lists ‘Resign and become your own boss’ as the second most important thing you can do.)

By way of example of how age and saving can equate to wealth, I have a second aunt who used this principle. She worked at a menial job all her life and earned a very humble salary. However, she also lived a very humble life. She got into the habit of saving right from her very first pay cheque. Now, in her seventies, she is a multimillionaire with a tax problem. That’s the kind of problem we all want to have.

I find her story encouraging, and it goes to show that saving can, and will, make you wealthy, over a great deal of time.

But we don’t want to be in our seventies before we can enjoy the advantages of wealth. And let me share a secret with you: the truly rich do not become rich by saving. They use the technique of saving to ensure additional income, and they are very savvy at protecting and growing their wealth, but saving is not how they became rich in the first place.

For most self-made millionaires, the creation of wealth was achieved through much quicker, more dramatic wealth-creation mechanisms. They started their own companies. They sold an invention. They cornered a market. They sold their companies. They created something that sells even while they are sleeping. They created a network. They owned and rented out property, or they generated something. They tapped into some simple rules of scale and reach to earn more money from more sources.

Then, after they had generated a great deal of capital, they began to save.

In *The Rules of Wealth: A Personal Code for Plenty and Prosperity*, Richard Templar writes, ‘When it comes to wealth-creation strategies, investing wisely and managing your money actively are important, but nothing beats having more coming in in the first place.’

IT’S ABOUT GENERATING LARGE AMOUNTS OF WEALTH, NOT SAVING SMALL AMOUNTS

So, saving more than you spend *will* make you rich. It’s a sound principle. However, it is also a ‘Yes, but’.

I will focus on helping you to generate wealth in the first place, and to do so in the short to medium term, while you are presumably young and vital enough to enjoy it.

If you are able to generate more than the average person in the first place, then, when you start to practise the principle of saving more than you spend, you will have more money to work with, your trajectory to wealth will be shorter, and your total wealth will be greater in the long term.

MY WISHES FOR YOU

I don’t want poverty for you – or anyone in Africa. I don’t want you to work back-breakingly hard and not enjoy substantial monetary rewards. I want you to be rewarded for your labour, to prosper, so that you can focus on the things that move Africa, and humanity, forward, rather than focusing on survival.

Survival is an old-fashioned problem; it's dumb to be struggling with it. Our species should be grappling with more interesting problems, like exploring outer space and unravelling the nature of the universe. Some members of our species are doing just that, while others are sitting in dust bowls while CNN films the flies on their lips. That's ridiculous.

It's time for us to graduate to new and more interesting problems. Let's stop worrying about where the clan will find food and start worrying about how our starship will face down the Klingons.

I also don't want to provide you with comforting lies, such as all will be well if you just start saving. You need the more challenging truth, and I will avoid all political correctness and cosseting niceties to give you just that.

The road to wealth is not a secret. It is a way of thinking. It is not a number of coins. It is an attitude. As a man thinks in his heart, so is he.

Take to heart this simple declaration: It can be done. If you are poverty stricken or struggling, wealth and prosperity *are* available to you. They are not the preserve of a few genetically blessed individuals, favoured by heaven and the angels; you do not need to have been born into the 'lucky sperm' club to achieve them. Wealth does not exist on the far side of a wall that the likes of you cannot scale. You *can* be rich. It is possible. I did it, many others have done it, and you can do it too.

Poverty is overrated. It is also optional. It all begins with the way you think …

MY OWN POVERTY-TO-PROSPERITY PATH

Today, I work as what might broadly be termed a business coach. I am a professional speaker, an author, a creator of courses and course materials, and a trainer and coach to business executives.

In my late twenties, I had the honour of training the senior leadership of BMW South Africa in presentation skills, speaking at strategy sessions for multinational gatherings of organisations like HP, and assisting local CEOs with business ideas and guidance. I am my own boss, and I generate and process my own business.

However, I come from a family that had, for generations, struggled with the dynamic of what we might call middle-class poverty. Middle-class poverty is poverty wearing make-up. It's when you live in a decent house, in a decent suburb, and your kids go to a decent school, but they're always the odd ones out.

They arrive at school in a car that's 20 years old and leaking oil. Occasionally, their parents will commandeer kids outside the school gates to assist with a push-start (true story; we used to call my dad's unreliable station wagon Puff the Magic Peugeot).

They don't share their lunches with the other kids, because the contents tend to be humble and embarrassing. Their uniforms are either a little too big (because they need to last for a number of years), or a little too small (because they have already done so), and become just a little more frayed before replacement than those of their peers.

They don't have PlayStations, pools or entertainment rooms and, when their friends drop by after school, feeding one more mouth poses a genuine problem for their parents.

The parents are also a little distracted. They've been receiving mail with angry wording, expressing the heated and non-negotiable desire of various organisations to receive payment immediately. Ignore those letters for long enough, and the senders start adding additional exclamation marks. 'Final Demand!' becomes an all-too-familiar phrase. The lettering even seems to become redder, somehow.

Middle-class poverty, then, is this: everything looks okay on the outside, but things are falling apart on the inside. The family is continually struggling to get by, and the effects on their psyche and morale can be devastating.

Unless you've lived through a winter with your power cut off and no way of paying to have it reconnected, you can't possibly understand what it does to your sense of security and to your place in the universe. When you are a child, it is demoralising to see your parents cry. Live with the struggle for long enough, and you'll start to believe that nothing else is possible. Poverty hurts families and it hurts relationships. It makes children extremely insecure.

Even middle-class poverty was not always the case for my family's ancestors. At various points, theirs was solidly lower-class poverty. For as far back as I can trace, we had always struggled. But since a switch in thinking, this is no longer the case.

With a switch in *your* thinking, you can extricate your family's lineage from a trajectory of poverty. Your starting point is the belief that a radical scenario change is possible.

GETTING PERSONAL

In my experience, anyone who struggles with poverty generally has one icon of hardship. It's the thing you think of and wince; the embodiment of what 'poor' means, and looks like, to you.

Here's mine.

When I was about 12, our family went through an especially rough patch financially. We did, in fact, have our power cut off for the duration of a winter, and we often received food baskets from our local church, who were involved in trying to keep us afloat.

I was only nominally aware of our issues. Like any other 12-year-old, I was more interested in skateboarding and friends than financial sinkholes. What finally brought it home to me was one particular item in the food baskets. My younger sister was in her infancy, and when the food baskets arrived, they would typically include a small box of baby formula, just for her.

That's my image of poverty. A single box of baby formula in a church food basket.

What's yours?

That image still makes me feel vulnerable. It's tangled up in a ball of horrible emotions and it remains, for me, the symbol of everything I do not want in life. I don't want it for you, either. I wouldn't wish those feelings on my worst enemy.

That image also represents immense gratitude that somebody is helping your family to survive. Thank God for the church. On the other hand, you feel incredibly embarrassed that they have to do so.

My own path out of middle-class poverty and into wealth was initially a slow one, which then became quite rapid. My first few jobs included video-tape duplicator for a small production company, junior journalist at a community newspaper, then PR guy for a small financial services company.

I was employed in each job for between one and two years. Each brought in slightly more than the last, and each afforded me valuable experience. Through them all, I drove a pre-owned VW Citi Golf, the outer limits of what I could afford. I also paid for my own university degree (a BA in Communication and Philosophy), which I studied by correspondence through Unisa because I couldn't afford the time or the fees for full-time study.

In my mid-twenties, I decided to exit the job market and start working for myself – initially just as a professional speaker, doing fairly generic 'motivational' talks. I very nearly crashed and burnt a couple of times, and often wondered whether it was all worth it. Risk-taking and entrepreneurship are incredibly scary.

I made some mistakes, and I made some clever moves. Among the mistakes was allowing myself to work as a trainer (in customer service and presentation skills) for someone else's training company. At the time, I thought I was running my own business. I wasn't. I was effectively someone else's employee, hired to do the work and contributing to their branding and their wealth. Among the clever moves, I began to tap into some of the wealth-generating secrets of rich people.

So, by the age of 30, I had learnt many important lessons about business and generating wealth, and my circumstances began to change. Rapidly. Knowledge, and the application of that knowledge, changed everything for me.

In my late twenties, I was generating over R1 million in income per annum. I graduated from the perpetually failing Citi Golf to a slightly more interesting Ford Focus ST, a turbocharged car with leather, air con and a host of nice toys, very popular among young men.

By the age of 30, I had traded it in for an Audi A4, an entry-level luxury car. One year later, I upgraded to a 5-Series BMW, at the same time as my wife and I bought our first house. The average age of first-time home buyers in South Africa is 42. We bucked the trend by a decade. The 5-Series was quickly followed by a Mercedes-Benz E-Class coupé, which I bought because I liked the sports-car lines and because I wanted to try the third of the German marques.

I started to discover that my options had become wider. I wanted to attend a convention in Dallas, Texas. So, I did. If my wife and I want to go on holiday overseas, we do that too. I am no longer financially barred from making the decision to travel globally if I choose to do so.

I do not live an extravagant lifestyle, and our home in the suburbs is modest. But there is little that we want that we can't have. We no longer worry about price tags on clothes or restaurant menus, and it's no issue to pick up the bill after we join friends for dinner. We are simply able to have what we want, and our income is on an upward trajectory. Not only have we escaped poverty, but we have learnt how to become wealthier year on year.

We have also been freed up from doing things that are necessary and burdensome, but of low value, such as mowing lawns or cleaning. We are able to pay others to do these things for us, if we choose, freeing us up to pursue other interests or generate further wealth. If something breaks, we can fix it. Or buy another one. Simple as that.

My point in detailing this is not to brag; it is not a gutter-to-luxury-yachts story. I don't own Kruger Towers in Sandton, and I don't fly by private jet.

It is merely a *real* story of an escape from poverty into a lifestyle lived on an upward trajectory, using principles that you can replicate. The point is to paint a picture that is real and specific, to assure you that your life can change and become something fundamentally different through your own choices and ideas.

I feel that this is an important concept for a person who has spent his or her life struggling financially. You need to be assured that your struggle is not fated. You do not have to live that way. No matter for how long you have lived with hardship, and regardless of how normal poverty has become to you, it *can* be changed, and changing it does not require magic. Just the right principles. Your life could be something completely different, through your own agency.

My answers included a mix of principles:

- Reading, to find out what worked;
- Increasing my skills, and thus my value, through a desire for constant personal growth;
- Becoming my own boss;

- Learning to do large deals, worth a lot of income in one go, and rejecting the time-consuming burden of small deals for small amounts;
- Becoming a producer and marketer of my own product offerings;
- Finding ways to sell products over multiple platforms;
- Emulating the struggle of the wealthy, not their resultant lifestyle;
- Learning to protect my income against tax;
- Finding ways to multiply and duplicate the rewards of my efforts;
- Raising the value of my personal brand;
- Finding partners, representatives and ambassadors to sell me in my absence; and
- Linking in to networks that amplify my marketing message and my earning potential.

Like all people, I still have good months and poor ones. But I've learnt enough wealth-generating principles to put myself onto an upward trajectory, and difficult patches no longer mean poverty. They are merely temporary challenges, which I'm equipped to face.

GRADUATING TO NEW PROBLEMS

Interestingly, every time you graduate to a new financial tier, you will find that you are faced with new problems, and I'd like you to be aware of this upfront. Graduating from one type of problem to another is normal, and is actually a good thing. At my current tier, my problem is cash flow as opposed to income. Running my own business, I have to ensure that clients pay on time, and I am responsible for my own cash flow. It's no longer about enough money, it's about when I receive the money.

When you've lived on tight budgets and gone without for so many years, you struggle to imagine what it feels like to have those early problems and restrictions removed, relatively suddenly. When it changes for you, it's like the lifting of a veil. A breath of fresh air. You get to move from problems in an old T-shirt to problems that wear Armani.

THE BEGINNING OF YOUR WEALTH JOURNEY: HOW DO YOU REACT TO RICH PEOPLE?

Because of how my family always struggled, I have spent a lifetime thinking about work and wealth. I've studied it, fixated on it. I've dissected and reconstructed it.

One day, I witnessed something that made me realise, profoundly, that there are different ways of thinking about these matters. It also made me realise that we genuinely do get to choose how we think – and, also, how powerfully we have been conditioned to think in unproductive ways.

This is what happened:

A broken Ferrari and an interesting reaction

On a beautiful spring weekend, I witnessed a truly bad day for a wealthy individual.

A brand-new, apple-red Ferrari California and a grey VW Golf had met by accident. By the time I drove past, craning my neck to see the damage as all nosy motorists do, over R3-million worth of bent, beautiful, ex-sports car was being loaded onto the back of a rusty tow truck, never again to roar from 0 to 100 in 3.9 seconds.

I love cars. So, upon seeing this, I posted a comment on Facebook (after pulling over – that's my story and I'm sticking to it) in which I described the incident as utterly heartbreaking, and called for a moment of silence for The Mighty Fallen.

The responses I received were an interesting commentary on how people view wealth. They were nothing short of scathing. People heaped hatred upon the Ferrari driver, as though eviscerating him were a sport.

One woman wrote that it served the Ferrari driver right for probably driving drunk and deigning to own a sports car in a country whose roads were not made for it. She stopped just short of calling him a racist, a Satanist and an unrepentant child molester.

Her palpable bitterness, and that of a great many others who piled onto the comments thread, surprised me. With no supporting evidence, this hapless ex-Ferrari owner was presumed guilty by virtue of wealth. Apparently, it couldn't have been the Golf driver's fault, because 'common folk' are acceptable. It couldn't have been a pothole in the road, either.

I would have liked to have responded by saying, 'Why, that rich bastard! How *dare* he accumulate wealth through hard work and the application of intelligent, entrepreneurial principles, then reward himself with a nice car? Worse, how dare he not be like the rest of us? I bet he doesn't even feel guilty that we're struggling and he isn't! We should flog him, behead him, lock away his family and redistribute his wealth to less enterprising people! This will surely address the imbalance that his offensive existence causes in the universe and assuage your throbbing bitterness.'

But I *like* my friends.

TV personality and journalist Jeremy Clarkson has noticed this phenomenon, too. Test-driving the Rolls-Royce Phantom Coupé for an old episode of *Top Gear*, he expressed his astonishment at the level of outright hatred the car received. In one of his newspaper columns, he wrote, 'I don't yearn for many aspects of the American way (over the British), but they do seem to have this dreadful bitterness under control. When they see a man pass by in a limousine, they say, "One day, I'll have one of those." When we see a man pass by in a limo, we say, "One day, I'll have him out of that."'

Pause for a moment, and take a brutal test with me. What is your gut-feel reaction to a wealthy person? Is it resentment? Or is it a sense of aspiration?

The unspoken logic seems to be that rich people are obviously evil. They *obviously* stole their wealth from the poor. Alternatively phrased, the thinking is, 'I am poor because you are rich.'

The logic, while extremely tempting, is unsupported.

I AM POOR BECAUSE YOU ARE RICH?

When Occupy Wall Street and similar social movements started perpetuating (yet another) wave of hatred against wealthy people, journalists started digging up some facts and figures. The poor have always hated the rich and, for many millennia, one might argue that this hatred was quite justified. As recently as a few centuries ago, Europe still had feudal lords with serfs (slaves, effectively) working their lands.

Poverty was not optional under those circumstances – it was prescribed.

One can easily and justly complain about a social system in which one person may own another person, and makes his or her money off the other's lack of choice and lack of freedom. That certainly does equate to me being rich because you are poor, and vice versa.

The hatred is less easy to justify today in democratic, capitalist systems in which wealth is not necessarily a birthright and the possibility of becoming wealthy is open to anyone.

The argument that 'my boss pays me slave wages' is riddled with problems. For instance, who forced you to apply for that job? Who's keeping you there? Who's stopping you from pursuing your own wealth instead of growing your employer's?

To choose to work for someone else, to labour for years in the endeavour of contributing to his or her wealth, and then to complain about one's choices, strikes me as a very poor form of victim mentality. Make no mistake, there are certainly unethical – even 'evil' – wealthy people in the world today. Yet the broader idea – that rich people are obviously evil – remains strangely at odds with the research.

In the *New York Times* article 'Among the Wealthiest 1 Percent, Many Variations' (14 January 2012), authors Shaila Dewan and Robert Gebeloff unearthed some interesting stats about the super-rich in America: they earn just under a fifth of the country's pre-tax income, but pay just over a fourth of all federal taxes. In other words, their giving is far, far greater than their getting.

Rockefeller's philanthropic achievements are still helping people to this day. The Rockefeller Foundation funded research that led to the yellow-fever vaccine, funded movements like the Green Revolution, which dramatically increased agricultural yields across the developing world, and is credited with saving in the order of a billion lives.

The Rockefeller Foundation's giving, however, was possibly outperformed by Rockefeller himself, who gave away well over $500 million before his death in 1937, creating two of the world's greatest research universities, helping to pull the American south out of poverty, educating huge numbers of African Americans, and more. This is the man to whom socialists still refer as one of the 'great robber barons' and a 'capitalist pig'. Bill Gates's donations are on such a scale as to make him one of the greatest givers of all time.

While it's true that most one-per-centers were 'born with socioeconomic advantages' (most people prefer to use more bitter terminology, like 'privileged' or 'entitled'), they also tend to do more with what they have, working longer hours and being 'three times more likely than the ninety-nine per cent to work more than fifty hours a week'.

Their giving to charities, per capita, is also higher than that of the 99 per cent.

So, in sum, quite aside from the way in which their inventions, infrastructure and innovations move the species forward, they are also more charitable, pay more taxes and work harder. That doesn't seem to fit the stereotype at all, yet the hatred continues.

What about here in South Africa?

In 2016, self-made billionaire Allan Gray, the seventh-richest South African, gave his entire controlling stake of the Allan Gray investment company to charity, one of the largest acts of charity in South African history. In 2012, our uber-wealthy family, the Oppenheimers, made 'another' billion rand available for study grants. That's the sort of behaviour we see from the super-rich.

And from the 'poor' side? In 2015/16, our students erupted into national violence, destroying monuments, burning public property and demanding free varsity education. (The term 'free' education is itself problematic. It should actually be phrased as 'education subsidised by other taxpayers'.) Certainly, such behaviour does not represent all poor people. But the frequency with which township clinics and other forms of infrastructure are burnt to the ground in South Africa as a form of protest is alarming at best.

I was baffled by the idea that our rioting students, many of whom were even less well off than I was when I was studying, were attending full-time lectures at all. I certainly couldn't have afforded to do so, which is why I studied via correspondence instead, paying my fees by working a full-day job.

So, here we have the super-wealthy giving multiple billions of rands for study grants, and the relatively poor destroying public property indiscriminately. And yet the narrative persists: the wealthy are evil and exploitative; being poor is inherently moral. The guy in the Ferrari is at fault because he's rich.

The examples of wealthy philanthropy continue: Mark Shuttleworth's donation to charity is estimated by *Ventures Africa* magazine to be over $45 million, all aimed at 'assisting creative and purpose-driven individuals to actualize their dreams', and Cyril Ramaphosa has donated over $12 million.

And that's just *our* super-wealthy. These are just the notable stats of the uber-rich. The giving of the moderately wealthy is not widely known. But, of course, when all you see is the Ferrari, it's easy to overlook such things. It's easy to assume that all rich people are evil and must, somehow, have stolen their wealth from the rest of society.

JUDGING HOW THE WEALTHY USE THEIR MONEY

Just for a moment, let's pretend that the wealthy do not give. Let's ignore the hundreds of millions (and billions) in charity, and assume that wealthy people truly are as stingy as the prevailing stereotype suggests.

Permit me to pose a politically incorrect question: What business is that of ours? If a man earns a billion rand, then blows it all on jellybeans and dancing girls, what does it have to do with those of us who did not earn that money? Is the wealthy person entitled to an opinion about how the poor spend their money? If not, why the belief that it should work the other way around? The answer is an interesting one, and we will explore this too: The poor have an underlying belief that there is a link between their poverty and someone else's wealth.

The Occupy Wall Street movement in America reflects this kind of thinking. Where it has legitimacy is in arguing that certain financial institutions have carried out corrupt practices that have hurt people. In many cases, these practices were blatantly criminal. Fair enough – you're not allowed to break the law. But unfortunately, this legitimate argument has degenerated into the broader, catch-all idea that all wealthy people are evil. It's akin to an 'all Germans were Nazis' argument.

Another odd notion to emerge from the Occupy Wall Street movement is the idea that the 99 per cent should be entitled to part of the 1 per cent's wealth. I find this idea incredibly strange. No reasonable American would look at his or her fellow American, who has earned a dollar, and say, 'I am entitled to a part of your dollar.' Most Americans believe that the person who earned the dollar is entitled to that dollar, and that if you would like a dollar of your own, you should go out and earn one too.

It is curious to me that the Occupy movement believes it is greedy to keep money that one has earned, but that somehow it is not greedy to demand a share of someone else's money that one has not earned.

However, many people seem curiously comfortable abandoning this principle when the scale is increased. Occupy Wall Street proponents will look at multibillion-dollar corporations and say, 'I am entitled to part of that.' These individuals did not work for the corporation, did not build it, did not invest their own money in growing it, did not assume the risk inherent in it and had no input into the strategies by which it operated, yet they feel that the money it possesses is somehow a form of theft from them.

This idea is often premised on the (valid) finding that the gap between rich and poor is increasing, and that the wealth of the top 1 or 2 per cent is greater than that of the remainder of humanity. This is where, I believe, the primary problem lies in how the Occupy proponents want to address that imbalance. They don't want to get themselves into a Rolls-Royce – they want to get the rich out of them. In other words, their rhetoric is rarely about how to help poor people to become rich. It is solely about how to pull the rich back down to the level of everybody else.

There is also something curious about making such complaints on social media, using the latest iPhone. Again, it is indisputable that the super-wealthy of today occupy a very small percentage of humanity. However, what this argument does not reflect is the idea that most middle-class families, who fall squarely into what occupiers themselves term the other 98 per cent, are better off today than at any other point in human history. There's something odd about pleading poverty using an iPad, and viewing a lack of university education subsidised by other taxpayers as oppression.

It always comes down to how information is represented. If you say, ‘There is a bigger gap between rich and poor today than there has ever been before’ (which is true), it sounds very bad. If, however, you say, ‘The poor and middle classes are, on average, better off today than they have ever been in human history’ (which is also true), it paints a different picture.

Nevertheless, our purpose here is not to explore the economics of the world. Our purpose is to help you to become rich. To that end, we need to understand our own ideas and philosophies about the differences between rich and poor.

Personally, I do not believe that I am entitled to a coin that someone else has earned. And I don’t believe that scale changes that equation. I am also not entitled to the amassed wealth of a big corporation or a wealthy individual. I believe that if I want a coin, I will have to earn one myself. And I also believe that such thinking has contributed greatly to my own success, and will become the foundation of yours.

INHERITING BITTERNESS

So, why this philosophical exploration of the resentment of the wealthy? How does it help you to overcome poverty and prosper?

Our premise here is, ‘If you think like a wealthy person, you will become one. If you think like a poor person, you will remain one.’ For that reason, we need to ask a difficult question: Have we inherited biases against wealthy people, and the way in which they think, from our own poorer forebears? Have we been taught to hate the people we are trying to become?

Quite often, we do not question ideas handed down to us by previous generations. In the same way that a great many biases are often inherited and not learnt, our thoughts, feelings, attitudes, beliefs and ideas about wealth, money and earning are seldom our own. Rather, they are informed by those of our parents and grandparents.

We tend to inherit working-class ideas about wealth. I would like to show you why it is dangerous to hold on to these ideas, and why hating the wealthy can keep you, and your family, poor.

WHY DON'T WE QUESTION INHERITED THINKING?

We don't question inherited thinking because inherited ideas are invisible to us. They are so normal to us that we aren't even aware of them. They are the lens through which we view reality. In many cases, we don't believe that any lens is present at all, because we don't know what it's like to look at the world without the lens.

Psychologists often phrase it this way: A person will accept the world with which he or she is presented.

Here's how it happened in my family. Having been born into a working-class family, I inherited a disease of thought – a lens for looking at the world – that took me 20 years to unravel and resolve. Mine originated in the United Kingdom.

At about the time that Germany and Britain were engaged in the first of their two great disagreements, my great-grandmother worked as a serving maid in a manor house near Manchester. Imagine an episode of *Downton Abbey*, and you'll have a fairly accurate picture.

My great-grandmother wore the full maid's regalia, carried the little feather duster, and bore all the trinkets that we today associate with the sexy uniforms generally available at adult stores. But at the time, it was nothing like that. This was a woman who had calluses on her hands, a sore back more often than not and, given the age in which she laboured, no voice in the face of authority. She was what Dr Graeme Codrington, author and expert on generations, refers to as 'The Silent Generation'.

That's probably why, when my great-grandmother had children, she went rummaging around in her mental filing cabinet for useful advice on work and wealth, and extracted both a blessing and a curse. The blessing was Protestant ideals about working hard. The curse came in the form of gems like this one: 'My child, get a safe, steady job. Keep your head down and always work hard. That way you'll never starve to death.'

This was the advice she dispensed to my grandmother and, when the time came, what my grandmother gave to my father.

Consider how radically the world – especially the world of work – has changed since then. Yet, the advice remained the same.

There is so much ideology built into that advice. Without expressing them out loud, the advice contains these built-in ideas:

- A job is the only solution.
- You must be subject to a boss.
- The only way in which to earn is to labour for set numbers of hours.

Even more importantly, listen to the latter part of the pronouncement: *That way you'll never starve to death*. Hardly a clarion call to skilfully amassing wealth, is it? Nor is it encouragement to strive for the highest levels of self-actualisation.

Realise your dreams? Live to your fullest potential? No, the primary focus was simply not dying. This is thinking thoroughly grounded in desperation. It comes from a culture of thinking created by many years spent living in poverty. Ironically, much of this poverty is propagated by desperation thinking. It is caused by its own style of thinking.

In this way, poverty perpetuates poverty. The family's *thinking* is poor and, for that reason, the family itself remains poor. The longer the family remains poor, the poorer their thinking becomes. They hand their ideas down to the next generation, who swallow them wholesale, even though the ideas are outdated and outmoded and didn't work well before.

Working-class families *do* talk about work; they are often absorbed by it, preoccupied by it. However, they do not talk about money, except to complain when there's not enough of it. Complaining that there is not enough money is not educational. It is not useful. It only perpetuates despair. I've sat around that dinner table, and I know just how awful it can be.

The more you complain, the more strongly you believe you are poor. The more strongly you believe that you are poor, the more you make decisions from a state of desperation, and fail to make the kind of decisions that wealthy people make – including decisions about calculated risk-taking. The more decisions you make from of a state of desperation, the poorer you become.

The cycle of thinking must be broken.

That's our goal.

Wealthy families are fundamentally different. They talk openly about money at home, and not just about work. They discuss success strategies, and even financial concepts, often in great detail, over dinner and as part of the ongoing family dialogue. Of course, not all of the ideas thrown around will be correct – but, interestingly, that's not important. The debate *itself* is important. The very fact that money and wealth and prosperity and success principles are discussed and debated is a valuable family culture – it creates a family of financially literate people who have an advantage over people from families who do not talk about money, except to bemoan its absence.

So, you don't necessarily have to teach your children the *right* strategies for making money. You merely need to teach them how to think and speak about the game of wealth. Empowered to speak the language of this game, they will figure out their own answers.

But in my family, as in thousands around the world, the thinking was simply to get a steady job and not starve to death. To keep your head down and work hard. And, that work is noble, but money is shameful.

In the lifespan of the average working-class human being, these are the occasions on which they will generally learn about money, and the corresponding lessons they will likely learn:

Age 4: Little Nicole wants something in a store and is told that Mommy and Daddy don't have money for it because money doesn't grow on trees.

Age 5: Nicole loses her first tooth and receives a coin for it.

Age 6: Nicole starts to overhear Mom and Dad complaining about how there is not enough money for her school fees, let alone for the school supplies that she needs. She does not fully comprehend the idea of insufficient funds, but begins to feel a sense of guilt about the money problem that she is causing Mom and Dad.

Age 10: She starts to receive a small allowance for doing chores.

Age 12: She starts going to movies with her friends, and must beg Mom and Dad for money. She begins to understand that to have things, enjoy life and interact successfully with her peers, money is a part of her arsenal, and not having enough of it can be embarrassing and limiting. Mom and Dad point out, again, that money does not grow on trees.

Age 16: She gets her first small job. It is menial labour, paid by the hour. Nicole spends it as she earns it, and receives a message from Mom and Dad that she must be more responsible with her money.

Age 18: She gets a slightly higher-level job and uses her funds to socialise with friends. She attempts to treat others to pizza and drinks. She is quickly taught that if she withholds her money, she is 'stingy'.

Age 20: She moves out, with the advice from her parents that she must work hard, keep her boss happy, and not waste money.

After two decades of learning reasonably high-level mathematics, literature and history at school, she goes out into the world with this much financial advice in her life-skills arsenal:

- Toys are an expensive luxury.
- Teeth are worth money.
- I am a financial burden on my parents.
- Chores earn coins.
- Interacting successfully with friends requires money.
- Money does not grow on trees.
- Spending is irresponsible.
- I must work hard for a boss.
- I must not waste.

These ideas are just enough to keep her working hard and earning badly. Take just one of them: money does not grow on trees. She is not taught that money exists in abundance out there for those who are enterprising enough to understand how it works and generate more of it. She is only taught that there is *not* an abundance of it available.

Naturally, she will believe that rich people are evil and greedy if they have lots of this very scarce resource and she has little. Naturally, she will conclude that their wealth creates her poverty, because 'if bosses paid more, the world would be a fairer place'.

She is taught desperation and drought. She is taught that risk is bad. A boss is necessary, and someone to whom she must kowtow.

Nicole is taught to think poor.

Contrary to the message of desperation that has been hammered into her, money is actually available in abundance. Just get out into any major city and count the Range Rovers. Even in the poorer countries in Africa, there are entrepreneurs who are providing extremely valuable services to humanity and becoming fabulously wealthy doing it.

So, it's ideas like these that are handed down through the working classes and become deeply infused in the working-class psyche. They can even become a part of its sense of morality, to the extent that people will cluck and sneer at a fallen Ferrari. Serves him right! And, by and large, these ideas lock the working classes into a cycle of poverty.

I have a name for the kind of thinking that poor people apply to work. Bundle all of these working-class ideas together and you have a philosophy that I term The Wheelbarrow Way. Every generation of poor and working-class people teaches it to the generation that comes after it, ensuring that they will never break free. The Wheelbarrow Way is a trap – if only we could see it.

The Wheelbarrow Way

My child, you are young and strong. Take up your wheelbarrow and fill it with bricks. If you desire a coin, you must push your wheelbarrow for an hour. If you desire another coin, you must push your wheelbarrow for another hour, and your boss will give you another coin.

If you find that you do not have enough coins, you must get a second wheelbarrow, and push it in the evenings, in order get more coins.

And so the trap is set.

Carry more bricks to earn more coins. This is classic working-class thinking. Coins come from bosses, and to access a coin, you have to work for an hour.

When not coping with their workload or prospering to the degree they feel they should, poor and working-class people strive to work longer hours, handle more and expand the scope of their labour. The thinking is centred around getting an extra coin. To achieve this, they may get a second job (i.e. a second boss who can give them coins), and work for more hours.

In simple terms, their approach is:

Coins come from bosses

More hours = more coins

This thinking keeps nations and families poor. It will also ensure that you burn yourself out, given that you can only work so many hours in any given day.

THE RICH MAN'S COPERNICAN REVOLUTION

The solution is not to carry more bricks, and the solution is certainly not to add more bosses. Pushing your wheelbarrow for more hours is a fool's game.

The real solution is to dump the bricks and carry gold. In other words, the real solution is to raise the *value* of what you offer. Your goal should be to become more valuable per hour. This way, your equation becomes:

Carry something valuable over the same time period = receive many more coins

That shift in mindset is one of the major keys to wealth. It is one of the primary ways to escape working-class income levels. Raise the value of what you offer, not the number of hours you spend doing it. The number of hours we have is finite; we cannot change that. But the potential for generating more money within each hour is almost limitless. That's the key.

Sounds simple, doesn't it? Most people will never have that epiphany – and that is a big part of the reason they will stay poor.

Raise the value of who you are, and raise the value of what you do. You *can* do this while working for a boss, but it is exponentially more effective when you *are* the boss. Raising your value in employment will make you a little wealthier. But when you own the income – when you are your own boss – the wealth curve becomes steeper.

We will explore the many options you have for doing this.

'TAKE ME HOME!'

When I was 18, I did a stint as a waiter at an evening function. I had only recently learnt to drive, and my employer handed me the keys to her car with the instruction, 'Go buy more ice!'

I pulled up at a set of traffic lights, mentally running through the checklist of the nervous new driver (handbrake, blind spot, blind spot, check for traffic …) when all of a sudden a young woman emerged from the darkness beside my window. She tapped on the glass with long, red fingernails. Her clothes were provocative: a tight, red-leather skirt and revealing tank top with plunging neckline. She leant forward and crooned seductively, 'Take me home!'

She drew out the word 'home', like a bead of syrup stretching between a jar and a spoon. 'Fifty bucks, baby! Take me hooommme!'

At 18, I'm not sure what frightened me more: driving at night in traffic in someone else's car, or the idea of a real prostitute propositioning me. Me! I had only finished school the previous year! The lights changed and I drove off with my heart pounding. In my youth and relative innocence, I couldn't believe that that had really just happened.

Then, as my pulse settled, another thought occurred to me: this young stranger had just offered up her body, her safety, her very self, for a mere 50 bucks. I was going to earn more that night working as a waiter.

How incredibly sad.

What a terrifying life she must be living if that's how she values herself. My heart goes out to people living at that level of desperation.

But let's step out of the world of morals and empathy for just a moment, and examine something strange. This young woman was offering a sexual service for R50. There are women who offer exactly the same services for over R20 000, and successfully receive such fees. *For the same thing*. That's a difference of 400 per cent for a sale of an ostensibly identical service.

How on earth is that plausible?

Taking morality out of the equation, the only real differences are differences of perception. They are differences in perceived quality. One person is labouring at the bottom end of the market and earning a dismal income. The other has raised the perceived value of what she offers and is earning extraordinary amounts.

Perceived quality is raised in a few ways, including:

- extravagant packaging;
- location;
- discretion;
- perceptions of safety and comfort;

- customer service; and
- tone and nature of customer experience.

So, same labour. Same offering. Same basic product. Different branding. Different positioning. Four hundred per cent difference in earnings per transaction.

Please don't misunderstand me – I am not advocating that you should become a high-class hooker. But there is a principle underlying differences in income that is important and applies across a spectrum of industries. You definitely *should* become a high-class version of whatever it is you want to be. You should find the leverage. You should be worth R20 000 in one go, and not 50 bucks a time.

Have you ever met someone with less education or less intelligence than you, who is outstripping you financially? Ever seen a less moral, less 'deserving' person become wealthy, when you haven't? Someone who works shorter hours but earns extravagant amounts?

It's harsh when it happens, and we feel that the universe is being fundamentally unfair to us. But this is the principle at play: becoming wealthy has very little to do with how good, moral or deserving you are. Becoming wealthy relies only on the principles that create wealth, and foremost among them is this simple idea: It's not about hours worked – it's about the perceived value of what you do or what you sell.

The young woman selling her services for R50 will have to offer her services 400 times to make what the R20 000 woman makes in one transaction. Both do the same thing, but life is going to be very different for each of them.

Do you believe that being the cheapest competitor in your market will make you rich? If so, I hope to disavow you utterly of that belief. In most cases, it's a path to poverty.

Let's leave the awkward analogy of prostitution behind, and take an example from the world of consulting. A really valuable business consultant may come into an organisation and make a recommendation. That recommendation, in turn, might earn the organisation millions in additional revenue, or save it millions in costs.

For that reason, the consultant becomes highly valuable. The consultant is able to go to other organisations and show the testimonial from the first one: ‘Joe Consultant helped us to add an extra zero to our annual revenue. His assistance changed everything for us.’

Joe Consultant can now charge immense fees for his consulting work, even if he doesn’t spend great amounts of time actually doing it. Because it’s not about hours. His *results* are worth millions, and so a few hours of his work can be charged at a very high fee. He has dumped the bricks in his wheelbarrow, and is carrying gold. It’s not about how long he pushes his wheelbarrow for, it’s about how valuable his offering is.

Raise your value, and raise the value of what you do within an hour. Putting in more hours is not a path out of poverty.

HOW TO RAISE YOUR VALUE

There are at least 10 major options (and possibly many more) for how you can raise the value of your labour – in other words, how you can receive more income for the same time you spend working:

1. Improve your qualification

Your first option is to raise the worth of your hourly labour by becoming more qualified. This might mean further study to get a piece of paper to show to your boss, or it might mean investing in soft-skills learning to get better at what you do, and thus become worthy of promotion.

There is no doubt that a qualification entitles you to more money for the same number of working hours. The labour of a qualified doctor is worth more than the labour of a bricklayer, regardless of how hard the bricklayer works.

Additionally, as you gain experience within your employment, you may receive pay increases. As a corporate employee, you could do a course that makes you a better leader, a better speaker, better at sales, or a more skilled builder of relationships. You may even do an MBA (although it’s worth noting that there is increasing evidence for the idea that, while you *will* earn more money on the far side of an MBA, the detriment to your own life may not actually be worth it).

This is certainly an option for raising your value. However, short of becoming specifically, say, a doctor or a lawyer, it does not necessarily create big shifts in earning potential. By raising your qualification, you *will* become wealthier, but by small increments and over a gradual trajectory. Do it, by all means. But there are other things you could do as well, or instead.

2. Make lateral moves to advance your career

It is often easier to get promoted by leaving your place of employment for a higher-level position at another organisation. Increasingly, research shows that people who make such lateral moves tend to advance more quickly up the employment ladder than those who stay with an organisation and work their way up internally.

With a series of cleverly executed lateral moves, you can raise your value significantly over a short period of time.

In extreme cases, you may even be appointed as the manager or CEO of a company at an early age (it's rare, but it does happen). In such a case, you would have radically amplified your value and, consequently, your income.

An important part of this strategy is making yourself increasingly 'worth it'. You will need to be seen as a person who gets results, invests in his or her personal growth and development, and is able to take on significant responsibility.

3. Become an industry celebrity

You can also increase the value of your labouring hour outside of traditional employment. When done successfully, this tends to give you a more dramatic rise in income, and I am a big believer in this option.

If you become the big name in your industry – the Branson of business, the Oprah of TV, the Schwarzenegger of bodybuilding or the Clarkson of cars – regardless of what that industry may be, the deals and the money tend to go to you, rather than to unknown practitioners.

It works even on a small scale. You don't have to be the global icon of dog training, like 'Dog Whisperer' Cesar Millan or Barbara Woodhouse before him. You could simply be well known regionally, and that will be effective. When people think about dog training, your name springs instantly to mind, and that's valuable for you.

Moreover, a prominent public profile changes the scale of your remuneration – not just subtly, but often radically. The average business consultant might earn *x* for his input and ideas. But let Richard Branson drop by and deliver a half-hour presentation to the same organisation, and he will earn *x* plus three more zeroes, simply because he is Richard Branson. You could pay a nominal fee to have an unknown speaker at your event, but call on a famous rugby player and, even though he may not be a great speaker, you will need to save up for his fee.

These people have raised the value of their names to become, effectively, expensive brands. Think of it like going from being a Hyundai to being a Rolls-Royce. Both are cars, and perform broadly the same function. But there is a significant difference in perceived quality, value and prestige and, as a result, the Rolls costs 20 times what the Hyundai costs.

In raising the profile of their personal brand, top industry names raise their own perceived value. Their input has great equity, and it alters how they are paid. Nigella Lawson may not be the most qualified chef on earth. She may not be among the top 10, or even the top 100, most qualified chefs on earth. So, why is she out-earning most of them combined? The answer is that celebrity status changes your earning potential.

In 2014, I published a book titled *Own Your Industry: How to Position Yourself as an Expert*, which explores this dynamic. For our purposes here, it is sufficient to say that by becoming an icon, you radically change the scale of your earnings. Becoming the big name raises the perceived value of your work per hour.

4. Offer more

If and when you have become something of an industry celebrity, or once your business has become a popular brand, you can dramatically increase the profits you make on any idea by offering complementary products.

On a large scale, take the example of Disney studios. If Disney only made animated movies, its revenue would be limited. But it uses the notion of offering more to increase profitability dramatically. When a popular movie has hit the cinema screens, we can buy endless merchandise in the form of dolls, action figures, key rings, clothing, mugs, balloons, stationery, branded bandages, bedding, costumes, theme-park rides, downloadable music, and much, much more. When your fans love what you do, offer more of it.

On a smaller, more personal scale, if you have developed a coaching system that helps people to create spectacularly successful presentations, then, like Disney, you have innumerable opportunities to offer more. Write a book on the subject. Then another, and another. Create an audio CD. Develop an online program. Sell manuals that guide people through the process. Develop a series of how-to DVDs. Sell a short training course. Then sell the longer version of the training course. If people like what you are teaching, they will generally want to buy more of it.

Offering more needn't mean making more physical products. It could also translate into intangible offers, such as memberships and subscriptions. If you are the leader of a fan base, you could charge a recurring subscription to some form of online offering and, even if your subscription fees are relatively low per individual, the size of your fan base could translate into a large monthly income.

5. Offer *to* more

If your income is derived from a very small group of buyers, there is a cap – an upward limitation – on your potential for wealth. For example, start a gentleman's hair salon in a small town, and your entire potential for wealth will be represented by the number of men in that town (and that's your best-case scenario – your cap will be the number of men in that town *who use your services*). So, you may be a business owner, which is certainly one of the most important wealth secrets, but you will not become wealthy if your particular business model simply doesn't allow for it.

However, if you are able to sell to an entire nation, or even to the world, you have removed the cap from your wealth potential. Offer *to* more people to raise your potential income. This means you will need to think – and find ways to reach – beyond your immediate geographical limits.

I know of one author of a non-fiction book who made it his policy to do three things per day to ensure greater sales of his books. On one particular day, one of his three things helped him to sell his books in China in bulk. He became a multimillionaire as a result.

6. Be the boss

It is very rare – almost impossible, in fact – to become wealthy working for someone else. When you become the person who employs others, thus magnifying your capacity to produce through their paid assistance, the rules change completely.

And employing people is not your only option. Employing any mechanism that automates your work will accomplish the same thing. As the boss, someone or something is doing the work under your supervision, which disconnects you from the hours-to-coins dynamic.

When you own a business, or businesses, other people and resources multiply the value of each one of your hours. If you have 10 companies, each with a hundred employees, you have a workforce of one thousand people contributing to your hourly income. That is a substantial increase in your hourly earning potential.

Naturally, there are varying ways of going about becoming the boss. One is to work your way through the ranks within traditional employment and be promoted until you're at the top. Another is to start your own business. Yet another is to buy one. Whichever path you choose, you have to pursue it intentionally. Very few people ever end up at the helm of a company without having made it their specific goal to get there.

If this is your desired option for raising your value, there are a few specific things you will need:

- A desire to become the boss (sounds obvious, but it has to be there).
- The willingness to learn the requisite soft skills, including how to lead people, how to speak in public, how to oversee and coordinate different functions, and more.
- A thorough knowledge of the industry, not just job functions. For example, you will never become the owner of a TV news station just by understanding journalism. You will become the owner of a TV news station by understanding how the world of news interacts with power, politics and commerce. Understanding journalism is actually a relatively small part of owning a news station. Want to be the boss? It's a political game. Understand the industry, not just the work function.
- A basic understanding of numbers, and what they are telling you. Is this business basically worth it? The numbers will tell you.

7. Solve an expensive problem

The basic point of a great many businesses and services is to solve a problem that other people, or other businesses, have.

The more that problem costs them, the more solving it is worth. As a simple example, many big companies lose a great deal of money to what is called shrinkage. If you are able to sell something that helps these companies dramatically to cut the costs associated with shrinkage, then you can make a lot of money. You have solved an expensive problem, and your solution is worth a lot of money.

There are then many formats in which you could sell your solution. It could be a packaged product that companies buy. Or that individuals buy. Or it could come in the form of coaching. Or consulting. Or a myriad of other ways in which you might combine and present the way in which you solve problems.

8. Solve a problem that affects a great many people

A problem need not be expensive. It can be a very simple, cheap-to-solve problem. To create wealth for you, it need only be far-reaching. In other words, a great many people need to solve it.

Say, for instance, that you have a brilliant idea that solves the problem of fingernail biting. Your solution is so basic that you can only sell it for R1 per unit. But you discover that 10 million people are afflicted by fingernail biting, and desperately want a solution. You could become very wealthy by selling it to them.

The need for entertainment falls under this category. It’s not necessarily an expensive problem for people, but it is one that most people on earth want solved. Creating a form of entertainment that appeals to a large number of people could generate great wealth.

9. Amplify your effectiveness through networks and associations

Networks and associations are a friend of the wealth-seeker. They are a means by which to amplify your own voice, and to be effective on a greater scale.

If you own a small carpentry business on Second Street, your reach and effectiveness will be limited to the amount of business you can generate. However, if you join a number of carpentry trade associations, and learn how to network within them, you will become known on a much greater scale. And you need not limit yourself to carpentry associations. You can also join and network within:

- small business associations;
- associations for entrepreneurs;
- retail associations;
- forestry and woodworking associations;
- and more.

The result of such associations is that your business becomes known beyond the limits of what you may have achieved with advertising and marketing alone. You receive referrals. You become a go-to source. You amplify your effectiveness.

The media is also a form of network. If you don't make use of this network, your business may only be known in its immediate geographical vicinity. However, through the media, it can become known regionally, nationally, or even globally.

You may also make use of agents, bureaus and representatives. In many creative industries (acting, art, writing, speaking and more), practitioners build relationships with agencies and bureaus that then represent them. When the relationship is successful, the practitioner will earn more as a result of the exposure and selling that the agency carries out on their behalf. They have effectively amplified their potential reach.

You may even create your own network, in the sense of building up a database. Being able to email an entire database of customers in one go, rather than simply speaking to one at a time, is a form of leverage and amplification.

Note that this does not apply to multi-level marketing (MLM), which tends to be a wealth-creation mechanism solely for the owner of the network. When I hear the telltale phrase, 'I would like to discuss a business opportunity with you,' I run for the hills.

10. Scale up

Scaling up is the next way to earn more per hour. When you, personally, spend your days running the store on Second Street, you once again limit your earning potential to hours. You may be your own boss, but you are also your own employee. You are still pushing the wheelbarrow.

In business circles, this dynamic is often referred to as becoming the chef in your own restaurant. In doing this, you have not started your own business – you have merely created a job for yourself. There is a difference; understanding it can be a key to wealth.

If you decide not to be a chef in your own restaurant, but rather to be a restaurant owner who hires chefs, you can open a string of businesses. Each of these businesses, if properly run and managed, will bring in unique income for you. You are no longer limited to the hours for which you, personally, can work. You are limited only by how many successful restaurants you can open and oversee.

ESCAPING THE HOUR CONCEPT

Individuals who sell and do deals have learnt that one important handshake can be worth half a year's wage-based salary. So, their emphasis is not on putting in hours, but on landing deals. Their goal is to set up and accomplish that single hour that is worth so much to them.

Perhaps the most extreme example of this is stock-exchange trading floors, where fortunes change hands every few minutes. The number of hours worked is almost irrelevant. Here, money is earned (and lost) as though it were little more than a form of energy.

Others have learnt to develop passive income streams – for example, by selling products online. While they sleep, people pay them money and, as such, they have escaped the hours equation. Certainly, they had to put the hours in initially. But after that, their gains simply continue and can grow exponentially.

Still others have learnt how to create once and then greatly multiply their reward through multiplication of the sale (in other words: make it once, sell it a thousand times). This applies to anything that can be replicated to a large scale – for instance, recording an album, or writing a book … or even drawing a comic strip …

THE GREATEST WHEELBARROW ESCAPE OF THEM ALL: 'GOOD GRIEF, CHARLIE BROWN!'

Take the example of Charles M. Schulz, the creator of the comic strip *Peanuts*. Each day, throughout his life, Schulz would draw a three-panel comic strip about the adventures of Snoopy and the Peanuts gang. Then, through syndication, he would sell it, over and over, to newspapers around the world. He did this for a period of some 50 years. In 2016, *Forbes* listed him as the third-highest posthumous celebrity earner, just behind Michael Jackson and Elvis Presley, and ahead of people like John Lennon!

Others, still, have learnt to scale up what they do. Once they discovered that there was market value in their offering, they hired people or created systems that could multiply their effectiveness. This model, of course, can overlap with the idea of becoming a boss.

So, raising your value is not as difficult as it may sound. You may need to do one, or more, of the following things:

- Increase your qualifications.
- Job-hop, gaining promotions each time.
- Solve important problems that are worth money to people or organisations.
- Sell something that appeals en masse.
- Create things that keep selling after your labour input.
- Offer more of what people already like from you.
- Raise the intrinsic value of your name and brand through enhancing public perception of your worth.
- Scale up the valuable thing you do, so that you are not limited by your own capacity.

- Offer more to those who already like what you sell or do.
- Do deals that are worth a great deal of money in one go.

Each of these ideas is a pathway to wealth. Few have anything in common with the advice that poor and working-class people receive from their parents.

DOES THIS MEAN THAT I HAVE TO PICK ONE?

So, does this mean that you now need to select one of these options and pursue it relentlessly?

I'm going to be realistic and say that it rarely works this way in the real world. What tends to happen is that people slowly but surely learn (some of) these principles as they go along and, as they do, things gradually get better for them. As I mentioned before, wealth doesn't boil down to a single solution. It is the learning of an arsenal of ways of thinking.

Personally, I did not start out with these principles readily at hand. I was not a highly optimised money-making machine straight out of the gate, and you probably won't be either.

I started out by working at a couple of basic jobs. I learnt a lot from them, and I'm grateful for the time I spent doing them. I then began to raise my value by getting a degree, and by learning public speaking and leadership skills (which I studied through Toastmasters and a few other sources). I realised that this was helping me – it raised my value – but it certainly didn't make me instantly rich. It just made me marginally more promotable.

Then I realised that I could use my skills (speaking, writing) as a business, and I decided to become my own boss. It worked, albeit gradually. With a lot of hard work, and after learning many business lessons the hard way, things got even better in my world.

Later, I recognised that I could create products to sell – in my case, audio programs, books, videos, manuals, and more. The more products I created, the more I was able to sell. Instead of earning a fee for presenting at an event only, I was now able to increase my revenue by offering more.

Some of these products could even be sold multiple times at no additional cost – for example, an online book or downloadable audio program has little to no associated cost. You can make it once, then sell it over and over.

I started to see that selling and marketing my business were extremely important. I couldn't just be good at the technical side of what I did; I also had to be a good businessman. I began to see that making large deals (i.e. a publishing deal or a speaking roadshow) was exponentially more lucrative than selling on a smaller scale.

Positioning was also very important for me. It began to dawn on me that training a group of entry-level employees in basic customer-service skills was not terribly valuable. There were many people doing it, which meant few barriers to entry for competition. I began to position my own business on higher and higher levels, to the point where I am now effectively a consultant to CEOs and senior managers. I help to solve much more expensive problems for their organisations, such as how to create a company-wide culture of innovation, how to stay ahead of competing brands in the market, and more. The more high-level I become, the less competition I encounter, and the more my labour is worth.

In my own, small way, a degree of fame factor has helped too. With each book that I write, and with each media interview that I do, I become a little better known on the circuit. I slowly build tribes of followers, and raise the perceived value of my own brand. This means that my presentations become worth more over time, and can be charged at higher prices.

I learnt these and similar wealth principles the slow way. I don't expect you to start carrying them out overnight, but you must begin striving towards them. Each one, successfully implemented, will improve your condition and raise your value. Each one is a lever, granting you access to greater wealth.

THE PREDICTABLE, ENDLESSLY REPEATED HABITS OF THE PERPETUALLY POOR

Having taken a cursory look at the pathways that the wealthy choose (raise your value, be your own boss, multiply the effect of your labour, become the big name, position yourself where there is less competition, make something that solves a problem, do lucrative deals), let's contrast them, now, with the typical behaviours of poor and working-class people to see just how different the thinking can be.

Our goal in exploring these differences is twofold: to start using the thought habits of the wealthy on the one hand, and to exorcise those of the poor on the other.

In South Africa, our middle-to-lower-income families often believe that having many children equates with wealth. Among the very poor, there is even a belief that if you have enough children, they will take care of you in your old age.

Logically, this assumption makes little sense; borne out in practice, it becomes a source of greater poverty. In the same way that the *Braintainment* article mentioned earlier identified 'living long' as one of the most certain routes to wealth, having many children is one of the surest routes to poverty. Harsh, but true.

Take emotion out of the equation for just a moment and it is obvious: each child costs money. The more you spread the money over a large group of children, the less there is. The less time you are able to devote to raising a child (including teaching him or her wealth strategies), the less likely it is that the child is going to become wealthy.

Also, if you are poor and attempting to raise a large family, one of two things will almost inevitably suffer: either you will do a great job of raising your children at the cost of the time you needed to focus on growing wealth, or you will do a great job of creating wealth at the expense of time you needed to spend raising your children. Even these are best-case scenarios; it's entirely possible that you might end up spread too thinly for either one.

Naturally, children tend to inherit the thinking of the previous generation, whose norms are invisible to them. So, although the children don't necessarily know why, they nevertheless also believe that they should have lots of children. That's the way things are. They are also likely to have an instilled hatred of rich people right alongside a deeply ingrained belief in The Wheelbarrow Way. So, they repeat the behaviour of their forebears and have many children of their own, whom they will hope will take care of them. The cycle of poverty continues.

Then there is the notion of government provision. Relying on a government for relatively small grants tends to shut down entrepreneurial thinking. In its most disastrous manifestation, we have young women intentionally falling pregnant to receive minuscule government aid. In the long run, this path ultimately makes them much poorer.

'I DESERVE'

A culture of entitlement is another mindset working against people's wealth aspirations. It is a socio-political norm for poor South Africans to demand jobs. It is hard to imagine any other place in the world where that might work (which presupposes that it works in South Africa, which it certainly hasn't to date).

A culture of entitlement creates bitterness and social unrest when those who feel that they are owed something do not receive it. This can lead to dangerous social unrest, which we see flaring up over and over in our townships.

To my mind, however, the most dangerous aspect of a culture of entitlement is not the eruptions of violence born out of bitter disappointment. It is, in fact, the pernicious way in which it holds people back. By teaching people that they are entitled, we rob them of the will to try for themselves. When entitlement doesn't pay out – and it never does – they have little to fall back on.

In *Equal Is Unfair*, authors Don Watkins and Yaron Brook go into great and, I believe, convincing detail about why the quest to end inequality can do more damage than good. Eradicating poverty is a noble goal, they contend. But eradicating inequality is not. If anything, the quest to end inequality simply results in greater poverty for all. It's a fascinating and complex book, which I strongly recommend, but some of the important principles are the following:

- When humans are free to pursue and create their own wealth, societies as a whole prosper greatly.
- When governments attempt to intervene and bring down the rich, everybody loses and, in extreme cases, entire nations are reduced to ruins.
- The idea that all should earn equally is unfair to people who put in more.
- To focus on the differences in earnings between rich and poor fails to account for talent, ability, amount of risk assumed, extent of education earned and more.
- When welfare increases, innovation decreases and wealth ultimately reduces for all.

Boiled down, the book makes the point that when we are taught to create and generate for ourselves, societies prosper greatly. When we are taught that we are entitled and are given security nets in the form of social grants, societal ills increase and productivity and innovation – the sources of wealth – plummet.

As my friend Jim Key likes to say, 'The problem with a social "safety net" is when it is so comfortable that it becomes a hammock for those inclined to remain reclined.'

One phrase you will not encounter in my wealth coaching is that awful one, 'The wealth that you deserve.' This phrase is ridiculous and pandering. We do not deserve wealth. We also do not deserve poverty. We simply act in ways that generate money, or we fail to do so.

If a person feels entitled to something, they become dependent on the idea that it will be given to them. This alters their behaviour. They wait for 'justice' to be done, and 'that which they deserve' to arrive.

On the other hand, if you do not feel entitled, the burden of responsibility is shifted back to you, and you act in the understanding that nothing will happen until you make it happen. You become the person in charge of your fate. You are no longer reliant on government, on grants, or on any other external force. *You* have all the power.

Entitled = wait for it to come to me
Not entitled = I'm in charge and I will do something about generating it

This brings us to the one thing that, I believe, epitomises the 'success is beyond my control' mindset, the one iconic item that is a vote against one's own success: the lure, and the curse, of the lottery ticket.

SCRATCH AND WIN

People of every race, colour and creed, around the globe, buy lottery tickets – never realising that the joke is on them.

I decided early in life that I would never buy a lottery ticket. I find the concept insulting. Firstly, you are statistically more likely to lose money over the long term than you are to make it – that's how all gambling is weighted, otherwise it wouldn't work. This means that by purchasing a lottery ticket, you are engaging in a process designed to make you poorer. In small increments, over long periods of time. Which simply disguises the fact that it's making you poorer.

Cynically, it also gives you occasional hope with small wins. Long term, your wins will always fall short of your losses. If they didn't, the lottery system would not sustain itself.

Secondly, even in the case of big wins, studies are increasingly showing that the majority of lottery winners tend to end up poor again anyway, because they do not understand principles of wealth and ultimately lose their gains. Money does not fix poverty. Being able to think like the rich does.

Human beings are not good at simply receiving things. We are not wired that way. That is part of the reason why redistribution of working farms in Zimbabwe and South Africa has had such a low success rate, with working concerns tending to become fallow within short periods. If you didn't create it in the first place, regardless of what 'it' is, you are statistically likely to run it into the ground.

The same principle applies to lottery winnings: didn't earn it, probably can't manage it.

Thirdly, it contradicts one of the beliefs that most self-made millionaires hold, which is that you need to be in control of your fate. Relinquish control of your destiny to fatalistic desires such as the hope of lottery winnings, and you massively harm your chances of becoming wealthy – not because you bought a lottery ticket, but because you are the kind of person who buys lottery tickets. It's the wrong kind of thinking.

Finally, I have always fundamentally believed that I would grow wealthy without the intervention of dumb luck. My life story matters to me. Call it pride, but I don't want to look back on my life and think, *The success of my whole story upon this earth boiled down to one day when I got lucky. That's me in a nutshell*. I'm far too vain for that. I'd like to encourage you to see things this way too – to view your life story as important, and to think of the lottery ticket as a form of financial blasphemy.

It is designed to make you poorer and, even in the incredibly unlikely event that it doesn't, you will have proven nothing to yourself. Instead of summoning your wits, educating yourself and growing prosperous by design, you are essentially declaring, 'I know I can't do this myself, so I hope I'll just get lucky through a system designed to make me poorer.'

Forget that! You *can* do it. That lottery ticket is a symbolic vote against yourself. Vote *for* yourself. Root for yourself. Believe in yourself. Because your belief *will* ultimately become the deciding factor.

IDENTIFYING HABITS TO CULL

Do any of the following habits currently apply to you? These are some of the life habits of the people and families who tend to remain perpetually poor, in spite of poverty now being optional.

The mental sin list

- My future income is *uncertain*, but I create *certain* future debts – for example, by buying into costly commitments like timeshare.
- I have never saved anything. The money comes in and goes straight back out again. This has been the case all my life.
- We can't afford school fees, but we do go away on holidays.
- The car needs new tyres, which I can't afford, but I smoke a packet of cigarettes a day and buy alcohol on the weekends (and sometimes during the week).
- My company offers the opportunity to study further and raise my value, but I haven't done anything about it.
- I have an idea for a business. I've had it for years now, but I haven't acted on it.
- I tried a business once. It failed, and I've never tried again.
- I have an idea for a book, but I haven't started writing it.
- I can't afford to send my kids on development courses, or pay for extramural activities, but we do have satellite television so they can watch cartoons.
- I won't spend R300 on a book about how to grow my business (that's a lot of money!), but I will spend it on a trip to the movies.
- I've decided to have another child. We can't really afford it, but somehow we will get by.
- I don't have life insurance, which would take care of my family if I die, but I do have an expensive insurance policy, because I want my funeral to be a big event.
- My kids determine what our income is spent on. They make our financial decisions, based on items they see in stores.
- I wear designer jeans. My T-shirts all bear a branded swoosh. It matters to me that my friends see me in expensive clothing.
- I continually have to borrow from friends and family. I spend my money on nice things, then allow others to act as my reserve fund when anything unforeseen happens. I allow this to happen over and over again, because I never realise that unforeseen things will continue to happen. They always catch me by surprise, and I have developed no system for handling them.
- I do not use, and have never used, any of my money to grow more money. Money is for spending. I get it and spend it. I am at my richest at

the beginning of the month, and my poorest towards the end of the month, consistently.

- There is no money working for me in the background.
- I don't actually know what my monthly expenses are. I have a rough idea.
- When I see a sale, I buy things that I had not planned to buy, because I believe I'm saving money by doing so.
- I believe that my life will become better when the government gives me a job, subsidy or handout.
- I'm frustrated that my job doesn't pay me as much as I need. But I've worked at the same job, and complained about it, for years.
- I believe that a job represents financial security.

These are some of the most common behaviours – the most common 'styles of thinking' – that keep people poor.

Robert Kiyosaki sums all of this up by saying that the number-one difference between rich and poor people is this: Rich people buy assets, which add to their money; poor people buy liabilities, which cost them money. It's the difference between spending on things that will grow your wealth and spending on things that will entertain you temporarily, but deplete your wealth.

So, the rich are always looking for ways to raise their value, and think in terms of creating more. They are makers and innovators and growers by nature. The poor simply do not do so. The poor see money solely as a thing to spend. When they run out of it, their only solution is The Wheelbarrow Way: work for set hours for a boss to earn another coin.

Examine today's activities. Did they represent money-generating behaviour, or money-reducing behaviour? Analyse your behaviour over the past year. Did you practise, on balance, more money-generating behaviour than money-reducing behaviour? Analyse your life as a whole. Do you generally practise more money-generating behaviour than money-reducing behaviour?

Kyosaki's simple formula is undeniable: If more is coming in than going out, you are getting richer. If more is going out than coming in, you are getting poorer.

HOW SELF-FULFILLING PROPHECIES WORK, AND WHY YOUR THINKING MAKES YOU RICHER OR POORER

You've probably heard these terms before (although I never did in my working-class home):

- Abundance mentality;
- Prosperity thinking; and
- Wealth mindset.

To the uninitiated, they sound like voodoo, hokum. I assure you that I am deeply sceptical of any principle whose mechanics I cannot observe. It is not good enough for me to be told, 'If you think positively, good things will happen.' Call me westernised. (Call me Spock, if you will.) But my brain says, 'How? And why?'

Fortunately, when it comes to wealth concepts, I *can* show you how and why. It is neither mystical nor even all that complicated.

Let's take the practical example of people working in sales: 2009 rears its ugly head, and the world starts screaming 'Recession!' People who hear these cries and take them to heart – in other words, people who think with a recession mindset – offer excuses for not acting in money-generating ways. They get stuck singing the same song over and over – 'No one's buying; there's too much competition; there's no money available' – until they believe the lyrics themselves. The net result is that their self-fulfilling prophecies come true, because they cease to act in money-generating ways. Their attitude creates their reality. Every step they take (or fail to take) confirms their original premise.

They start with a belief, then prove it to themselves.

The sad thing is that, in a great many cases, these individuals have not *discovered* a recession, as such. They have been *told* that there is a recession, and they have bought into the idea. And that is a difference of mindset, not a difference of fact. It is also another example of inheriting an idea rather than discovering it.

PEOPLE WHO PRACTISE AN ABUNDANCE MENTALITY DON'T BELIEVE IN RECESSIONS

Make no mistake, these are not people who are ignorant about the world economy. Instead, they refuse to use external ideas as motivation to fail. Moreover, when there is a recession around them, they start looking for opportunities amid the crisis, not excuses. For instance, they know that during any recession, competition will decrease as the chancers and amateurs in any industry disappear. They know that if they are strategic and hustle sufficiently, they can use a recession to become the dominant name in an industry.

They might even use the opportunity to buy up competitors. When the recession ends, they find themselves in a position of natural market domination.

Their starting point is the understanding that money exists in great abundance. There is no end of the stuff out there, and it is always moving, always circulating, always changing hands – even during recessions. Wealth exists in massive abundance. Most people don't know how to get in the way of it, to gather it for themselves, to generate and wield it, or to place themselves in its path as it moves around.

Wealthy people practise money-generating behaviour regardless of the moods and sensitivities of the world around them. They continue to see clients, sell products, do deals, carry out initiatives, move forward, and act and behave in ways that make money, even as others throw up their hands and declare that times are tough. The fundamental attitude of wealthy people is different, and it serves them well. Their thinking is everything.

That is how self-fulfilling prophecies work. You will act according to what you believe to be true. If you believe there is no money to be made, you will reduce activity and shrink. If you believe that there is *always* money to be made, even during recessions, you will be thinking about growth and pursuing ways to accomplish it.

LET THE SHIFT IN THINKING BEGIN!

So, let us delve into the specific ways in which you can alter your thinking, the practical mindset shifts you can make, to think like a wealthy person all of the time.

Here are 50 ways to think like the rich. They begin with some basic but important differences between how rich and poor people think about the world. They then move out of the world of philosophy and into more specific entrepreneurial ways of taking control of their scenario, becoming their own boss and building substantial wealth. They conclude with some ideas about the new types of problems, and the new types of threats, that they will face as they graduate to new wealth.

So, it’s time to dump the bricks in *your* wheelbarrow, and learn to carry gold!

Part II:

50 ways the rich think differently

1. The rich do not believe that they were 'assigned' their place in life

Self-made millionaires are not sentimental about an idealised past. Instead, they tend genuinely to believe that they are creating a better future. The emphasis in this sentence is on 'creating'. They are in control.

If you believe in fate, you disqualify yourself from the wealth game. If you have bought into the idea that your present state is your assigned lot in life, I can't help you. However, if you are willing to believe that it *is* possible to create a better life, and that your current poverty is not ordained, well, then, we can move worlds together.

I understand that it's difficult. When life has been one way for a long, long time, it's hard even to conceive that it might be possible to change. When you've struggled for years, the idea that a different scenario is even possible seems almost absurd. I have personally undergone a few big changes in my life, and I find that the underlying sensation – what it's like to go through change – is very similar each time.

In terms of my own changes, I have gone from poor to prosperous. I have also gone from chronically skinny to relatively muscular by putting in years of hard work at the gym. And in a few other arenas, I've gone from rank amateur to relatively high levels of competence, including the worlds of public speaking (I won the southern African championships five times), skateboarding (I won the South African championships three times), learning a new language, learning to type (I type at almost the same rate at which I speak), and more.

Here's what it tends to feel like to go through change.

At first, you feel trapped. The sheer scale of what you must learn, and what must change, is so daunting that it becomes discouraging even to try. You feel as though fate, or God, or the universe, has ordained that you should be in this losing position, and that that's all there is to it.

Then you begin to dabble with the early stages of learning the new thing. You have a desire, but it's fuelled by loads of passion and very little education. Perhaps you get some basic public-speaking training. You lift your first weights at a gym or read your first book about wealth principles. You're excited by the prospect of change, but you don't genuinely believe it's possible for you. You're really just dabbling at this point.

You do something that most people never will: you stick to it for a few months. This part is perhaps the hardest of all, because when trying for radical change, the early stages are the hardest and yield the fewest returns. You feel very stupid and incapable. You feel as though you're simply never going to grasp these principles, never going to be able to do these things. They may work for others, but they're not for you.

Then, you begin to see the very beginnings of gains. It took months longer than you expected, but there's growth. A little progress. The beginnings of understanding; the dawning inkling of ability.

You realise that the scale of this new thing really *is* massive. It's an entire system, an entire skill set, an entire language. It's not going to be a one-year process. It's going to be a lifetime pursuit. But you stick with it into your second year, and now you're beginning to gather some momentum. Principles are making sense. You're beginning to see where the levers are. You have the beginnings of competence in this new arena.

And then, as you enter years two and three, something quite remarkable happens: despite how stupid and useless you've felt for a seemingly interminable period of time, it dawns on you that you've actually come quite far. Although the progress from day to day, and even from week to week, has felt abysmally slow, the changes from year to year have been dramatic. You begin to notice that your upward trajectory is accelerating.

Five years down the line, you look back on your life and you cannot believe how different things have become. You've gone from scrawny to seriously muscular. You've gone from mute before an audience to being able to wow a crowd. You've gone from hopelessly broke to the beginnings of real prosperity. Your life really *is* different.

I want you to know what it feels like, so that you will believe it to be real. All of the attendant fears and insecurities are normal. You *will* have them. But if you stick with it and push through them, you will look back on a life completely altered. And that's our goal.

Start with the belief that you can. Poverty is not your fate. You *will* alter your life story.

Poverty mindset: People like me stay poor.
Wealth mindset: It's my life, and I choose to change my scenario.

2. The discovery of ignorance

Quick quiz: Which two discoveries moved humanity forward more than any others in our history?

Fire? The wheel? … The iPhone?

Nope. It turns out that our top two discoveries – the things that caused our species to move forward with the greatest velocity – were actually just concepts. Ideas.

The first concept was abstract representation. We discovered that we could use sounds or scribbles to represent something. This was the basis of language and writing, and it meant that, unlike any other species, we could transfer knowledge through multiple generations. If a caveman can draw an idea on a wall, or tell a story that illustrates a point, cavemen four generations later could benefit from that idea.

Money, too, is a form of abstract representation. We use numbers to denote the idea of value.

That concept was really the beginning of all progress for us.

The second biggest discovery, made surprisingly recently, was the discovery of ignorance.

In *Sapiens: A Brief History of Humankind*, Yuval Noah Harari points out that, for much of human history, we remained ignorant of our ignorance. We did not know that answers existed beyond what we already knew. If questions arose about life, or the universe, humans would typically consult a religious leader or oracle who would tell them what was 'known' with unquestionable certainty. It was assumed that such sources had all the answers to all the important questions, and that there was nothing more to discover.

The very idea of progress was not a familiar concept. Until very recently, the world looked pretty much the same between a person's birth and death. If someone from the 1100s had to be transported to the 1300s, despite the passage of 200 years, they would notice little difference.

This is no longer the case. I was born in 1980, into a world that didn't know cellphones or the internet. By the time I shuffle off my mortal coil (hopefully at the age of 110, surrounded by a bevy of Hugh Heffner–style bunny girls), I'm confident that things will look almost unrecognisable.

This incredible acceleration of knowledge only began in about 1500 with the scientific revolution. Underpinning that revolution was an important idea that had previously been foreign to humanity: the simple admission, 'We don't know.'

The discovery of ignorance was tremendously important for us. Having discovered how very much we didn't know, we endeavoured to find out. Not from authorities who recited rote answers, but genuinely to test and discover.

Sounds obvious, doesn't it? Yet even today, a massive proportion of people living in poverty are only even vaguely aware that they don't possess the answers necessary for wealth. Certainly, they know that they are poor. But they don't know that there are solutions available to the problem of poverty, solutions that they could personally implement if they were only aware of them.

The discovery of ignorance is the starting point of everything.

In practical terms, a young person who is busy building his or her career may be unaware that his or her manner of speaking could be a barrier to wealth. For many South Africans, English is a second language. The English that many tend to learn may either be very basic, or have something of a 'gangsta' slant to it. Without realising it, young people attempting to gain employment, sell a product, grow a business, build relationships and more may actually disqualify themselves from their own goals through the misuse of language.

Sound ridiculous? I still remember the young man who had a question in one of my seminars. Spilling half out of his chair, he pointed at me and said, 'Hey, dawg …' While I continue to wish him well, I'm not betting on this young man's ability to do multimillion-rand deals. Of greatest concern: he didn't know what he was doing wrong. He was unaware of how his verbal language, body language and posture were barriers to credibility and, hence, barriers to wealth.

If you have ever taught, coached or mentored another person, you will know that openness to knowledge changes everything. But when people do not want to learn, neither you, me nor the Almighty can help them. People who believe that they know when they do not will forever be stuck in the Dark Ages.

Yet, when a mind is willing to admit ignorance and is hungry for new knowledge, exciting new vistas of possibility open up.

To assume we have the answers is to shut all doors to progress. To admit our own ignorance and humbly seek answers is the beginning of massive acceleration.

> **Poverty mindset:** I'm poor. That's how it is.
> **Wealth mindset:** *Why* am I poor? What am I missing here?

3. The rich do not believe that money is the root of all evil

The phrase has been corrupted from its original source. It originates from the Bible, 1 Timothy 6:10, and differs from the version we are told in two ways. The verse actually says, 'for the *love* of money is the root of *many kinds of evil*'. That's not even close to the same thing. And it is a misperception that has the capacity to keep people – in particular, people of faith – poor.

In and of itself, money is morally value-neutral. It favours neither the good nor the bad. It is neither attracted nor repulsed by deeds, either good or evil. It comes to those who understand how to generate it, regardless of whether they are saintly, wicked or middling.

Money responds only to money-generating behaviour

Money is neither sentient nor magical. It responds only to money-generating behaviour.

Because we, as humans, are meaning-seeking creatures who love to think in patterns of meaningfulness (an idea explored extensively in Daniel Khaneman's wonderful book, *Thinking, Fast and Slow*), we tend to get morbidly hung up on the false conception that money is somehow deserved. We apply a story to it – a meaningfulness – of our own invention. If I'm good, money will reward me. It breeds resentment when we observe whom we perceive to be non-deserving people with money. But money doesn't care about the stories we invent. It responds only to money-generating behaviour.

Morals do not create wealth either. Nor do poor morals destroy it. They are dynamically separate from the equation of wealth. Linking them in your mind is somewhat akin to thinking, *Today I've been good, so my electricity bill will be lower at the end of the month*, or *Today I did something terrible, which means my electricity bill will be higher*.

Your electricity bill is linked to your usage of electricity. That is all. I want you to start thinking of money in this way. Am I poor? I am not acting in ways that generate money. Am I rich? I am acting in ways that do generate money. Things are not moving as quickly as I'd hoped? I need to increase my money-generating behaviours.

Please do not apply superstitious mythology to your money. Do not cloud your thinking by tying money and wealth to your character or behaviour or merit. Listen carefully: money comes to people who practise money-generating behaviour. The end.

Change your morals, and you will become a nicer person. But you won't change your financial scenario. Change your money-generating behaviour, and you will change your wealth.

Conversely, do not hate or resent people who are wealthy. Their scenario is:

- none of our business;
- not linked to whether they are deserving; and
- not a good enough reason to hate them.

I hope this idea provides some relief for you. I do not want you to lie in bed at night and worry that your children are hungry because of the type of person you are. That's an immense and unnecessary burden to carry. If your children are hungry, your problem is simple. You need to practise more, and better, money-generating behaviour. Just that. Don't punish yourself in any other way; you don't need the stress.

A useful way to think of money is as a tool, an energy. Indeed, it can even be a positive thing, when used to good ends. Have you ever experienced that surge of fulfilment when you were able to help someone to solve a problem because you had the financial means to do so? That is not evil. That is a worthy goal.

The next time you encounter an individual whom you dislike or do not respect and catch yourself asking, 'How could such a person be wealthy?', remember that his or her wealth exists separately from his or her character or morality. The working classes delude themselves with the idea that money is deserved; wealthy people simply understand its mechanics and make more of it. Nevertheless, the world could do with more people of good moral character who also understand how to generate wealth.

If we associate money with evil, we will approach its generation with caution and reserved discomfort rather than keen focus. We will be hesitant to teach its governing principles to our families, because we will perceive it as dirty. Money can do a great deal of good, employed properly. It can be a rescue in times of crisis, a builder of lives and families, and a source of education, development and joy.

It really is just a tool. It's how the tool is used that reflects upon the user.

Poverty mindset: Good people don't focus on money. They focus on work.
Wealth mindset: Money is useful. If I want it, I should generate it.

4. The rich do not view money as a valid source of guilt

Some people feel very guilty about the prospect of having money. The media perpetuates the idea that growing wealth is somehow a form of stealing from others and, through movements like Occupy Wall Street, the modern social consciousness frowns upon wealth.

Don't fall for the implied idea that wealth is theft. Nor should you fall for its weird cousin, 'poor is noble'. If these people think it's somehow more fashionable to see their families go hungry, let them have it. Having experienced poverty myself, I know that there is nothing triumphant or morally virtuous about not having enough. It's a breeding ground for despair, sickness and crime.

Be mentally disciplined about this idea. Do not feel guilty about your desire for prosperity. When you begin to prosper, do not feel guilty when you see others who are not prospering. By all means, give to them if you wish. Help others from your abundance – it's a wonderfully rewarding thing to do. But do not for an instant indulge feelings of guilt that you have and others do not.

Feelings of guilt and shame about money constitute a limiting belief. How can you pursue growth while simultaneously feeling shame about it? How can you charge correctly if you're embarrassed by big numbers? I am not saying that you should shamelessly flaunt your wealth, but I am saying that it is detrimental to you to go too far in the other direction and feel ashamed of it. Shame and guilt about wealth will prevent you from:

- educating yourself on the topic;
- seeking out experts and gleaning their advice;
- teaching others what you have learnt, thus consolidating your own level of knowledge and expertise, and raising the level of your clan; and
- pursuing wealth with any vigour, because you will view work as noble but remuneration as impure.

The embarrassment outlook will also set you up with a poor mindset about your own fees and remuneration, because you will have been culturally conditioned to play down the worth of your industriousness. You will not be able to state your fee with confidence or raise it when necessary. You will neither stand up for yourself nor negotiate from a place of strength. You will tend to give discounts, cut your own profit margins and conduct yourself in ways that are detrimental to your own best interests, which will hurt you and your family financially. It is a dynamic that can easily bankrupt you.

Indulging in it is not politeness – it is self-abuse. Shame is not useful. It is a destructive poison.

So, why are we embarrassed about money? Why do we associate it with shame and guilt? One of the reasons is that the major faiths have, for centuries, perpetuated the idea that it is noble to be poor. This often contradicts their own scripture about prosperity, but sadly, religions often become social constructs instead of following the doctrines laid out in scripture.

Here is one example of how that happens. Religion is often used to perpetuate racial hatred. Jews have been exiled, black people enslaved, Asians evicted from nations and so forth, all in the name of Christianity. This seems strange when, in the Christian Bible, it states: ‘There is neither Jew nor Greek, there is neither slave nor free, there is no male and female, for you are all one in Christ Jesus.’ (Galatians 3:28 ESV)

The same happens when it comes to notions of wealth. The Bible is replete with versus about ‘plans to prosper you’ and blessings that leave your cup ‘filled up, pressed down and overflowing’. But the social teachings of religious leaders often perpetuate the noble-poverty myth.

Poverty mindset: Wealth is shameful.

Wealth mindset: Abundance moves humanity forward.

5. The rich know that money is infinite: their wealth does not imply others' poverty

Another of the reasons we are embarrassed about money is the misconception that my having much is causing you to have little. It is the reverse of the idea of hating the wealthy; it is the shame of having wealth. It is also unexamined logic, and a self-limiting belief. I call it the Finite Pool fallacy.

The Finite Pool fallacy

'There is only so much money to go around,' the fallacy asserts. 'If I amass wealth, others must necessarily suffer. More for me means less for you.'

I once witnessed a real-world example of a person punishing herself according to this fallacy. A highly intelligent young woman – a 24-year-old, married law student – told me that she was going to get her degree and then stay home and not practise law. 'Because,' she explained, 'there are people who need the money more than I do.'

Her mistake is this: work does not take money *out* of a system. Work *generates* money. It *adds* it to a system. And the more people who are employed or are running their own businesses, the more money is created. As a result, there is more to go around in totality, more taxes are paid, more products are bought and sold, more development is funded, and so on.

This good-hearted but misguided young woman earnestly believed that she would be doing the world a favour by not taking from it. She is, in reality, robbing the world very slightly by not *adding* to it.

The village in the jungle

Imagine a village, deep in the rainforests of Brazil, which outsiders have never discovered.

The village has its own currency, in the form of coins minted from gold. The gold coins have been in circulation since time immemorial. The villagers themselves do not know where the coins originated, and do not know how to make more of them. Every day, the coins change hands as the villagers perform work for one another, sell goods to one another, and pay one another accordingly.

There are only 100 gold coins to go around. If one of the villagers begins to amass coins and fails to buy from the other villagers, he becomes richer, but they become poorer. Eventually, if this villager obtains and hogs all of the coins, he becomes the only wealthy man in the village. Everyone else is poor, because he is rich.

This is how some people view money. Applying this view to your own thinking becomes a limiting belief.

You do not live in an isolated village with a limited number of preordained coins to go around. You live in an interconnected world of work, where value creates cash, wealth creates more wealth, inventions and innovations generate budgets, and money is continually introduced and refreshed by our growth and development. Money is not a finite pool. It is a spring that flows ever more briskly according to our innovation, efforts and intelligence. The village analogy implies that, at some point, the world already had all the money it ever would have, and that since then, we've all just been sharing it back and forth.

If that were the case, it would be impossible for there to be more money available globally today than there was, say, 200 years ago, or a thousand years ago. Plainly, this is not true. We are not an isolated village that shares limited money back and forth. We are a system of generation and growth.

When you perceive money as a finite resource, your only solution for wealth among poor people becomes the idea of redistribution. In other words, the only way in which you think to solve the poverty problem is, 'We must take from the rich and give to the poor.'

This collectivist thinking has within itself the seeds of communism, a system that has failed spectacularly around the world and has resulted in the deaths, by starvation, of tens of millions of people. Its fundamental mistake is the Finite Pool fallacy: the idea that there is only so much to go around.

A better alternative to 'take from the rich' is 'grow everybody'.

In *Sapiens: A Brief History of Humankind*, Harari makes an interesting point about our species. Responding to the idea that we are merely mindless 'consumers of resource' who will eventually starve ourselves to death when we have consumed everything, Harari writes (p. 334):[1]

[…] the evidence provided by the past is that [energy and raw materials] are finite only in theory. Counter-intuitively, while humankind's use of energy and raw materials has mushroomed in the last few centuries, the amounts available for our exploitation have actually *increased*. Whenever a shortage of either has threatened to slow economic growth, investments have flowed into scientific and technological research. These have invariably produced not only more efficient ways of exploiting existing resources, but also completely new types of energy and materials.

The point Harari makes is that we are not stuck in a zero-sum game in which we need to compete for finite resources. In fact, through our intelligence, innovation and industry, we increase the amounts of everything available to us.

The book *Zero to One: Notes on Startups, or How to Build the Future* by Peter Thiel and Blake Masters explores this phenomenon too, showing precisely how innovation helps humanity to escape the now-invalid idea of the zero-sum game and create entirely new categories of abundance.

Collectivist and communist thinking has not caught up with this new development, continuing to rely on the outdated idea that resources are finite and can only be distributed, not created. The past few centuries' story of innovation and progress indicates that it simply doesn't work that way. When productive human minds are permitted to create, innovate and develop, we trash the collectivist idea that there is only so much to go around. We create progress, which grows more.

Harari continues:

Following the industrialization of agriculture, a shrinking number of farmers was enough to feed a growing number of clerks and factory hands. Today in the United States, only 2 per cent of the population makes a living from agriculture, yet this 2 per cent produces enough not only to feed the entire US population, but also to export surpluses to the rest of the world. Without the industrialization of agriculture the urban Industrial Revolution could never have taken place – there would not have been enough hands and brains to staff factories and offices.

As those factories and offices absorbed the billions of hands and brains that were released from fieldwork, they began pouring out an unprecedented avalanche of products. Humans now produce far more steel, manufacture much more clothing, and build many more structures than ever before. In addition, they produce a mind-boggling array of previously unimaginable goods, such as light bulbs, mobile phones, cameras and dishwashers.

In sum, a greater number of free-thinking, working and creating individuals *increases* resources. We do not *take* from an economy. In working, we give to it. We grow and refresh it, and we create new wealth.

In terms of shifting your own mindset about this issue, I would like you to start looking out for the sort of collectivist, socialist views that imply a 'taking' rich and paint the picture of a 'total pie' of wealth. They are, demonstrably, nonsense. And their implications – that wealth should be redistributed and that earnings should be capped – are harmful to the worlds of innovation and industriousness, which are the wellsprings of wealth.

Does this mean that capitalists should be above the law? Absolutely not. If a poor person breaks the law, he or she goes to jail. If a wealthy person breaks the law, the same must apply. But should innovating companies be given the freedom to create, even if that means that they amass (which is to say, they generate for themselves) incredible wealth? Absolutely. In the absence of this, the resources stop growing. Everyone gets poorer.

The most dangerous book of the 21st century?

In 2013, French economic theorist Thomas Piketty published his book *Capital in the Twenty-First Century*. It offers a distinctly collectivist view of the world and, despite its popularity, it has been widely criticised for failing to incorporate the simple idea that we are not involved in a zero-sum game, but create new resources through innovation.

Piketty sees the world as a village sharing a pie and, in doing so, comes to predictable conclusions about how wealth needs to be redistributed and the wealthy need to be brought down. He says little about how wealth is originally created, tacitly assuming that it is a sort of collective blob belonging to everybody and neglecting the idea that creators generated the wealth in the first instance. Piketty proposes measures like massive, punitive taxation of the wealthy and confiscation and redistribution of their money, nullifying of inheritances, and more.

My personal view is that Piketty is not only portraying an ethically questionable world view (which proposes theft of personal property as a societal virtue), but is dangerous in a number of additional ways. His systems would punish innovation and institutionalise the shame of success. He argues for the removal of any advantages that we are able to bestow upon our children, arguing that generations should not enjoy the benefits that their parents created in the previous generation, but should start again from zero, thus removing one of our reasons to try.

Ultimately, I believe the philosophy of his book fails because it sees the world exclusively through numbers while neglecting to account for the human spirit. An economic system that relies solely on formulas and dismisses the human spirit is a dangerous thing.

There have been some strong backlashes against Piketty's viewpoint – rightly so, I believe. Many of the formulas and findings in his book have been disproven by subsequent research. Yet the underlying ideology remains worryingly popular.

If this topic interests you, the best exploration of the misleading claims in *Capital in the Twenty-First Century* is arguably to be found in the book *Equal Is Unfair*. In a nation that continues to flirt with communism and collectivist ideas, I cannot recommend this book strongly enough.

For our purposes, it is enough to assert that creating wealth does not impoverish others. Believing that we are entitled to others' money is the beginning of a downward slide that, historically, tends to end in poverty for all.

Poverty mindset: More for me means less for others.
Wealth mindset: Work doesn't take wealth, but generates it. The freer we are to create and do, the bigger the pie becomes.

6. The rich learn to use the world to their advantage … and teach their children to do so too

Malcolm Gladwell's book *Outliers: The Story of Success* looks at a simple but critically important difference between how middle-to-upper-income families and lower-income families teach their children to interact with the world.

Lower-income families teach their kids to obey authority and endure uncomfortable situations. Higher-income families teach something completely different: to interact successfully with authority and turn situations – all situations – to their own advantage. These families teach their children that authority figures can help them to achieve their own goals, and that situations are not to be endured, but capitalised on.

The simple example that Gladwell provides is of a trip to the doctor. The lower-income family will typically teach their child that the doctor is a great and terrible authority who must be silently obeyed and endured. As a result, the child will fear the scenario, fail to represent his or her own interests, and simply withstand the situation until it is over. This sets a behavioural trend for the child's life. After all, these years and experiences are formative. The higher-income family, on the other hand, will teach their child that the doctor is a useful resource, and that the child should use the opportunity to ask the doctor any questions that he or she may have to understand the process to benefit from it intelligently. As a result, this child will not fear the doctor as something greater or other, but will simply interact with him or her on a mature level. The child will represent his or her own interests, ask questions, and learn from an early age to 'use' the doctor's services to his or her own benefit.

This also sets a behavioural trend for the child's life – in this case, a positive one. Children like these become adults who feel confident interacting with those who can promote them, sign deals with them, help or guide them, or in any way prove useful to them as they go about achieving their life goals.

The message for us, then, is this: Represent yourself!

We must learn to use situations and resources to our own benefit. Do not accept things that hurt you financially or are not in your best interests. For example, when buying a car, do you typically answer the dealer's question, 'What is the settlement value on your current car?' If so, why? Dealers will only use this information against you. They ask to establish the lowest price to buy you off. This dynamic works in their interests, and specifically against yours. You are not obliged to see car salespeople as authority figures to whom you owe answers. Instead, give them the specs on your vehicle, and ask them to make an offer. Also, do you accept the interest rate they offer as gospel? This, too, is negotiable. But only if you represent yourself.

These are merely small examples. The lives of low-income families are riddled with everyday instances of failure to represent themselves and negotiate favourable outcomes.

Do you accept a 9 a.m. meeting, even though attending it will entail sitting in an hour-and-a-half of peak traffic, simply because the other person suggested the time? Or do you represent yourself and suggest 10 a.m. instead, which means only 20 minutes of driving for you? I've stopped accepting early-morning meetings. They cause me to waste time and petrol, and are not in my best interests. You'd better have a pretty sweet deal for me if you want me there at 7:30 a.m.

Perhaps the simplest example of not representing yourself is the young woman whose parents do not teach her to value and stand up for herself in the face of infatuation with an older boy. Because she is willing to surrender self-representation, he makes the rules, he sets the times, he sets the behavioural tone, he decides on the moral cues, and he makes her do things she doesn't necessarily want to do – all to gain his approval. She is forced to lie, to cover up, to give of herself in ways that do not suit her or her plan for her life.

She may sneak out to meet him, even though she doesn't want to disobey or disappoint her family. She may spend money that she does not have to win his favour. Worse, she might compromise her health or her life story by endangering herself sexually. In many ways, she will harm herself by seeking every opportunity to represent his interests above her own.

The behavioural patterns of the middle to lower classes are often the cause of many kinds of pain for them. The ability to represent themselves would reduce their problems in all spheres of their lives, not only the financial.

As adults, the most common example of our surrender of self-representation is the contract. We are handed a contract – be it an employment contract, the negotiation of a deal or a contract of sale – and we assume that the Great and Mighty Contract hath Been Handed Down by Moses!

It hasn't. We believe its terms to be the only option. They are not.

A contract is nothing more than the stated intentions and obligations of two parties. It must represent the interests of *both* parties, not just the party that drew it up. The party that drew it up has put forward its contractual suggestions – you decide whether you agree, and respond, in turn, with yours. Can you remember the last time you altered a contract? No? Why not? Why is your say not important? Why did they get everything they wanted?

Many years ago, my wife's boss at the time approached her and offered a lateral move. It was disguised as a promotion, in that it entailed greater workload and responsibility. However, there was no offer of greater pay or grade promotion.

She turned it down. She knows how to represent herself.

This should seem like the obvious thing to do. Yet the two of us discussed how surprisingly difficult it was to take this action – refusing a bad deal – on a social level, because we tend to feel as though we are wounding others by saying no. We feel like traitors. It is painfully difficult to say no.

I would like you to stop conceding defeats in your own life because others have asked you to do so. This is how you explain it to the other party: 'I drew up a list of pros and cons, and the cons outweighed the pros. I don't believe this is worth my while. Thank you.'

And don't choose to own the embarrassment. In reality, *they* should be embarrassed about a scenario in which they are asking you to compromise yourself for their gain. Shame on them! Say no, simply and politely. If they push the point, ask them how they can request, with a straight face, that you damage your own life for them, for no extra pay or advantages to you from their side. Again, let *them* own the guilt and the illogic of the situation. This is a fundamental shift in thinking.

A massive part of getting your own life story onto a success path is, very simply, representing yourself. I urge you to pledge to represent your own best interests, and to do so ruthlessly. Speak up and take ownership of your welfare. Teach your children to represent themselves.

No one else is obliged to look after your best interests. Even your banks, financial institutions and service providers are in business to make a profit for themselves. That's fine – they *should* represent their own interests. But you must represent yours, and ensure that any deals you sign, contracts you enter into or negotiations you conclude do not serve only their interests. Why should you hurt yourself to support them? Be your own advocate, with focus, consistency and zeal.

As you grapple with this idea, I'd like you to know in advance that there is a step beyond it:

- Poor people: Fear authority, accept what they get, do what they're told;
- Upwardly mobile families: Represent themselves, see authority as a resource; and

- Wealthy people: Use the rules in their favour when it suits them. Change the rules, and even the nature of the game, when it doesn't.

Among the super-wealthy, the belief is often that the entire system is a game, to be altered at will. At this point, I'm not going to ask you to change the world – let's just begin by representing yourself. But do be aware in advance that mega-wealth requires a mindset of bending the wider scenario to your own advantage.

Poverty mindset: I do what authority figures tell me to do.
Wealth mindset: Everything is a resource that I can use to my benefit.

7. The rich have lost their awe of money

Unless you learn to wield it with agility – essentially, as an energy source, a tool that is useful for getting things done – you will be too cautious to use money properly and, hence, to make more of it. Money is an action, an activity, a flow to be harnessed, guided and used to your ends.

Remember how many of the world's multibillionaires are avid poker players and fans of strategy games? And how many of them like to play the game of Increase My Numbers? They do not see money as something sacred, any more than a hammer or nails are sacred. To them, money is just a set of numbers, a game, a scorecard.

Live in awe of money, fear losing it, and you will never acquire agility in using it as a tool for growth. See it as a scorecard, and you will place greater emphasis on being effective. It becomes an interesting game, a fun activity to pursue with playful creativity – a much more powerful mindset.

When we live in awe of money, it changes our financial behaviour. We fear losing money, so our only approach to finances is to try to retain it. We avoid taking risks with it. And people who don't take risks will never make more money.

Here is a very small example. Years ago, when I was starting my business, I had an unusually good month and found myself in what was, at the time, a uniquely good situation. I had paid my monthly expenses, had enough for my next set of debit orders, and still had R40 000 in my bank account. Unheard of, at that stage of my life.

For some time, I had been wanting to create a series of educational CDs. Had I been averse to taking risks, had I feared losing money, I would never have been able to bring myself to use R20 000 of the R40 000 for product development. I would have told myself that I may never see this much money again, and clung to it tightly.

Instead, I saw the value of using money to grow money. So, I took a calculated risk, bet on myself and spent R20 000. A month or so later, a truck offloaded a stack of boxes of my new CDs.

All these years later, I still have some of that stock left. But I have already made over R100 000 worth of profit on that investment. That's a profit of R80 000 so far.

When we live in fear and awe of money, we cling to it. When we lose our awe, we start to wield it as a growth tool. The fear of losing it results directly in having less of it available. Losing our fear, and learning to wield money with agility, creates more of it. When we live with a 'growing and making' mentality, we increase our wealth.

Certainly, not every investment pays off. Sometimes we lose money on an idea. The trouble starts when we lose money once and refuse to try again. Such trauma-based thinking shuts down even the possibility of wealth.

Let's take a moment to explore how counterproductive such a reaction really is. Imagine a beautiful young woman who is eagerly searching for love. She has dreamed of it all her life, yearned for it, and decides to risk herself slightly by beginning to date.

Her first date goes badly. To spite herself, she never goes on another date again. She reasons that love is too important to her to risk being hurt, so she stops dating entirely. In such a scenario we would say, 'That's just silly! Obviously there will be hits and misses. She must keep trying; that's just common sense. To stop trying to *get* love *because you value it so much* is just self-defeating.' Why do we not apply the same common sense to our money-generating behaviour? Why is one bad experience enough to scar us for life?

Success in any endeavour entails moments of failure. Winning at anything is about failing forward – learning from mistakes and being wiser the next time we try.

But try we must! Live in fear and you end up with less of what you feared losing.

So, let me pose a challenging question: Can you list 10 ways in which you have used money to grow your life, move forward, begin to attain your goals or grow further wealth, instead of just consuming it or using it for expenses?

And can you list five ways in which you *intend* to use money, in future, to grow your life, move forward, begin to attain your goals or grow further wealth?

> **Poverty mindset:** Money is scarce and must be saved.
> **Wealth mindset:** Money is a resource and should be used for growth.

8. The rich know that aspiration is normal, natural and necessary

Aspiration is a healthy drive. It moves our species forward and it gives us a sense of purpose as individuals. Without yearning, there is no achievement, so we *must* yearn. We should beware of systems that quell ambition (such as communism, which tends to seek to standardise and has a low tolerance for anyone trying to raise quality or display excellence). Without yearning, we become parts in a factory; human minds and human souls were not designed to switch off and coast.

In books like *Start with Why: How Great Leaders Inspire Everyone to Take Action*, *Thinking, Fast and Slow* and *Equal Is Unfair*, we see extensive research into the idea that we are meaning-seeking creatures who are at our happiest when we are challenged to display excellence, and that we quickly become depressed and ineffective when we must work in a meaningless way. Worse, when we do not work at all, we tend to develop feelings of worthlessness and despair. There is extensive research to back this up. Striving is incredibly healthy for us.

I have always believed that we tend to spiral either upwards or downwards in our growth. There is rarely such a thing as staying in the same place. We either grow, or we stagnate. Take yearning for more out of the equation, and humanity stagnates. We progress *because* we desire more for our lives, and more of ourselves, and then employ innovative ways to make our desires reality.

Relinquishing our right to aspire to growth can be dangerous – not only for our personal development, but also for nations.

Makers and takers

In 2012, South Africa reached an economic tipping point. For the first time in the nation's history, the number of people receiving social grants exceeded the number who were working. There were more takers than growers. This is dangerous for any country. These unsustainable numbers are less worrying, in fact, than the mindset that has contributed to them.

The following email did the rounds at the time, anonymously penned but deeply telling:

The folks who are getting free stuff don't like the folks who are paying for the free stuff, because the folks who are paying for the free stuff can no longer afford to pay for both the free stuff and their own stuff. The folks who are paying for the free stuff want the free stuff to stop, and the folks who are getting the free stuff want even more free stuff on top of the free stuff they are already getting.

Now … the people who are forcing the people to pay for the free stuff have told the people who are RECEIVING the free stuff that the people who are PAYING for the free stuff are being mean, prejudiced and racist. So … the people who are GETTING the free stuff have been convinced they need to hate the people who are paying for the free stuff by the people who are forcing some people to pay for their free stuff, and giving them the free stuff in the first place.

We have let the free-stuff-giving go on for so long that there are now more people getting free stuff than paying for the free stuff. Now understand this: all great democracies have committed financial suicide somewhere between 200 and 250 years after being founded. The reason? The voters figured out they could vote themselves money from the treasury by electing people who promised to give them money from the treasury in exchange for electing them. Thomas Jefferson said it best: 'Democracy will cease to exist when you take away from those who are willing to work and give to those who would not.'

The number of people now getting free stuff outnumbers the people paying for the free stuff.

You are a human being, and thus wired with a desire to become more. It is in the nature of excellent individuals to grow, make, create, produce, design and drive. When we recede to the level of passive takers, living off the production of others, we deny a fundamental and wonderful part of our human make-up. We deny our core potential to *be*, in favour of the handout.

The problem with handouts is that they are self-perpetuating and culture-creating. Katherine S. Newman explores this extensively in the book *No Shame in My Game: The Working Poor in the Inner City*, a study of low-income workers and people living on social grants. Newman gives examples of how social grants encourage people to become 'takers only', and disincentivise them from becoming 'growers and makers'.

As a recipient of charity, I am the first to say that a handout when you are in need can be a lifesaver. We all have periods of need. But a systematised, institutionalised lifetime of handouts is an insult to your own story, and it is detrimental to any country.

What about the utopian Scandinavian socialist systems?

Advocates of socialist systems often like to point to countries like Sweden as examples of how successful socialism can be. People in Sweden typically pay 60 to 70 per cent of their income in tax, and enjoy among the highest standards of living on earth.

Here's what the advocates don't tell you: although these nations are undeniably socialist, the wealth didn't come from socialism.

In a period that Swedes term their golden age, between about 1870 and 1970, Sweden enjoyed a particularly low level of government regulation and a free-market system. As a result, Swedes employed their excellence, innovation and hard work and became one of the top three wealthiest nations on earth per capita.

Then they implemented a socialist system. Almost immediately, Sweden dropped out of the top 10 wealthiest nations on earth per capita. They are still doing well, and their socialist country enjoys a high standard of living, but not because of socialism. If anything, they are only able to sustain socialism *because* of the prosperity-creating free-market system that preceded it.

It's also worth noting that since about 2007, Sweden has been relaxing its socialist systems. They, too, have recognised that collectivism is not necessarily the Utopia that left-wing thinking purports it to be.

So, in a best-case scenario in which a free-market system has already created immense prosperity, socialism depletes the wealth of the whole. In countries that did not enjoy high levels of prosperity prior to the implementation of a collectivist, socialist system (such as China, Russia and Cuba), socialist systems have been nothing short of ruinous. Tens of millions have starved to death under their jurisdiction.

In sum, the idea of making everyone equal never results in making everyone better off. It always results in greater poverty all round. The freedom to make and create, on the other hand, is not only psychologically healthy, it remains the best system humanity has ever had for uplifting large groups of people in short periods of time.

So, when you see the Ferrari driver, do you translate the emotional impact of his or her presence into a desire to be more? Or do you only see him or her as a statement about social inequality?

Aspiration matters. Yearning is important. Find the iconography that creates yearning for you and, without worshipping it – because it is only the material stuff of inspiration – let it inspire you to grow.

And forget Ferraris. Who's *your* hero? Who currently lives the life you desire to live? Who *do* you want to be, and why? Does that person's life inspire in you a healthy determination to be more? Or a sense of resentment that you are 'less than' him or her?

Poverty mindset: Society must see to my needs.
Wealth mindset: I need the freedom to make and grow for myself.

9. The rich know that you are not unsuccessful if you face problems – you are unsuccessful if you are still facing the same problems a year later

I love this sentiment, because it is a practical and useful guiding principle. It starts by pointing out that of course we will face challenges and difficulties. Everyone does. It's how we learn.

But the difference between a successful person and an unsuccessful one is that the latter simply refuses to learn. There is an irony in this: unsuccessful people generally refuse to learn because they hate the problem so desperately – which means that they never solve it. Had they simply bitten the bullet early on, the problem would have become a part of their history. They would have graduated to the next level of problems.

We must conquer the problems we hate, or we will spend a lifetime facing them.

A friend and fellow author, Rory Vaden, explores this dynamic using the analogy of buffalo in a storm. When a storm approaches, he explains, cows run away from it. Because the storm inevitably catches up with them while they are running in the same direction, they maximise their time spent in the rain.

Buffalo, on the other hand, see a storm coming and run towards it. In doing so, they pass through it much more quickly. The lesson? By trying to avoid a problem, we often spend much more time suffering with it.

Let's apply this thinking to money. There is no shame in having a financial problem. But there is, certainly, shame in not acknowledging the problem and not doing anything about it, then complaining that nothing ever gets better. That's not facing the storm head-on. That's running away from it, so that it chases you and prolongs your suffering.

The principle of radical disruption

George is the father of a small, middle-class family. He has a wife and a daughter, and has been struggling to get by with a small business for the past 20 years. George has never really tried to optimise his business. He doesn't read books on how to grow a business, doesn't really have a handle on his finances, and is reluctant to try anything new.

These are the phrases George likes to use:

- This business is a poverty trap.
- I'm sick and tired of struggling.
- This business is a losing game.

George's daughter, Janine, also has her own business, but she is ruthless about her strategy. She understands that a business does not grow itself, and is continually looking for levers to accelerate her business's growth.

Janine charges well for what she does, maintains a loyal customer base, promotes herself through the media and various marketing channels, and knows a throng of people who regularly say things like, 'Oh, you should talk to Janine about that! She's the expert. She's not cheap, but she's worth it.'

George looks at his daughter's prospering business and wonders how she's doing it. He convinces himself that she was simply lucky to have picked the right industry, while he picked the wrong one.

Once or twice, he even asks her, tentatively, for guidance.

Janine is happy to give pointers – more often than not, she is the one who has to bail her folks out financially. It would be in her best interests for them to prosper. It hurts her emotionally and psychologically that she seems, increasingly, to be playing the role of parent and taking care of them.

And so, over the course of a three-year period, Janine does a number of things to try to help them. She buys two or three books about how to run a successful small business and gives them to her father as gifts. She suggests a marketing system in which they commit, religiously, to contacting three new customers a day. She sets up a website for them, and tells them how to write articles for local publications to drive traffic to the site and generate business. She shows them how to do small video blogs for the same purpose.

Three years later, Janine stops trying to help. Why? They haven't bothered to read the books. They have not attempted to contact three new clients a day. They have not written a single article or filmed a single video blog.

Janine's father complains that his website is costing him money, but not generating any new business. Janine tries to explain that a website doesn't work by itself, that you have to drive traffic to the site, but her father glazes over whenever these discussions arise.

Is it because they have no energy? They clearly seem to have enough energy to complain about their situation, Janine observes. What they really want is for someone else to make the business prosperous for them. They like to say that the business is a poverty trap, but in reality, they are not *running* a business.

Janine stops listening when they complain about financial problems. She simply nods politely and zones out. She is thinking, somewhat sadly, *You can't be helped*.

What Janine's parents need is radical disruption. They cannot continue to use the same techniques that have not worked before and expect dramatic growth. To get different results, you have to act differently – radically so. You have to run into the storm, not away from it.

Radical disruption is about changing your daily behaviour in *big* ways. Not small corrections or token efforts, but a wholesale overhaul of what you do from day to day. Radical disruption hurts. It is not easy, and has a dramatic effect on one's life. It is also absolutely necessary.

Sadly, though, it has to come from the inside. It cannot be imposed from the outside, by Janine or by any other force.

Janine's parents can't be criticised for facing problems. Every business does. But they can be held accountable for facing the same problems year after year. The answers are available. The solutions exist. In this case, they are even being offered. But without the willingness to behave radically differently, next year can be guaranteed to be just like the last one, with all of the same problems.

> **Poverty mindset:** I'm a victim of my circumstances.
> **Wealth mindset:** I've discovered what doesn't work, and I refuse to repeat futile behaviour while I complain about its ineffectiveness. I'm going to run into the storm and solve this, once and for all.

10. The rich know that relying on the government will make you poor

'Entrepreneurs are the solution.'

If you follow economic news or theory from around the world, you will see how popular this cry has become. It's shared by authors, thought leaders, economists and people who have succeeded in business themselves. I share it too.

The idea that governments can manufacture jobs out of thin air – despite politicians' repeated promises to do so – is laughable. Think about it: are they going to force companies to hire more people? How? Or are they going to create more government jobs? Our government departments are already bloated and ineffective. A government cannot 'create' jobs. It can only create conditions in which it is easier for businesses to operate, which, in turn, inspires growth.

Truly, the way forward for most countries, and the way out of poverty for most people, is through entrepreneurship. Almost every study on personal wealth also concludes, in one variation or another, that to become truly rich, you have to become your own boss.

So, why don't we?

In South Africa, the answer is: We simply weren't raised to think that way.

The Global Entrepreneurship Monitor, which is an annual assessment of 'the entrepreneurial activity, aspirations and attitudes of individuals from nearly 100 countries', seeks to get under the skin of a country's belief systems about work. The last survey, in 2014, found that 'SA youth don't have a high regard for entrepreneurship'. In fact, '61% of them said that "Being an entrepreneur means working too hard for too little money".'

Pause for a moment. Those stats are saying that most of our youth believe that the primary path to wealth is too hard and doesn't pay well.

Remember the premise of this book? That rich isn't normal? And that you will have to think differently from the people around you? There it is, in numbers.

In an article published by the Global Entrepreneurship Monitor, under the headline 'An alarmingly low level of entrepreneurial activity in spite of high unemployment',[2] we learn the following:

South Africa's rate of entrepreneurial activity is very low for a developing nation – a mere quarter of that seen in other sub-Saharan African countries.
[…]
Unemployment is around 40% of the adult population (and among the youth, sits at over 60%); despite this, the number of people starting businesses due to having no other option for work (necessity entrepreneurship) is low.
[…]
Entrepreneurial activity in South Africa, although very low, has increased marginally over the last 10 years, but in 2014 dropped by a staggering 3.4% (from 10.6% to 7%). There has been an increase in women's entrepreneurship primarily due to government support, but the perception of opportunities to start a business, and confidence in one's own abilities to do so, remains alarmingly low compared to other sub-Saharan African countries.

Our biggest problem is our belief system and, to that end, I hope to strike a blow for the solution with this book.

Here is a broader thought for you to consider. I believe that if you live among growers, makers, builders and creators, your community will always be getting wealthier. If you live among takers, your people will always be getting poorer. And no political policy will ever change that.

A culture of defeat, entitlement and handing responsibility for one's welfare to the government will always keep people poor. Its saddest incarnation is the young woman who gets pregnant to receive a social grant, increasing her dependence on continued welfare.

Wealthy people think differently. They take ownership of their fate and commit to making things happen for themselves.

When a politician talks about creating jobs, start by having a good laugh. Then run. When their only solution to poverty is redistribution of wealth, they are advocating cannibalising a nation. When they talk about cutting red tape for entrepreneurs, and supporting start-up businesses so that more can be grown and generated, well, we may just have a winner. It may be time to return.

> **Poverty mindset:** They must take care of me.
> **Wealth mindset:** Governments are part of the problem. The solution lies elsewhere.

11. The rich did not think like the people around them – they thought like the people *above* them

If you think like the people around you, you will remain at that level. Communal thinking *created* that level.

US motivational speaker Jim Rohn famously asserted that we are only as successful as the median of the five people with whom we spend the most time. The idea is that we are greatly influenced by the nature of thinking typical to our 'tribe', which forms our thought community. Based on this notion, let me ask you a question: How wealthy – or, in broader terms, how successful – are the five people to whom you are closest?

In *The Top 10 Distinctions between Entrepreneurs and Employees*, author Keith Cameron Smith writes, 'My mentor Nido Quebein is a successful entrepreneur, author, and professional speaker who owns multiple companies. He had a very wise mother. She told Nido, "Son, if you want to be great, then you must walk side by side and hand in hand with great people. If you want to be happy, then be around happy people. If you want to be a drunk, then hang around drunks. If you want to be rich, then find out what poor people do and don't do that!"'

I agree, and like to use the Escape from Khayelitsha analogy to illustrate this point.

Thought experiment: Escape from Khayelitsha

Khayelitsha is a poverty-stricken township in Cape Town. I drive past it regularly on my way to and from conferences. On one such occasion, I posed a mental challenge to myself, which I mention in my book on innovation, *Relentlessly Relevant: 50 Ways to Innovate*.

Let's assume that you live in a middle-class South African family. You have a high-school certificate, and possibly a bit of university education. If you were transplanted into the township of Khayelitsha, with none of your toys or trappings and only your wits and education, could you get yourself back out again? Could you work your way back to your current level of prosperity, your current lifestyle?

I arrived at the conclusion that I probably could. When I pose this question to audiences, most people give the same answer.

Now let's take this thought experiment one step further. If a multibillionaire were to be transplanted into *your* life, could that person get back out? Could he or she get back to multibillionaire status? If you believe that the answer is yes, as I do, then the only difference between yourself and a multibillionaire is the thinking.

A middle-class person living in the suburbs thinks differently from a person who lives in a township. And multibillionaires think differently from the middle-class. The gap between the middle class and billionaires is only a gap of knowledge.

The solution, then, is what I call extra-scenario thinking. This is thinking that you import from outside of your usual world. You cannot use the thinking of people around you to graduate from your current position. The answers are to be found in the community of thinkers who have already left. So, extra-scenario thinking is about accessing information that is outside the norm of the people in your thought community. It's the art of realising that you need to import extra-scenario ideas.

The simplest way to do this is through reading. Another way is to start studying the people who are successful in your industry of choice.

You don't have to have an original idea to become rich. Learning what others have done, and copying them, will work too. One of the world's richest men in the previous century – Sam Walton, the founder of Walmart – prided himself on being nothing more than an effective copier of anything he saw that worked. He regularly attributed his success to studying the techniques of others and adopting what worked. Clearly, his approach did work – his family is still ranked among the wealthiest families in the world.

In *Money: Master the Game*, Tony Robbins writes, 'The best way to change your life is to find people who are already achieving what you want and then model their behavior.'

Copy and paste

Why borrow and implement (copy and paste) the success principles and best-industry practices of others? Because they are 'smart cuts'. They are wealth levers and wealth-generating mechanisms. As you use these the wealth levers that are already built into other businesses, you may see ways of taking them further.

The key is to copy the right 'level' of behaviour. Import thinking from billionaire level, and you will put yourself on a whole new trajectory.

Poverty mindset: People in my community say I must get a job.
Wealth mindset: The answers are not to be found where the problems exist. I need to think like people who have graduated to the next level.

12. You may need to break ties

One of the saddest dynamics that many poor people battle is crabs-in-a-bucket syndrome, the old analogy for the way in which any crab attempting to escape a bucket will be pulled back down by the crabs beneath it.

In *No Shame in My Game*, Newman studied some of the social dynamics typical of low-income fast-food workers in poor, innercity areas in

America, and found that certain poverty-perpetuating mindsets and attitudes are very common: 'If no one is making it, then no one needs to feel bad about failing, but if someone claws her way up and it looks as though she has a chance to escape the syndrome of failure, it implies, in theory, that everyone else could do so as well […] If you try to excel, you will get ridicule from your own peers.'

There can be little doubt that this happens in South Africa too:

'Hey, coconut!'

Have you ever heard any of these accusations?

'You speak well and dress smartly? Why are you trying to be white?'

'You read? Why are you trying to be white?'

'You get good grades? Why are you a sell-out?'

If you have had the courage to escape this sort of taunt and rise above it, I can only salute you. Your strength and character are to be revered and emulated.

I went to school with Mmusi Maimane, the dynamic young man who is now the leader of the Democratic Alliance. Mmusi and I were on the student leadership council together and still occasionally bump into one another at events.

Curiously, one of the problems Mmusi faces on a regular basis is criticism of some of his greatest virtues. He is criticised for being well spoken, well dressed, well read and highly educated. He gets called a coconut (black on the outside, white on the inside).

One of the problems that the Democratic Alliance faces in attracting young black voters is this very issue – Mmusi is perceived as too 'white', which shows how deeply the idea of fidelity to ghetto living has become ingrained.

When anything meritorious (speaking skills, leadership skills, high levels of education) is dismissed as 'outside of our culture', it shuts down the possibility for growth, particularly if those qualities are *required* for growth. It's a self-limiting belief that need not exist – high standards do not belong more to any one racial grouping than to another. To deny oneself the possibility of high standards in any pursuit, on the grounds that they are the preserve of the 'other', is to accept poverty.

The single most limiting belief that others will try to foist upon you is the notion that growth is a betrayal of your roots. See that selfish sabotage for what it is. Then grow anyway.

A culture that glorifies and praises ‘ghetto life’ and ‘gangsta living’ will continue to perpetuate ghetto life and gangs. A culture that celebrates education and excellence will grow in both.

For these reasons, when your own surrounding culture does not encourage your growth – or, worse, actively holds you back – you may have to extricate yourself from it physically before you can begin to make progress. To go up, you may first have to get out.

No easy task

I am the first to concede that escaping from one’s own culture is inordinately difficult, emotionally and psychologically. Your culture includes your family, your friends, the people who have known you all your life. It could quickly deem you a traitor when you attempt to leave it and live differently.

But sometimes, importing thinking from outside a poverty-stricken scenario may not be a radical enough solution to your poverty. You may have to remove yourself from the place and the social ties that are actively working against you, even in the face of being called a traitor or being accused of turning your back on your people or culture.

Here, however, is the good news: once you make it, everything changes. Everybody starts loving you again. Become a wealthy success story, and you will be amazed by how the people who expressed that hurt, offence and disapproval rally around you and become your greatest praise singers. Welcome to human nature.

Of course, the picture is not always so bleak. Within poor communities, there are plenty of praise singers, motivators and people who want nothing more than for you to succeed. But when, on balance, the forces pulling you down exceed the ones lifting you up, you may need to leave.

Do you have the emotional fortitude to withstand their initial disapproval? Be strong. The feelings of others can be extremely fickle. You need to represent yourself and take charge of your destiny, despite their disapproval.

Poverty mindset: I can’t bear being called a traitor.

Wealth mindset: When I make it they'll sing my praises, so the name-calling today doesn't matter.

13. The rich know that qualifications help, but that qualities help much, much more

Let's look at another 'Yes, but'.

There is no doubt that education is the key to escaping poverty. I firmly believe that, and think most people would agree. I believe that an aggressive focus on education is one of the most important things we could do in South Africa.

However …

While education is the key to escaping poverty, it is not really the key to escaping the middle class. A formal education will generally uplift you from poverty *to* middle class, insofar as it makes you employable. And while being an employee is a massive improvement over poverty, employment is rarely a means of becoming rich.

So, yes, education matters, but only in that it gets you entry into the game. It will only take you so far on its own. It takes some additional qualities, on top of a basic education, to become truly wealthy. Indeed, in quite a few cases, individuals who have had the qualities we are about to look at, but who have not received an academic education, have become wealthy anyway. Their qualities proved more important than their education.

So, don't be one of those tragic individuals whose education ended the day they matriculated. That bit of your education was important, but it was only the start.

What are the qualities that take us beyond employability and into the realm of real wealth potential? There have been many studies into the traits of the rich and super-rich. (One of the most recent is a 2016 article on CNNMoney, titled '7 Traits the Rich Have in Common' by Jeanne Sahadi.) All of these studies and articles tend to agree about some major themes.

Above and beyond a basic education, to emulate the nature of the rich, you will need to train yourself to develop at least some of these qualities:

- An entrepreneurial mindset. You tend to do your own thing, and are not traditionally employed.

- Always on the clock. You do not limit yourself to a typical work week, but see what you do as a sort of cause and devote yourself entirely to it. You ignore traditional working hours and, often, greatly exceed them. You tend to be energised by your work.
- Able to envision big change. You become something of a ‘force of nature’ who sees the way things could be and drives that vision with great determination.
- Self-confident. You tend to believe that you can do anything, and rarely doubt that you will ultimately succeed. You are able to take charge of meetings, speak in public and lead a group of people to achieve your dream.
- Problem-solving. You are willing to try different and creative approaches to enacting your will. When one thing doesn’t work, you are open to trying a different route.
- Able to draw on resources. You are well aware that you are not the smartest or best at everything, and become extremely willing to bring in and use the skills and abilities of others.
- Risk-taking. You are willing to do things without the guidance or approval of others. You act on your own initiative and do not wait to be told what to do.
- Resilient. You come back for more. And more and more. You are not put off by setbacks.
- Persuasive. You argue your points and tend to get people to come around to your way of seeing things.

Most of these qualities, boiled down, are really about will power. They are about being the sort of person who has high levels of drive, inspiration, self-representation, assertiveness and ‘go’. High-net-worth individuals are opportunity-aggressive risk-takers and drivers of change. They are, first and foremost, *doers*.

One of the most phenomenal examples of this mindset I have ever encountered was a business owner in a central African nation. I was attending an event in Kenya when I heard his story. This man sold timber in large quantities. The nation in which he operated did not have a railway from his region to the nearest harbour. So, he built one.

His next problem was that the harbour was not deep enough to accommodate the ships he needed to move large quantities of timber. So, he approached the government with a plan to build a deep-water harbour. The government accepted and he made it happen.

Most of us have yet to graduate to that level of make-it-happen thinking, that incredible degree of push.

Even within a corporate company, certain traits and qualities are rewarded more highly than others. Technical proficiency is good, but it's often outperformed by leadership, communication and people skills. A high profile, a strong drive, and the ability to persuade and to rally people to action will often get you promoted well ahead of others who display technical ability. Technical ability may become redundant over time, but driver qualities will always be in demand.

Given my work with executives in corporate companies, I often see this principle at play. I can see very quickly which managers are on track for executive directorships, based simply on which ones are improving their leadership and communication skills. By way of an example, I recently coached a young senior manager at a multinational video entertainment, broadcast and internet company. He had an upcoming opportunity to present to the directors of the company, and rightly saw the opportunity as a golden career moment. He wanted to come across as strong, decisive and memorable. The very fact that he saw a public-speaking event this way, and not as a horrifying punishment, told me that he would soon be joining the directors' ranks. He is focused on raising his value.

He went out on a limb to deliver an unusually creative, high-impact presentation, through which I coached him. His feedback after the event was extraordinary. Not only did the executives reference his speech repeatedly throughout the remainder of that day, but he was also asked to do a roadshow representing the brand.

He was employing a mix of traits that will inevitably lead to success: he sought personal coaching to grow a skill, he perceived opportunity in having a forum in which to show his qualities off to best effect, he jumped at the opportunity to do something proactive, and he took a calculated risk on a strong, memorable message.

There is a lot of 'push' in this simple story.

Perhaps most importantly of all, he used his own time to acquire the coaching he needed. The working classes would generally rather be entertained than educated. The upwardly mobile invest their time in developing growth qualities. They know that academic education is just the start. Developing the qualities that will make them prosper is the balance, and it is a lifelong pursuit. Every new skill they master is another lever. The more levers they add to their arsenal, the greater, and faster, their total growth.

Poverty mindset: I'm done with school.
Wealth mindset: The more I learn, the more wealth levers I acquire.

14. The rich know that you *can* follow your passions and become wealthy, but that there are conditions

Whether it's cycling, drawing cartoons, cooking food, writing books, doing people's taxes or opening your own store, you can become wealthy doing the thing you love. However, here is an uncomfortable truth: It is entirely possible to be technically brilliant at what you do, and remain poor.

For that reason, once again, technical competence is not the only key to success. Being an astonishingly good juggler is no guarantee of wealth. To make money doing what you love, you must also think differently from most people in at least the following ways:

- You have to think of what you love as a business and run your business with discipline.
- You have to find ways to monetise what you love.
- You may need to position yourself as an industry celebrity to attract deals, sponsorships, appearance fees and additional opportunities.
- You have to find ways to transcend a small, local market.

My younger sister is a South African champion ballroom dancer for her age group. She took to dance in a big way in her early twenties, and has very quickly become a formidable practitioner. But although Lauren loves dance, she has found the income from teaching ballroom dancing limited and frustrating. We chatted about this problem, and I offered a few insights, which she has been quick to take to heart.

To make money out of dance requires that you begin to think of it as a business. Teaching people to dance, one couple at a time, does not make you a business owner, even though you might be able to set your own hours. You are someone else's employee. Your income is limited to the hours for which you can teach, and the number of clients you can gain. This is not a path to wealth. It is capped – limited to hours. It's The Wheelbarrow Way.

If, however, you own a dance studio, then each of the trainers you hire is earning income for you. That's a bit more profitable. If you own a chain of dance studios, you are truly running a business. That can lead to genuine wealth.

However, these aren't the only ways of earning money from dance. You might go a different route, and begin to position yourself as a niche expert in the dance world. What if you were the go-to name when it came to teaching couples how to perform a dazzling, surprising, better-than-expected first dance on their wedding day? Or the go-to name in how to approach ballroom dance competitions?

What if you could you get a TV show on which you teach dance, or host a televised competition featuring it? In that way, you may begin to transcend the problem of a small paying market in the area where you teach. (Or, think laterally: you could even host a TV show on which you travel to different places around the world and simply comment on the great dancing that you see in unusual places.)

To transcend a local market, you might also start writing articles, developing videos for YouTube, creating guides, books, CDs and DVDs, and positioning yourself as the top name in a very specific part of the dance world. In your own city, there simply might not be enough of a need for what you are doing to make you rich in your lifetime. But if you can transcend your city, and begin to reach a national or global audience, the dynamic changes entirely. The products you create can bring in additional income, from all over the world, provided you are extremely effective in your marketing and publicity efforts. Also, the more renowned you become over the years, the higher your fees or product costs might be.

Or, you could go a different route: you could develop a show and charge for performances. In staging a theatre show, you are no longer merely a practitioner of dance, teaching one couple at a time. Instead, you have become a mini Andrew Lloyd Webber.

Individuals around the world have become fabulously rich doing the things they love. In many cases, they have created reputations as the top name in that sphere. In doing so, they tend to attract sponsorship deals, media coverage, business opportunities, appearance fees at events, and more. In this way, fame begets wealth, and wealth creates fame. You could find yourself on an upward spiral of success.

Think of the various passion-driven industries, and the names that spring to mind. In the world of skateboarding, the big name over many decades has been Tony Hawk. In the world of cooking, it's charismatic personalities like Gordon Ramsay, Jamie Oliver and Nigella Lawson.

In the case of these last three, it's interesting to note the different features that stand out. All are competent chefs, but Gordon Ramsay plays on his tough-talking, take-no-prisoners personality and is seemingly on a crusade to raise standards in hotels and restaurants. Nigella Lawson plays heavily on sensuality and creates tribes of followers of the idea of the domestic goddess. Jamie Oliver also appears to be mission-driven, in trying to raise the standards of easy but healthy food around the world. Most recently, he has gone on an anti-sugar crusade. Each of these characters has had multiple TV shows, book deals and more. They all keep reinventing themselves and pursuing new angles and causes.

The worlds of bodybuilders, martial artists, surfers, photographers, models, voice-over artists, cyclists, movie directors and actors each have their icons too. In the world of pop music, consider the financial clout of couple Beyoncé and Jay Z.

In many cases, these people are not pinnacle practitioners in terms of technical competence. They are often very good at what they do, but they have also added some theatrical business practices to the mix to generate large crowds of followers. They have positioned themselves as leading names by design and, as a result, they get sponsorship deals and attract media coverage. The deals come to them. But remember that their careers are driven and funded by fanatical marketing and PR efforts. These are largely the keys to their financial success: they must remain, relentlessly, in the public eye.

They also find and generate ways to offer more, and to remain relevant to their markets over time. This takes serious effort. Being an industry celebrity on purpose is a business. To make serious money, you can't just be a reasonably good horror writer; you have to be Stephen King.

You certainly can become wealthy doing the thing you love – conditionally.

However …

Here comes another 'Yes, but'.

Insisting on doing the thing you love as a career *does* actually set a limitation on your prospects. It may prove to be a very slight limitation, or it may prove to be a full stop.

If, for instance, you live in a small town, and you insist on teaching piano to the very few students who are interested in taking lessons from you, you have placed an absolute limitation on your wealth potential. Yes, you may be able to find leverage, transcend a small local market and make money pursuing your passion. But equally, you may not. You could be barring yourself from doing something else entirely that may not be a passion, but could bring in much more income for you.

Mike Rowe, host of the TV show *Dirty Jobs*, is a passionate advocate of the idea that many wealthy people do *not* do what they love. They choose to do the dirty but necessary things that others refuse to do – running slaughterhouses, owning plumbing services, mucking up filth and collecting industrial waste, among other things. Rowe contends that many of these people are among the happiest workers in their communities, and many – the owners of such businesses in particular – are very wealthy.

You can become rich doing the thing you love, provided you can satisfy the conditions listed above. If not, you may have to keep the thing you love as a hobby, and fund it using a different approach.

Poverty mindset: I wish I could follow my passion, but there's no money in it.
Wealth mindset: I'm going to follow my passion, and find a way to monetise it.

15. The rich turn causes into careers

Yes, you can turn a cause in which you believe into a career, but once again, there are conditions.

Here's a variation on the theme of monetising your passion. You could also turn a cause that you believe in into a job. South African politician Julius Malema cleverly did it by getting himself elected to Parliament. He was essentially unemployed after being expelled from the ANC Youth League. By forming the EFF party, he created an income for himself based on a cause.

On a higher level, South African–born innovator and head of Tesla and SpaceX, Elon Musk, is driven by his belief in causes. He wants to make the world energy independent and turn us into an interplanetary species by landing people on Mars. These causes inform all of his approaches to business (and, incidentally, drive publicity for him, because millions of others are excited by his causes).

On a much smaller scale, your cause might be to teach construction skills to poor, rural teenagers in hard-to-reach areas. Such a cause can absolutely be monetised. You could, for example, attract sponsorship from a large corporate company that wants to meet its social investment goals and finds your initiative to be a perfect fit. Once again, you could further increase your own value by turning your initiative into a TV show (which, incidentally, grows the PR value for your original sponsor).

So, again, your mission in life can be both philanthropic and a source of income, but there are clauses. You have to find a way to monetise it. You have to discover the value levers. And you have to create win–win scenarios in which you are able to bring in income while providing good value to those who invest in you.

Poverty mindset: To live my cause, I must accept poverty.
Wealth mindset: I can change the world for the better without starving to death. I just have to be smart about it.

16. The rich believe that image is important – however …

Have you ever been told that you have to look rich to become rich? That you need to portray success to become successful?

There is a core truth in this sentiment.

If I am considering:

- booking you;

- investing in your business;
- buying your solution;
- inviting you onto a media show;
- recommending you to others; or
- extending credit to you …

… then there is no doubt that your image will factor into my decision.

I will hire an attorney who looks like Harvey Specter from *Suits* long before using the services of a bearded hippie with an unwashed aroma. And I would expect to pay significantly more for the services of the former. I would tend to assume that the latter would want to be paid in positive thoughts and exotic herbs.

I am also going to do deals with the well-spoken person long before I consider working with someone who calls me 'dawg'. Language matters. It is the most direct snapshot of the way in which a person thinks and one of the greatest credibility enhancers.

The same applies to marketing materials. A poor CV can undo a job applicant's chances. A poor brochure, unprofessional website or scrappy, amateurish demo video can equally undo a lucrative deal. So, image does matter. It helps potential stakeholders in your success to overcome the obstacle of credibility. However, there is a big difference between portraying credibility and faking wealth. There is an alarming trend on social media for young people, often from poor or working-class families, to go to great lengths to create the impression of success for photos. You may see a young woman in a club posing with an ostentatiously expensive bottle of brandy. When you know that such a young woman has just started working as an employee, there is only one of two possibilities:

1. She has legitimately paid for the bottle, in which case she has done significant damage to her own finances to get approval from her peers; or
2. She has not legitimately paid for the bottle, in which case the success she is attempting to portray is simply a lie.

Moreover, in the latter case, there is no pay-off beyond 'likes'. This sort of portrayal does not create or facilitate opportunity. It is not success-generating; it is showing off.

There are infinite ways in which you can attempt to portray success, all of which will fall, to some degree, into either of the two categories (portraying credibility or faking wealth). So, let me provide a representative sample to convey the spirit of the thing. If you'll permit me to be moral judge, here is my take on a few specific 'yes' and 'no' situations:

- Having your teeth straightened to look good in interviews, speeches and meetings: Yes.
- Adding bling to your teeth: No.
- Buying a well-tailored, classic suit that you can use in important, deal-making scenarios: Yes.
- Buying expensive sneakers to impress your friends: No.
- Posing for photos with movers and shakers: Yes.
- Posing in the club with wads of cash and a bottle of Johnny Walker Blue: No.

The question of cars

Personally, I love cars. They're the one expensive hobby in which I like to indulge. But a car is not an investment. If anything, it's an excellent way to haemorrhage money. And there is really very little financial upside to owning an expensive car.

Yes, it does contribute to perceptions of your success, and I won't be so naive as to propose that this isn't the case. But expensive cars represent one of the biggest threats to the wealth potential of a young entrepreneur.

Which comes first, the Mercedes or the customer?

Jim is an entrepreneur with a fledgeling business. He hasn't the financial means to afford it, but he desperately wants a Merc. He argues that it's so that he can impress customers. But Jim is employing 80 per cent of his time and energy thinking about having a Merc, and almost none thinking about organising to see potential customers. Which, ironically, would get him the Merc he wants.

If Jim starts to think income first, the Merc will follow. Yes, the car may play a small role in the image, but not owning one will not disqualify him from gaining customer approval.

Now, let's assume that he reaches the level where the Merc is possible. I am not a financial advisor, but will you take my informal advice about one idea? If you can only just afford the C-Class Mercedes, I would strongly propose buying something on the level of a well-serviced, functioning VW Golf instead, and affording it easily. If you can afford an E-Class Merc, drop back a level and buy a C-Class that you can easily afford.

Being able afford a car at a certain price level does not mean that you have to buy it. And, generally, if you can only *just* afford it, my opinion is that you can't. Buying it would mean that you're operating too close to the red line, one of the major reasons why people go bankrupt.

We also overestimate the importance of items like cars in portraying credibility. Driving a really good, clean Golf will not disqualify you from a deal. Nor, at higher levels, will the fact that you 'only' have a 3-series BMW, and not the 5 or 7. Don't impose unnecessary, fictional pressure upon yourself.

The productivity brag is infinitely superior

If you feel the need to brag on social media (and who doesn't?), may I propose a better alternative to the 'Cash! Cars! Girls (or boys)!' approach that makes us look like aspiring gangster rappers?

Brag about productivity.

The people who can genuinely open doors for you – the more mature dealmakers and industry-shakers – genuinely aren't impressed by your wad of R50 notes. They think you look silly and pretentious waving them about. But they may be impressed by how much you have produced.

Have you written another thousand words of your book? Good brag! Taken another step towards building your business? Excellent. Written an article, or achieved a new certificate, diploma or grading? These make for a far superior announcement to the world that you are on your way up.

Naturally, there are also simple, honest ways of creating good impressions, which don't cost anything whatsoever. For instance, learning public-speaking skills, management of your own body language, great posture and good elocution can go a long way towards enhancing your credibility.'

Poverty mindset: I'll live in the ghetto but drive a sports car.
Wealth mindset: I'm not insecure and I don't need to cater to public perceptions. I will quietly and efficiently grow genuine

wealth, without bankrupting myself in the image stakes. If I show anything, I will simply show quality.

17. The rich know that they need a minimum level of financial literacy

Previously, I mentioned that families who openly discuss work and wealth are at an advantage over those who don't. I mentioned that they don't necessarily have to have all the right answers (the 'right' answers change and evolve over time in any event, as industries change), but that the discussion itself is important.

That's because a discussion of wealth principles helps to make you financially literate. Financial literacy is the ability to speak the language of wealth. If you can't speak the language, you won't have access to the ideas contained within it. And the ideas contained within the language give you leverage.

Before the terror sets in, a word of reassurance: this is much simpler than you think. Above all, you need to understand the difference between two things:

- An asset; and
- A liability.

If you can grasp this simple concept and start using it in your decision-making, you have already become more financially literate than most people.

An asset is anything that puts money into your account. A liability is anything that takes money out of it. Robert Kiyosaki rightly asserts that the rich are continually acquiring assets while the poor are continually acquiring liabilities. The poor are often misguided about what qualifies as an asset or liability. The most common misunderstanding is about home ownership. Poor people are told that a house is an asset – your greatest asset, in fact. Put that idea to a simple test: every month, does your house cause money to go into your account, or come out of it? A house is a liability.

However, a house that you rent out for money is an asset. Every month, someone pays you for it. Money goes into your account. Similarly, a house that you improve and sell for a profit is an asset. Once again, it has caused money to enter your account.

Cars, clothes, entertainment – these are all liabilities.

Wealthy people tend to be able to zoom out, away from specific possessions, and see them for what they really are: assets or liabilities. In the game of wealth, they then resist the lure of liabilities and look for ways to gain assets. Poorer people tend to be more sentimental. They don't zoom out and see assets and liabilities for what they are. Instead, they tend to justify a need for possessions, even when these possessions are clearly liabilities.

By understanding the idea of assets and liabilities, you become armed to make better decisions. When you can clearly identify something as a liability, you will quickly see that spending money on it is treasonous to your goal of becoming wealthy. You will also start to think more about what, exactly, constitutes an asset for you.

The best assets – and this is one of the great wealth secrets – are those that do not require your constant time and attention. If you start a business that runs itself, you have a wonderful asset on your hands. Anything that can be automated, or which, in some way, continues to generate money for you while you sleep, is your wealth dream come true.

There are many more financial terms that are worth your while to know, that enable you to speak with more agility about work and wealth, and that help you to see the world through different lenses. The better you speak the language, the more of its ideas you can use to your advantage – language has levers built into it.

You need a basic understanding of simple ideas, like the term 'return on investment', which is just a way of telling whether something is worth your while. If you work at a fast-food store for 12 hours, and you only receive R200 for your efforts, that's a very low return on your investment of time and effort. If you take R5 000 and start a small roadside business, which then earns you R1 000 per day, that's an excellent return on investment. The concept becomes more complex as you apply it to bigger and bigger ideas, but that's the spirit of the thing. It's a way of asking, 'Is this worth it?'

It would be a bit of a detour from the path we're following to define all of the finance terms you need to know here. However, if you'd like a really simple, and truly excellent, crash course in finance terminology, I recommend Omar Johnson’s audiobook, *What the Rich Know that You Don’t*.

Again, don’t be too troubled if your current knowledge of finance terminology is fairly small. Everything hinges upon the idea of assets and liabilities. That’s the cornerstone, and that’s what matters for the purposes of our mental journey here.

Another advantage of discussing financial ideas with your family (or close circle) is that we tend to learn with greater depth when we have to teach ideas to others. When you are playing with a new idea, run it by your inner circle. They will see other angles to it, help you to question it more deeply, and ingrain the learning to a greater degree.

Poverty mindset: We don’t discuss that sort of thing at the table.
Wealth mindset: Well, of course we do! Lean in!

18. The rich don’t focus on work – they focus on money-generating behaviour

It’s time to shift up a gear. Our initial insights have focused predominantly on the philosophy of wealth. They have been about orienting you correctly, facing you in the right direction.

Now, let’s look at some principles that focus more directly on generating money, or growing your assets. Let’s look at you as a creator of wealth.

By this stage, we’ve covered the idea that it is absolutely possible to work very hard and not get rich. So while hard work matters, it is not the defining factor. A more intelligent way of looking at it is to work hard while using all the right levers. Or: work hard while focusing on gaining assets. Or, perhaps: walk far, but first make sure you’re facing in the right direction.

One of the great threats to your wealth is the idea of being extremely busy at tasks that do not generate income. Think of it in terms of assets and liabilities. Is ‘being busy’ adding money to your account? If the answer is no, then the thing with which you are occupying yourself can be seen as a liability.

Let’s say that you have made the decision to become a freelance writer. A freelance writer is never going to be as wealthy as Warren Buffett, but, if you treat writing as a business, you can certainly make a lucrative living out of it. As mentioned before, when we discussed living your passion, you have to think about it in commercial terms, be ruthlessly disciplined, and find ways to exceed the limitations of a small, local market. It is absolutely doable … but not if you spend your time rearranging the knick-knacks on your desk and dusting your shelves. Rearranging and dusting may be forms of work, but they are not money-generating activities.

Money-generating activity for the freelance writer is all about proposing ideas to editors. The more proposals sent, the more potential money. And, once again, The Wheelbarrow Way concept applies. You need to raise the value of what you do.

You could write 10 articles for your local community newspaper. The earnings would be extremely small. But successfully submit a high-level piece to *National Geographic* or *Forbes* magazine, and you have a different scenario on your hands.

Naturally, you have to be worth it to the *National Geographics* of the world. The standard of your writing and the originality of your content and ideas are extremely important. But regardless of how significantly you raise the value of what you do, if you are not heavily involved in a money-generating activity (selling ideas, marketing yourself, positioning yourself as a top name, selling more ideas), you will never prosper. The difference between focusing on work and focusing on money-generating behaviours is one of the primary differences between success and failure in the game of wealth.

Poverty mindset: Hard work makes me a good person.
Wealth mindset: Clever work makes me a wealthy person.

19. The rich don't have bosses

We've arrived at the big one. If you want to be wealthy, you are going to have to become your own boss. You knew it was coming, and here it is.

Take heart: it's not as scary as you think.

Let's ease into this concept gently, because you may not like what you hear in this chapter. The idea of a job as a form of security is very deeply rooted in the working-class psyche. To jettison the concept seems sacrilegious. It goes against the grain for most people. Almost everyone you know has a job, right?

Therein lies the problem. Everyone's doing it, so it must be right. But rich isn't normal, and normal people are not rich.

The simple, ugly truth is that it's almost impossible to grow wealthy working for someone else. Oh, it can be done. Remember the story of my second aunt, who worked a menial job all her life and is now a multimillionaire in her seventies? She was not a multimillionaire in her fifties, however. Far, far from it.

You could also become the CEO. A small percentage of people do work their way through the ranks and end up right at the helm. Of course, this argument proves the original premise here: becoming the boss is the key.

In many ways, a job is actually a massive risk. We see 'monthly salary' and think 'safety'. But accepting a job is really an act of placing all of your eggs in one basket, then handing the basket to someone whose primary interest is not your welfare.

In a section of *Wealth Secrets of the One Percent* titled 'Own it, baby! Own it!', Sam Wilkin writes, 'There are any number of books on the topic of how to get rich. The good ones – those with some basis in economics – will tell you that rather than working for a salary, or investing in a broad portfolio of stocks, to get rich, you need to own your own business. This is sage advice based on sound economic logic.'

Similarly, in *The Rules of Wealth*, Richard Templar writes, 'Selling is the bedrock upon which every fortune is built […] you can't make money without selling […] Every rich person knows this simple fact. Every poor person doesn't.'

Realistically, you are either growing your own wealth, or, as an employee, growing someone else's.

If you work for a boss, the only way in which you are likely to become wealthy is if you start saving a portion of your income from very early on in your career (have you been doing that?), and then continue to save consistently throughout your life. Then, right towards the end, you will be wealthy. Now, just don't die before you can enjoy it! Oh, and don't lose your savings in a financial crash that's beyond your control. That bit's important too.

Of course, you could be promoted to part-owner of the company for which you work, which is the same thing as becoming your own boss.

Precious few people ever earn salaries large enough to make them genuinely wealthy.

Any exceptions?

Here is a notable exception. Some individuals in sales manage to make a sizeable chunk of money. The difference, of course, is that a salesperson can affect his or her own salary directly. By earning a commission, the individual's income is tied not to numbers of hours, but to principles of effectiveness. And so, in a sense, the individual escapes The Wheelbarrow Way, and has become his or her own boss.

Let me provide you with some sobering statistics. Economists Thomas Stanley of Georgia State University and William Danko of the University at Albany, State University of New York, determined that of all the millionaires in America, 80 per cent are first-generation (in other words, they made the money themselves and did not inherit it). They also discovered that of the top 100 billionaires on earth, every single one had his or her own business. Moreover, two thirds of American billionaires are their own bosses.

In Africa, *Forbes*'s 2015 findings were that our continent boasted 29 billionaires. All of them own their own businesses.

Many things about employment are detrimental to you:

- Employment teaches you dependency.
- Employment means putting all of your eggs in one basket.
- Employment teaches you to subvert your potential to someone else's agenda.
- Employment teaches you to be grateful for extremely little.
- Employment teaches you fear – what if I lose my job? Employers know that this culture of fear is prevalent, so they play on it: more hours, no increases, be grateful that you even have a job. Nonsense! They only have a successful business because of your skill.
- Employment means rat race and, generally, a low standard of living.
- Finally, employment teaches you hamster thinking. You learn to receive your carrots, but you never learn how to generate them.

So, if it's so much better to be your own boss, why isn't everyone doing it? Here's the simple answer: It *is* better. But it's also harder.

The very fact that it is harder (i.e. there are barriers to entry) can work in your favour as a wealth technique. We will explore the value of barriers to entry – to you and to your wealth goals – a little further along.

Many people try to become their own bosses, and fail. In far too many cases, they fail simply because they haven't armed themselves with sufficient success principles before setting out. For example, if you start a business selling electrical generators, but you base yourself in a small town that never has power failures, you are not going to prosper. If you base yourself in a small town that does have power failures, but the people are not wealthy enough to buy your generators, you also will not prosper. If you base yourself in a large town, where people desperately need generators and can readily afford them, but you don't market yourself well enough to become known as a source of generators, your business will still fail, despite the need and the availability of a sufficiently big market.

Get the right elements in order, and you will have a very good chance of becoming wealthy. I would also add to the elements above the notion that most very successful entrepreneurs don't play to play – they play to win. In other words, the ones who make it are generally not just trying to get by. They are fascinated by how to become the biggest, the best, the most profitable, or, in some way, the greatest, and they will study and work endlessly towards these goals.

Many things can sink a fledgeling start-up, and success entails really hard work. But combine the right principles with the right money-generating activity, and it is possible to become your own boss and to prosper beyond your expectations. With a large input of energy upfront, you can free yourself from the hours-to-coins equation later on.

If you are new to the world of business ownership, here is some simple advice:

- Start by admitting that there are probably many things you don't know, and understand that learning and doing them is the difference between success and failure. Become a hard-core consumer of knowledge about, and insight into, how to run a successful business.
- Because all income and all success depend on sales (non-negotiable), I encourage you to live by the mantra: 'First, get a customer'. One of the key reasons new businesses tend to fail is that the owners overemphasise making everything perfect, and way, way underemphasise starting to sell to customers. No customer = no money = failed business.

- Not all knowledge resources have to be expensive. The audio version of books are sometimes slightly cheaper downloaded from Audible, or books are cheaper still through a library. There are also excellent magazines available in South Africa focusing specifically on how to grow your sales and profitability. *Entrepreneur* and *ThinkSales* magazines are incredibly practical and focus almost exclusively on how-to's.
- To become more effective, you may have to scale up. To scale up, you need people, or systems, that can compensate for your weaknesses. Not good with numbers? You need to plug that gap. Not good at sales? That one is critical and must be handled well. Don't become financially limited by what you are not personally good at.
- Be sure to do all the basics, such as following up on enquiries, contacting customers regularly and staying close to your business as it gets going. I continue to be surprised at the number of businesses in South Africa that simply do not return calls or emails and lose money as a result.

Here is another reason why people cling to jobs, rather than becoming their own boss: we tend to have preconceived ideas about what becoming your own boss looks like. We might conjure up an image of a factory owner and be repulsed by the notion ('That's too technical for me!'). Or we might go straight to the image of a corporate boss, leading a 20-storey building full of tie-wearing cubicle-dwellers. That might put us off too.

Remember, comic-strip artist Charles M. Schulz was his own boss, too. His employees were pencils. Beyoncé is her own boss. So is Nigella Lawson. Sure, it may be cool to own a classic 'business' in your downtown area, but it's by no means the only possibility for you.

What matters, ultimately, is that you practise money-generating behaviour. What matters to your wealth is that you are in charge and sell something to a market that pays for your product or service.

> **Poverty mindset:** I'll work hard to make a company rich.
> **Wealth mindset:** If I'm going to work hard, I will make myself rich.

20. The rich are not crippled by caution

Seven years ago, I received a phone call. ‘I’m interested in becoming a speaker on the business circuit, like you. I’d like to pay you to coach me.’

I accepted, met with the individual, and gave the advice I believed he needed. We covered all the opportunities, and all the mistakes to avoid, in great detail. I was confident that he was set for success and needed only to follow the blueprint. But something unexpected happened. My mentee became strangely dependent upon me for ‘permission’ to take each consecutive step.

My own approach to pursuing a goal has always been, ‘Ready, fire!’ I would rather be relentlessly pursuing goals, and making a couple of mistakes along the road, than paralysed by caution and the fear that I could do something wrong. I prefer ‘begin and learn as you go’ to ‘learn and hope to be perfect before starting’.

This individual was not unique in his cautious approach. Since then, I’ve had a number of similar requests and, in each case, I’ve noticed the same thing. A coach actually transformed into a sort of handicap for them. Their desire for approval for everything robbed them of the take-charge-of-my destiny spirit they needed for their own success.

Seeking mentors is a good idea. Waiting for their permission isn’t.

In a straight bet between the person who doesn’t have a mentor but relentlessly pursues his or her goals and the person who does have a mentor but waits for permission, my money is on the former every time. Action generates results. Get started and learn as you go.

Here is a secret that no one tells you at school: Permission is an illusion. Either you take charge and make something happen, or nothing happens. Permission is a crutch that we use to justify our own fears and hesitations.

It is part of the (learnable) personality profile of wealthy individuals that they take charge and drive their own destinies. They don’t mind making mistakes, provided they keep moving forward. It’s the healthier option – the need to be perfect before you even begin can hamstring you.

Poverty mindset: One day, when I’m ready ...
Wealth mindset: Right now! I’ll figure it out as I go ...

21. The rich do the unrequired, the unsupervised and the unguaranteed, regardless of public opinion

I would like you to know in advance that the nature of the work that you will do each day, as you go about creating your own wealth, can easily make you feel insecure.

To become wealthy, you need to venture into the incredibly scary waters of doing things that are:

- not required of you (no one is going to tell you to put in the extra work, do the networking, go to the events, make the calls, or take the chances to become wealthy);
- unsupervised (no one is going to tell you whether you are on the right track. You will be using your own judgement as you go along);
- unguaranteed (not everything you try will work, and you may need to pivot several times before you break through to success); and
- unpopular (at the very least, people will not fully understand what you're doing. In the worst-case scenario, they will mock and directly oppose you.).

For most employees, the reverse is true. The work that employees do each day tends to be:

- required of them (usually by a clear job description);
- supervised (by managers who tell them whether they are on the right track);
- guaranteed (in the sense that if they do what is required of them, they will receive their salary); and
- accepted by everyone (nobody questions the sanity of an employed person – they are simply seen as normal).

Part of the persistence required for wealth is a realisation, in advance, that these things will happen, and that they are normal. You will need to develop a thick skin, and you will need to believe in yourself, even when others don't. You will also need to 'enter the mist boldly' – start walking, even if you can't clearly see the path ahead and have no guarantees that you are on the right track.

In my previous book, *Relentlessly Relevant: 50 Ways to Innovate*, I explored the finding that most new innovations, and most new start-up businesses, tend to pivot three or four times before becoming successful. A pivot is a minor change in direction. An entrepreneur may start out with a certain idea and try it out in the real world. She may then discover that something about her idea isn't working. She will tinker with her business model, perhaps changing the product slightly, or finding a different market to sell to, or altering her price structure. This will work a little better, but she will still discover that her business idea is not quite working to its full potential. She will pivot again.

If you give up at the first pivot, you have not given yourself a fighting chance. Three or four pivots are the norm. Heck, it may take five or six – you won't know until you set out and start trying. But persevere through these difficulties, and you will have done what most poor and working-class people are simply not willing to do: you will have started living and acting differently, aiming your life story in the direction of wealth.

The next time you feel the pressure of insecurity, or of unfavourable public opinion (which can even come from within your own home), think about this. There are comic strips and Photoshopped images of Bill Gates depicted as Satan, as crushing the world beneath his feet, as having needles stuck in his eyes and burning at the stake … and worse! Negative public opinion is the guaranteed fate of anyone who stands out, or thinks or acts differently.

I've had more than one of my own motivational memes on wealth defaced and recirculated, with colourful graffiti calling me things like imperialist, entitled, racist and worse (I'm still not entirely clear what a 'shit-weasel' is). I genuinely do not care. I expect it.

I tell you this in advance because it will happen and, when it does, I don't want you to feel that you are doing something wrong. Despite the difficulties of going it alone, and of hearing unkind statements about yourself, persevere. You are on a mission. The hatred will happen. Who cares?

Poverty mindset: That's not my job.
Wealth mindset: What else can I do to make this work?

22. The rich focus on the top line, not the bottom line

Generating income is the big deal for wealth-development. Saving is important, but secondary.

In too many enterprises, control over the funds ends up taking priority over the generation of income. The bean counters end up at the helm, and that's an unhealthy development.

The bean counter in the cave

Welcome to the wilderness, where the glorious hunter clan has lived since the dawn of time.

The ice caps are receding, and our small but hardy band of humans, still new to the world and exploring their wild and dangerous surroundings, survive the trying years on the strength of their intelligence, living by their wits and their skill with spears.

It's been a difficult year. The hunters have only brought in three buffalo, and they know a dreadful truth: three is not enough. The clan won't make it through the winter. Their bottom line is looking unhealthy, but they have an even bigger problem back home. There is a threat from within the ranks – the bean counter in the cave …

The hunters have asked to eat one of the buffalo, requiring strength to go out again and hunt more, but the bean counter in the cave won't allow it. He argues that times are hard. They only have three buffalo, he states, and three is not enough. The buffalo must be preserved.

The clan is divided. Hunker down and try to survive? Or sacrifice some in the hunt for more?

Whether it's a force as big as worldwide recession, or merely a temporary financial knock in your industry, hard times do some interesting things to our thinking. The quality of our thought may determine whether we last or lapse, and nowhere is this more evident than in your own businesses.

Companies going through a tough period make the same mistake as the bean counter in the cave. Their thinking shifts. They panic and go into survival mode. They focus exclusively on the bottom line. They're all about the three buffalo, because that's what they can see, and nothing else exists.

Yet survival, as it turns out, is about the top line.

Preservation of buffalo during lean times is important, *but incidental*. Of much greater urgency and value is the accumulation of new buffalo. Only new buffalo will see an organisation through its winter. Think about it this way: if there are not enough buffalo in the cave in the first place, no amount of conserving will ensure survival. Similarly, expending all of your energy trying to cling to too little money is the beginning of an organisational death spiral, and it is a poor use of strategic thought.

Your clan's critical shift

The critical mental shift is simply this: Decide to apportion only 20 per cent of your people's time and energy to conserving, whether that means plugging holes or saving funds. Conserving buffalo is important, but incidental. Apportion the other 80 per cent of your energy to the real solution. The real solution is hunting.

During tough times, hunting becomes everything. Your survival depends upon it and you must do it vigorously, aggressively and with more focus than ever before.

Speak energy into your cave

An important part of your survival effort is encouraging the hunters. During tough times, you cannot allow the bean counter in the cave to speak doom unto the clan. Neither can you allow the bean counter to cut the hunting budget. You, as leader, must keep their fires burning. The hunting budget is more important now than ever.

You must begin by recognising that you are in a tough-times scenario. Say it out loud: 'I only have three buffalo, and three is not enough.' Ignoring the low buffalo count is called denial, and it's dangerous to your clan.

Then, having perceived and accepted your scenario, you must act to change it. Gather your hunters by the fire. Arm them better than ever before. Encourage them more than usual. Empower them more than you have ever done before. Incentivise them to a greater extent than usual and reward them much more than you've historically done.

They are the life of your clan and their capacity to hunt is everything. Their will to hunt is everything. Sharpen their spears and send them after buffalo. Do it well, and you will see another summer!

The buffalo are out there. They are always out there. Don't let the bean counter win.

Poverty mindset: There’s not enough. We have to save!
Wealth mindset: There’s not enough. We have to generate.

23. The rich speak to the people who can say yes, not the ones who can only say no

You walk into a customer’s offices at 10 a.m. on a Monday morning. You’re dressed in your finest outfit, you’ve come prepared with samples of what you can do, and you sit gathering your thoughts and trying to overcome your nerves as you wait for your turn to enter the boardroom.

The moment arrives. You enter the room and observe the gathering of people who will decide your fate. You do the pitch of a lifetime, but then you discover something disappointing: these are not the people who can decide your fate. These are simply the people who work for those people. They are merely gatekeepers. If you get through this pitch, you will only have to do another pitch to their superiors.

These people can say no. But they do not have the authority to say yes. One of the mistakes of new wealth-seekers and first-time business owners is to expend energy talking to these people. They are the wrong people. They slow you down and waste your time.

The people who own the budget, and who therefore have the power to say yes to your deal, your sale or your proposal, are the ones to whom you need to speak. How can you determine who these individuals are? Start by asking the question, ‘Who owns the problem?’

The PA to a divisional director at a company does not own the problem. She does not personally feel the pain of the problem. The extent of a PA’s power is to be able to say no to you. But the divisional director herself does feel the pain of the problem. She can see directly how not having your solution is costing her time or money, or keeping her from achieving the division’s goals. She is the one who has to report directly to the CEO and explain why she hasn’t solved this problem.

Critically, she owns the budget, and has the power to say yes to your solution.

The time it takes to get money in can make or break you. As a business-owning, wealth-generating individual, you cannot afford to spend long periods of time trying to convince the wrong people.

Talking to the right people is a dramatic wealth lever. The more often you talk to the right people, who feel the pain of the problem personally and own the budget that can pay for the solution, the more radically you enhance your income potential.

In your world, who owns the budget, and who feels the pain of the problem? Can you get directly to these people? In doing so, you are thinking like the rich.

> **Poverty mindset:** I'll start at the bottom and hope to get recommended at the top.
> **Wealth mindset:** Time is money. I need deals and I need them quickly. I'll go straight to the person who can say yes.

24. The rich say yes to opportunity, then find a way

Sometimes the 'yes' is bigger than you expect. And then your problem changes. It becomes, 'Can you cope?'

I have a friend in the executive coaching industry. At a meeting with some high-level executives at one of South Africa's largest corporate companies, he pitched a proposal for an automated personal-development system for their staff.

The executives loved the proposal. Then they asked him a question he hadn't expected.

'Could you roll this out to all 40 000 of our staff?'

My friend had expected to be doing it for some 50 individuals.

He took a breath, looked them confidently in the eye and said, 'Yes.'

Handshakes ensued and dates were agreed upon.

The he left the room, went home and his knees buckled beneath him.

He had not conceived that they may buy into his idea on that sort of scale. The logistics would be mind-boggling. But so would the profits. After expecting to do a reasonably good deal, in the order of hundreds of thousands of rands, he landed a contract worth many millions.

Rolling it out on the scale they wanted would require some serious mental gymnastics. He would need to hire people, grow systems, work through what was previously his sleep time and, figuratively, climb a mountain overnight. But where most people would baulk at such a challenge, he did the opposite.

He said yes. And then he found a way.

This deal made him a multimillionaire; he continues to serve and delight his client.

In my own interactions with high-level earners and successful entrepreneurs, I see this theme over and over. The overly cautious will um and ah, and allow an opportunity – perhaps the greatest opportunity of their lifetime – to pass them by. Bold risk-takers say yes, and then go and do their panicking behind the scenes.

This is not to say that you can ever get away with over-promising and under-delivering. You have to go off and find a way to provide what you have committed to. But without saying yes in the first instance, you won't get the chance. 'Yes' is the beginning of everything. Answers can be found and implemented after 'yes'. But no amount of knowledge and ability will matter if you do not begin with 'yes'.

When opportunity avalanches on top of you, say yes, then find a way.

Poverty mindset: No, I'm not ready for this.
Wealth mindset: Yes. I will make myself ready quickly, and I will deliver.

25. The rich know that selling is a good thing, but that owning the selling is even better

In every form of business activity, selling to someone is the part that makes the money. No matter how good the business may be at everything else (coming up with ideas, making things, packaging them beautifully), when a business is ineffective at selling, the rest becomes irrelevant. It will not make money. The part where a customer, or customers, actually buy – that's where the wealth begins.

Even employees of companies only get paid because of the company's moment of sale. If the company isn't selling, an employee's salary is in jeopardy. The wealthy realise this, and take control of the selling process. They don't want to receive a salary after the fact, on the proviso that the company they work for is able to sell well. They want to own the sale.

In many ways, everything a business does really just leads up to the moment of sale. If everything before the sale is done well, it helps the sale. If everything up to that part is done well, and the service is good afterwards, it also ensures that there will be more such sales. But sales are everything. Sales are the point. Sales are how money comes in. No sales = no money.

That seems fairly obvious, but it's a critical point for our thinking.

Because sales are the where-money-happens part of business, among employees the big money in any company is often to be made in sales divisions. I know of a director at a bank who is out-earned by some members of his own sales team. Some of them are not earning slightly more than him – they are earning 10 or 15 times more.

In a small way, people in sales divisions are their own bosses. Within limits, they are able to determine their own pay according to their own efforts. Here is where the limitations come in, though. They are rarely able to affect policies within the organisation. They do not, generally, have a say over pricing. They don't design the products, and they can't decide which products to keep selling or discontinue. For these reasons, they are not truly their own bosses.

Relative wealth is achievable for those who sell within an organisation. But large-scale wealth requires something more.

'So, you're saying that the path to wealth is to become a salesperson?'

Actually, no. In fact, being the salesperson for your own business could hinder wealth. Bill Gates is not out on the streets every day calling on clients and hoping to sell another unit for Microsoft.

What I am saying is that owning the sales process is the key to wealth. It could mean that you head up a team of salespeople, or that you have automated systems that do the selling online, or a range of other options. The important part is that you own the benefits of the selling.

So, to transcend the wealth cap that exists for employees who sell, the trick is to become one of two people. You need to be:

- The one who *makes* and sells; or
- The one who *owns* and sells.

To explore the first example, meet Sara Blakely, the legendary US entrepreneur who, by the age of 41, had become the youngest self-made female billionaire, according to *Forbes*.

Sara Blakely made a decision one night that changed the course of her life. She was working as a sales rep, selling fax machines. She found herself extremely frustrated by a seemingly trivial problem: she couldn't find panties to wear under her white pants. Anything she wore showed through, with an embarrassing, visible panty line. So, she invented a type of panties that did not show through.

Voila!

It took some fighting and haggling to get her invention into local department stores, but, with perseverance, Sara, who owned and produced her invention, began selling it in small numbers. Then larger numbers. Then really large numbers.

Sara very cleverly publicised her invention through a number of channels, most notably by appearing on Richard Branson's TV show *The Rebel Billionaire* in 2004 and, later, on *Oprah*, as one of the host's 'favourite things' (notice the value of becoming an industry celebrity?).

Blakely's fortune now stands well above the billion-dollar mark. The company is run by a team of over 100 people. It sells over 200 products in 12 000 stores and online outlets, and has a presence in over 40 countries.

Blakely remains the sole owner of her company, Spanx, which continues to do a very simple thing: it makes and sells something. Blakely created a simple but highly desirable item, and sold it on ever-larger scales. That was the mega-wealth formula that made her the youngest self-made female billionaire in history.

One of Blakely's favourite quotes is: 'Don't be intimidated by what you don't know. That can be your greatest strength and ensure that you do things differently from everyone else.'

Blakely knew that identifying a problem was much more valuable than not knowing how to solve it. She would figure that part out. But the problem itself was the valuable bit. When she started out, she didn't know much about clothes, fabric or how to create a pair of panties (do you? I don't!). But she saw a need, and decided to find out all of the hows. It paid off, in spades.

Sarah has also found ways to extend beyond what she can do personally. She no longer has to do the making and selling herself. She has teams of people doing so, in countries around the world. Among those teams, it is possible for salespeople and sales managers to become relatively wealthy making sales, but not nearly as wealthy as Blakely herself.

Blakely owns the thing being made and sold. That makes all the difference, and is how rich people become rich.

Thought provoker

You know that crazy idea you've had for so many years? The one you've been trying to sell to a big company that has the resources to make it?

If you sell it once, it's gone. You have lost the thing you sell.

Yes, you might make a nice once-off profit. But if you are the one who owns it, makes it and sells it on a continual basis, your earning scale changes. You might become the next Blakely.

'I feel like money makes you more of who you already are,' Blakely told *Forbes* in 2012, after making the billionaire list for the first time. 'If you're an asshole, you become a bigger asshole. If you're nice, you become nicer. Money is fun to make, fun to spend and fun to give away.'

So, selling matters. It is how wealth comes in. Being in charge of the selling is how to leverage that fact to your advantage. To that end, the first option is to be the person who makes and sells.

The second option is to be the person who *owns* and sells …

Poverty mindset: It's about doing the job.
Wealth mindset: It's about making the sale, and owning the sales function.

26. Be the person who owns *and* sells

Many Middle Eastern nations have profited from this dynamic. They own the oil, they sell it, they become rich.

But let's look at the idea on a more personal level. If you own a second property, and you rent it out, you are essentially a person who owns and sells. You are not really creating anything. You don't have a factory or a team of employees. You have an asset: the house that you rent out. But here's the clever part. By renting it out, you are essentially selling the same asset, over and over again, without ever losing it. That property simply becomes a source of continual income.

If you take this simple idea and explode it on a huge scale, you may be the head of an international hotel chain. Certainly, you had to build the hotels in the first place (or buy them from someone else who did). But once you own them, you can sell their usage over and over.

Making and selling can be extremely profitable. And for those of us who do not like the idea of running a factory, remember that even Charles M. Schulz, the comic-strip artist, was a maker and seller, and an almost ludicrously prosperous man as a result. Michael Jackson made and sold. Stephen King does so, too. You certainly don't have to interpret 'make and sell' to mean 'own a factory'. It's the underlying principle that matters, not the specific interpretation.

There is money in sales. In an employment scenario, you can become relatively wealthy because you are, within limits, your own boss. But to access the really big money in sales, you need to be the person who makes and sells, or the person who owns and sells.

So, you want to be the host of a TV show? Well, with an employee mindset, you would apply for a job as a presenter. With the mindset of a person who makes and sells, you would create and produce your own show, then sell it to a TV network … with you as the presenter.

There are thousands of ways to interpret the ideas of making and selling, and owning and selling. In *The Millionaire Fastlane*, M.J. DeMarco talks about the importance of being the one doing the selling. He describes successful people as 'fastlane drivers' and asserts that:

- 'Drivers *create* MLM (multi-level marketing) companies, they don't join them.
- Drivers *sell* franchises, they don't buy them.
- Drivers *offer* affiliate programmes, they don't join them.
- Drivers *run* hedge funds, they don't invest in them.
- Drivers *sell* stock, they don't buy stock.
- Drivers *offer* drop shipping, they don't use drop shipping.
- Drivers *offer* employment, they don't get employed.
- Drivers *accept* rents and royalties, they don't pay rents and royalties.
- Drivers *sell* licenses, they don't buy licenses.
- Drivers *sell* IPO shares, they don't buy them.'

In every case, he is saying that true wealth comes from owning and selling, and not becoming a part of someone else's owning and selling. You must be the one who makes, creates, invents and offers.

Inventing is not as hard as we think it is

The word 'invent' conjures up associations of incredible complexity. But, in reality, we don't have to create a city-sized habitat for human survival on Pluto, pioneer a new form of disease-combating nanobots, or formulate a revolutionary new type of financial investment to qualify as inventors who prosper. Some inventions can be very simple. You could create a bra that works better than an old version. A mop that cleans more effectively. The proverbial better toaster. You could draw a comic strip or write a song.

It's often the people who simply find a different or better way of doing something who capture entire markets. Slight improvements that help people certainly qualify as inventions – and can become significant sources of wealth.

Here's how to spot the opportunities. The next time you use any one of the following phrases, stop and think about what you have just said:

- 'I really hate …'
- 'I really wish …'
- 'You know what would be so much better?'
- 'Why don't they …?'

What if you switched your thinking every time you expressed such a thought? What if, instead of waiting for 'them' to address that problem, difficulty or inefficiency, *you* came up with a solution to it yourself?

With the necessary will power, you *can* learn the principles that underlie how an existing thing works and, in doing so, improve on it. You will need hours of study and investigation. But the number of hours will vary drastically depending on the problem you are interested in solving.

At the highest possible level of this idea, Elon Musk taught himself (and we can use this term quite literally) rocket science. He studied, and continues to learn, the engineering, scientific and chemical processes necessary not only for launching rockets into space, but for improving on existing systems. Granted, Musk does not work alone in his back room; he has thousands of employees. But a study of his life story reveals that he, personally, understands and leads the science and engineering in his companies. He wanted to learn how to solve these problems, and went out and taught himself how to do so.

Again, the principles work on a small scale, too. This very book is a small example of that thinking. It represents all the ideas and concepts that I wish someone had taught me when I was in my early twenties. Rather than lament the fact that I was not handed such a book, I chose to create one.

What do you wish you had? What do you wish was different? What do you wish could be done? Could *you* do it? Which things do you wish had been the case in your life? Which things do you wish 'they' had invented or done differently? Which resources do you wish you'd had? What have you noticed around you that could be much better?

What if you became 'them' and, in doing so, changed the trajectory of your life story while providing something great?

It is even possible to raise the funds you need by getting others to invest in your innovation, an idea that we will explore later. For now, the mindset switch is this: Don't farm out responsibility for better ways. Own the responsibility, own the making, and own the sales.

Poverty mindset: I'll apply to get into that industry.
Wealth mindset: I'll create my own contribution to that industry.

27. The rich also prosper by servicing needs, but they still have to own the sales

Make and sell or own and sell. Are these your only options?

No. You can also service and become wealthy. That can mean anything from owning a call centre to repairing computers to filming weddings to massaging people's weary backs and necks on a therapist's table (or tinkering with their psyches on a therapist's couch).

The service industry is huge and ever-evolving, and the same principle of invention applies: Every time you say, 'I hate it when …' or 'I really wish that …', you may just have spotted an opportunity to innovate in the service department. You may have discovered a high-paying idea.

Once again, though, the true wealth secret is not to be the person performing the service, but the owner of the service-providing enterprise.

Don’t be the guy on call to go and repair a company’s PCs. Be his boss.

To prosper in the service industry – indeed, in any industry in which you are your own boss – the impact and reach of your product or service must either transcend your geographical limitations or be extremely valuable to a small group of people. In a best-case scenario, you would be extremely valuable *and* transcend geographic limitations.

To make millions, you must affect millions

To make millions, you must affect millions, or you must be indispensable to a high-paying few. You have to make an impact of either scale, or magnitude, or both.

Microsoft’s Office suite is an example of a product that was highly valuable to its buyers (it increased their productivity) and transcended geographical limits (it was sold worldwide).

So, you start up a small men’s hairdresser in a quiet part of the city. Are you positioning yourself in the path of wealth? No. If you create and sell something that makes life much better for a large group of people, are you positioning yourself in the path of wealth? Absolutely. To paraphrase the Disney movie *Tomorrowland*, get tired of waiting around for someone else to do it for you!

> **Poverty mindset:** I do the job I’m given.
> **Wealth mindset:** I seek to impact the maximum number of people with the maximum amount of value.

28. The two contradictory mentalities of the rich

Let’s summarise some of the major themes that have led us to this point.

The surest way to remain poor is to work a set number of hours for a set number of coins. Escaping The Wheelbarrow Way means finding ways to raise your value and to own the benefits of your work.

Ideally, you want to go into business for yourself, whatever that might mean, so that you own the sales you make. To increase your profit from sales, you need to make an impact of either scale, or magnitude, or both.

Now, let us go one step further, and explore yet another ‘Yes, but’. To maximise your wealth potential, you require enablers. Enablers are things that help to divorce your personal time from your earning. Staff who are able to work in your absence are enablers. Machines that can produce in your absence are enablers. Agents who can sell you in your absence are enablers. Anything that qualifies as an enabler in your world is an asset. The more enablers you can acquire and grow, the wealthier you become.

However …

While it matters that you are able to divorce your personal time from the production capacity of your business, the worst thing you could do is ignore your business and go on holiday.

The very point of freeing yourself up is so that you have more time to think about your business in clever and strategic ways; more time to acquire more enablers; more time to see threats and avoid them.

A surprising number of studies of highly successful industry leaders reveals a trend of taking time to think. It may seem that top CEOs have very little time to think, but many of them make time to think a priority, believing that if they can carve out an hour or so each day for silent, productive thought, they will do much better than they would by handling tasks at full tilt.

The quote attributed to Abraham Lincoln is, 'Give me six hours to chop down a tree and I will spend the first four sharpening my axe.'

When we work, full tilt, at the wrong things, we are less effective than those who constantly take moments to do course corrections. Silence and thought are wealth levers. Full-tilt work, with no time for strategy, is a wealth threat.

Here, then, is the contradictory mindset of top performers. They have the ability to hire enablers, but nevertheless remain close enough to operations to be aware of problems and threats. They have freed themselves from the burden of doing the labour themselves, but are in touch with what the labour is doing. They don't pull every lever and press every button, but they are keenly aware of what the buttons and levers do, and of how they might do it better.

In short, they don't put themselves at as much of a remove from the business to become unaware of both threats and opportunities.

Poverty mindset: I'll keep my head down and work.

Wealth mindset: I'll create enablers so that I can lift my head and think.

29. The rich find wealth ideas in frustration

This is similar to making wealth out of a cause, but with a slight difference. Instead of championing an idea, your starting point is solving a problem.

The kinds of problems that you can solve could be immensely technical (Elon Musk trying to get our species to another planet), or incredibly simple (Sara Blakely trying to get rid of her panty line). Complex problems do not appear to be inherently more profitable than simple problems. The invention of the paper clip and Post-it note are just two examples of very simple solutions that generated enormous amounts of money.

In many instances, it isn't even necessary to discover a unique need that has not been met. There are plenty of obvious needs that still suffer an incredible shortage of supply.

South Africa has a serious shortage of artisans. If you are a welder, toolmaker, plumber, fitter and turner, or boilermaker, or the owner of a company supplying any of these services, there is far greater demand than supply at present, which doesn't look set to change any time soon. With very little creative thinking, you could prosper in this market.

However, add a little creative thinking and it becomes possible to create a brand-new industry. If you can identify a need that is not being serviced at all, you can attract serious money. A good book about the art of creating brand-new ideas that help humanity is *Zero to One* by Peter Thiel and Blake Masters.

Identifying a need can be quite simple, too. It almost invariably begins with the same sorts of phrases that we utter before discovering an opportunity to innovate or invent: 'I hate it when …' or 'I wish they would …'

The key shift in mindset is from employee thinking to entrepreneurial thinking. To say, 'I wish someone would …' is to surrender your control and hope that a bigger, more powerful entity will solve your problems. To say, 'I'm going to …' is the mindset of the self-made rich.

The developing world – including South Africa and the rest of the African continent – is swimming in opportunities born out of frustration and need. We have endless issues that are magnets for creative problem-solving, in just about every imaginable sphere.

The way to tune into these needs is to go one step beyond the personal viewpoint and to play a game of empathy with the plight of others. Which problems do you see around others? What's awful in their lives? What would be much better? Much easier? Much more efficient? If you were among them, what would cause you to say, 'I hate it when …'?

Can you take an inefficient service that, for instance, governments are doing a poor job in delivering, and offer a much better solution? Can you make the availability or accessibility of something faster, cheaper, or easier to access? What slows people down, causes them pain, makes life frustrating or leads to despair? What would solve that? Can you make and sell it?

In doing so, you would change lives for the better, contribute towards uplifting the continent, and set yourself on the path to wealth.

Poverty mindset: They should fix that for their people.
Wealth mindset: I could do that much better …

30. The rich never emphasise their own need, but the value they can offer to the market

It's a beautiful Wednesday morning in Johannesburg, and Dave pulls into the parking lot at his local shops. He sees an open spot, flicks his indicator and starts pulling into it when, suddenly, a man steps out in front of Dave's car and begins waving. The man is a car guard and he is showing David where to park.

As a motorist in Johannesburg, Dave has seen this many times before. It's the ritual dance of the South African parking lot. There are many such guards at lots all around South Africa and, ostensibly, their purpose is to protect vehicles from theft.

But the presence of this car guard arouses a mix of emotions for Dave. On the one hand, being a good-hearted individual, Dave understands that this is a person who is trying his best to make a living, and that he is here working rather than resorting to crime. Dave respects that.

On the other hand, it's a service of little to no value in Dave's life.

Dave is able to see open parking spots without the car guard's assistance. He is able to park without being shown how he must turn his wheel. His car is armed with anti-smash-and-grab technology on the windows and, in the event of it being stolen, it is comprehensively insured.

When Dave has finished his shopping, the car guard will stand behind the car and guide Dave out. Dave's car has reverse cameras, which are rendered useless by the man now blocking their view and waving frantically.

Sometimes, even though Dave's wife waits in the car, the car guard still stands beside the vehicle on Dave's return, hoping to be paid. Dave usually gives him a coin anyway. Like many South Africans, Dave is an essentially charitable person, and he respects someone trying to work his way through life.

But the reality is that there is almost zero value to this service. The acid test is this. If the service disappeared completely, would Dave notice? No. In fact, in a few small ways, parking would be easier and more convenient without the service.

Here is the core problem with something like guarding cars as a value proposition. The business owner in question, i.e. the car guard, is operating out of need, and not out of value. He receives payment more through the fact of his existence than through the value he offers. He is paid because he needs to be paid, not because he adds value.

When we present our needs to the world, wealth does not follow. When we present great value to the world, it does.

The idea of operating out of need can exist on different levels, too. I have a family member who once ran a business that he attempted to market based on need. His marketing and advertising were all pleas – help a poor, starving business owner! – and were based on asking the market for charity. In various ways, his messaging said 'help me' rather than 'here is how *I* can help *you*'.

Not only is this approach cringe worthy, it also fails the simplest wealth-principle requirement: if you are valuable, you attract wealth; if you are not valuable, you do not attract wealth.

Everything we have explored up to this point has said, 'Raise your value.' If your approach is to raise your neediness instead, I can pretty much guarantee your continued poverty. It's harsh, but true.

Here is the switch to make. When you discover that your need is great, begin asking, 'How can I be *more* valuable? How can I raise the value of what I offer to the market?'

By being valuable to the market, you will cease to have need. But by projecting your need onto the market, you will get nowhere.

Sometimes there is more to the picture

If your job is relatively simple, like serving McMuffins at McDonald's in the mornings or guarding cars, but you're using your time and income to study in the evenings, you are raising your value. A menial job that enables your next step is a noble aspiration. The person who takes it in order to get to the next level is admirable.

Now, how about making it your goal to manage the store? Upwards of 60 per cent of McDonald's store owners in the US started off as hour-workers.

> **Poverty mindset:** I need you to support my business.
> **Wealth mindset:** My value to your life is self-evident.

31. The rich know which things make their business highly valuable and profitable

Ever read a *Dilbert* cartoon?

Scott Adams's comical take on cubicle life is hugely popular around the world. Like Charles M. Schulz, Adams has become immensely wealthy drawing three-panel comic strips. Yet the art itself is not particularly good. Adams himself occasionally pokes fun at his own artistic abilities, openly suggesting in his comic strips that their creator should consider taking an art class.

But the value of the comic strip is not in the drawings. The value is in the readers' opportunity to identify with something they recognise in their own lives and to enjoy a good laugh at it. For that reason, Adams's value is relatively high, even though the delivery mechanism may be incredibly simplistic.

It's important to discover what our clients *really* value from our offerings, rather than what we *think* they value.

Video-game manufacturers have been engaged in a decades-long war with one another to create the most complex and visually masterful games. Their premise is that the most complex game wins. Then, along comes

Angry Birds and it becomes one of the most popular games in all of human history. Levels of complexity? Well, you throw a bird at a pig. That's about it. Yet people love it.

Sometimes, quality creates value. Sometimes, value is something else entirely.

Conversely, sometimes you can take something relatively simple and add value to it by greatly improving its quality. Nespresso is a good example of this. Ever seen the George Clooney ads on TV? The Nespresso coffee machines that he advertises are no longer intended just for high-end coffee shops, which used to be the case; instead, they are now intended for individuals who buy them for home use.

Cup for cup, using a Nespresso machine is way more expensive than boiling a kettle and using powdered coffee. Yet people buy the machines, because Nespresso has sold the idea of a higher-value proposition. They are selling a premium lifestyle, as portrayed by Clooney's dulcet tones and suave looks.

'Valuable' is a negotiable concept. You can sell the more expensive, premium version as a form of value. But you could also sell easier, simpler, faster or cheaper as forms of value. Value is simply what people are willing to pay more for.

The wealth-generating question to ask is: What do people love? What do they want and what do they value? It's not necessarily the service or the item that you sell that can make you wealthy. It is the *perceived* value of the service or item that leads to prosperity.

One of the great things about discovering your own intrinsic value is that you can stop doing the things that are not valuable. Focus primarily on the high-value, income-generating thing that people love. Drop the rest.

Poverty mindset: It's about the work.
Wealth mindset: It's about finding out what people love about the product or service and maximising that.

32. The value of barriers to entry and why they are a wealth secret

Here is another idea that we are never taught at school, and that working-class families never discuss. The harder it is to get into a certain type of business, the better. Why? Because if it's hard to do, fewer people will do it. That makes it rarer and more valuable.

Being a car guard has no barrier to entry. It requires no particular skill – anybody can do it. That's partly why it is a low-remuneration proposition. Similarly, it's not hard to sing. For that reason, your competition in the world of singing is pretty much everyone, and a very, very small percentage of human beings will ever make large amounts of money doing it (in fact, key to wealth in this arena may not actually be singing ability, but other qualities, such as composition skills, marketing and publicity skills, and … um … sexiness!).

On the other hand, it's difficult to become a doctor, which is why fewer people do it. As a result, doctors are paid very highly. It is even more difficult to build a factory that creates complex electrical components for appliances. In addition to the knowledge and resources you need to do this, you also have to get through the legal barriers of registration. So, the person who does so may be sitting on a gold mine.

The greater the barriers to entry, the more potentially lucrative something becomes. If it's very hard to do, but you persevere and do it, you will have less competition.

When you consider your wealth path, don't be put off by the idea that something may have built-in obstacles. The more hurdles, barriers and difficulties you face and overcome, the greater your potential for wealth.

Some of the wealthiest people ever have been the ones who overcame huge regulatory or infrastructural challenges and created businesses where others thought it could not be done. Some of today's Indian billionaires are the product of that dynamic, having founded large iron-making, pharmaceutical or auto-manufacturing companies during the 1970s and 1980s, when government restrictions were cruelly punitive towards entrepreneurs.

But don't be alarmed by the scale of this idea. The principle is simple and works at a basic level, too. If it's hard to get in and get started, fewer people will try. If you are the one who does, you put yourself in the path of potential wealth.

This leads us to another of the counter-intuitive ideas that rich people understand, which is the idea of monopoly.

Poverty mindset: It's hard to do, so I won't.
Wealth mindset: It's too hard to do, so I will.

33. Monopoly power: becoming the dominant market force

After tax, the second greatest threat to your prosperity is competition.

'But wait,' you say. 'Isn't competition supposed to be healthy?' For an economy, yes. For you, as a wealth-generating entrepreneur, absolutely not. The more competition you have, the less special and valuable your offering becomes.

But monopolies are bad, right? When one brand or organisation dominates the market, it's unhealthy. That's probably what you've heard all your life.

Here is a serious, 'Yes, but …' On a national level, I, like many entrepreneurially minded people, am radically opposed to things like government monopolies and to the government bureaucracy that tends to create monopolies. I favour a free economy, in which people are permitted to compete and prosper according to their effort and excellence, and where businesses are free to innovate and create the incredible things that move our species forward and benefit all of us.

Now, that said, let me offer you the wealthy person's take: Monopolies are one of the world's greatest wealth secrets. When you are the dominant force in a growing market, you are on a path to the sort of wealth enjoyed by the 10 richest people of all time.

On the grandest scale, if your steel- or oil-production company is the only one operating in a country, you are very likely to end up in the top 0.1 per cent.

On a much smaller scale, if you are the leading name in your industry (but not an absolute monopoly), your wealth trajectory will still be radically different from those of small, also-ran operators.

In most markets today, an absolute monopoly, which occurs when no one else is allowed to compete, is illegal. But there are ways of creating perfectly legal, 'natural' monopolies. These are referred to simply as market dominance. Market dominance is your friend; even as an entrepreneur innovating in a free economy, it should be your goal.

Making it your goal not only leads to wealth, but also draws out of you the very best of everything: the best ideas, the best products, the best management, the best initiative and innovation. The quest for market dominance necessitates that we live and produce at the highest levels of our capacity.

Here is one major difference between modern market dominance, in a free-market system, and the older form. In the past, total monopolies were based on privilege. Today, their softer cousin, market dominance, is based on skill, ability and innovation. It's based on the value that you offer to the world.

Ironically, in strict socialist and communist (collectivist) systems, in which you are not allowed to strive to become the biggest and best, productivity and the advancement of ideas tends to stall and fail. In free-market systems, in which you may grow your wealth and use it to grow and enhance your offering further, innovation and living standards increase dramatically.

You needn't be a robber baron

For the sake of discussion, let's abandon the mental images conjured up by the word 'monopoly': oil barons, steel tycoons, dodgy underhanded deals with government ministers. Most decent people feel at least a moral twinge at the idea.

If you are a fair-minded person, you probably inherently believe that competition is a good thing and, once again, on the level of a country, it really is. On the level of your individual earnings, it isn't. How do we reconcile these ideas? Well, there are decent, moral ways of operating in a low-competition environment and achieving some degree of market dominance.

Firstly, what are the immoral ways of eliminating competition? They include Mafia-style hits, in which you simply murder the other players. South Africa still sees this sort of behaviour regularly in the form of taxi wars. They also include corrupt politics, in which people in power give deals to friends for bribes. We see more than our fair share of this, too, having recently been identified as the most corrupt country in Africa. While writing this book, I started to see headlines like 'SA outstrips Nigeria in the corruption stakes'.

But there are ways of ensuring that you keep your value high in a low-competition environment while still being permitted to enter heaven when you die. Let's list them:

- Overcoming barriers to entry that others are unwilling or unable to overcome. These might be regulatory or infrastructural, or they might involve attaining a high-level qualification such as a medical or legal one;
- Going where there is no competition (for example, new and emerging markets that others have not yet monopolised);
- Satisfying a need that no one else is satisfying;
- Buying up the competition and consolidating them into one company;
- Creating something so unique that you can't be copied easily;
- Being of such high value that you reach a tipping point at which the market nominates you as the best option and you become ubiquitous;
- Being someone so unique that you become iconic, like a Nigella Lawson or Jeremy Clarkson;
- Continually innovating so that competitors always lag;
- Innovating and making something that no one has made before. (Naturally, this is a temporary solution, as anything successful attracts duplication. The response to this is either, 'I don't care. I'm now so rich I can retire' or, 'I've patented this idea, and so it can't be copied' or, 'No matter – while they're copying my original idea, I'm already onto the upgrade, or the next innovation entirely, so they are always playing a game of catch-up');
- Supplying the same thing, but to *your* niche. Take the world of cars. There are many manufacturers, but Mercedes and Hyundai don't compete with one another at all; and
- Satisfying an unusually specific need.

By doing any one, or a combination, of these things, you set yourself up for the desirable position of market dominance.

Poverty mindset: How can I compete with others?
Wealth mindset: How can I ensure such excellence and distinction that I don't compete with others?

34. The exception to the monopoly rule: the rich know when to grow the total pie

There are some rare, but fascinating, exceptions to the rule that competition is bad.

South African–born innovator Elon Musk is doing something unusual with his electric sports-car company, Tesla Motors: he is openly giving away his technology and ideas in order to create competition. Why on earth would he do such a thing? The answer is threefold.

One: the more players that enter the electric-car industry, the more the total infrastructure for such cars will grow, thus supporting expansion of Musk's own business. Success for others guarantees success for him.

Two: greater popularity for the concept of electric cars will also mean greater sales for him, as more and more people shift from traditional fossil fuels.

Three: Musk believes he is rendering a service to humanity in creating environmentally friendly cars. This may be driven purely by noble motives, or a bit of clever theatre to attract customers, or (and I personally have no problem with this idea) a bit of both. In Musk's unique situation, it works in his favour to grow an entire industry.

The professional-speaking industry is another example of this dynamic. Although each of us diligently works to be seen as the best, it is useful, profitable and desirable for us all to support one another and grow the pie as a whole. It is not unusual for professional speakers in South Africa to coach, mentor and grow one another, nor for us to recommend other speakers to our clients. Here's why: we sell ideas. The more benefit the market sees in the concept of us, the better for everyone.

Every poor speaker who delivers low value for a high fee damages our industry and our chances of continuing to be seen as worth engaging. To keep the perception of what we do at a premium, it is well worth our while to ensure the success of others.

Also, unlike the one-off purchase of an item, buying the services of a speaker is endlessly repeatable. For this reason, a successful sale by one speaker does not preclude a successful sale to that same client by another speaker at a later date. The better the first speaker does, the greater the chances of repeat bookings for everyone else.

In the industry that you choose, you certainly want to stand out. But there is no doubt that some industries benefit tremendously from a grow-the-pie-for-everyone approach.

Perhaps the cornerstone of this particular approach is that an industry thrives on credibility. Elon Musk is growing the credibility of a new type of car. Professional speakers are growing the credibility of intangible ideas delivered to the workforce. When credibility is paramount, the grow-the-pie option is smart.

> **Poverty mindset:** This is a small industry. I have to be selfish about my share.
> **Wealth mindset:** This is a small industry. We should grow it so that everyone's share becomes greater.

35. The rich know that value is perceived in relation to presentation and packaging

New entrepreneurs often severely underestimate the value of good packaging. I call this 'neglecting the ribbon'. Putting a proverbial ribbon around your product makes the experience of buying anything from you exponentially more enjoyable. It elevates perceptions of your standards, permitting you to charge more.

Presentation is a big part of the impression you create for your brand, and different perceptions affect how much you can charge and earn. Perceptions apply to everything. In a corporate company, you are more likely to advance, and be paid more, if you are well groomed, well dressed, and present yourself with a winning energy and confident bearing. The office slob is simply not a good bet for promotion.

As you become your own boss, potential customers – as opposed to a pay cheque – become your source of income. They react just as strongly to your presentation – not only your personal presentation, but the story told by your visual cues.

Have you ever noticed that a Mercedes workshop looks very different from the premises of Joe's Mechanical Services? Mercedes, and other high-level brands, understand that presenting themselves to the world as premium and high-end makes a huge difference to their income.

When Mercedes services your car, not only do you not sit on a greasy bench beside an old copy of *Playboy*, but they even add theatrical touches like a cappuccino with the Mercedes logo drawn into the foam as you sit in the pristine client-service area.

The employees are trained differently, too. At Joe’s, the mechanic scratches whatever is itching while disinterestedly handing you a greasy bill. At Mercedes, even the cleaning staff have been trained to greet you.

Image, perceptions and packaging are not nice-to-haves. They are a wealth imperative. They overcome arguments about credibility. They prove, even more than your basic competence, that you are worth it. I know of at least one person whose business continually struggles, which I believe to be based entirely on his refusal to add ribbons. I believe that his ‘it’ll do’ approach is the primary reason for his poverty.

Volumes of books have been written about branding and presentation. For our purposes, I simply want you to become aware of how high-end businesses introduce themselves to you visually. Take a look at the branded stationery of a premium hotel. Notice how expensive clothing and jewellery stores use light and open spaces, whereas cheaper stores cram as much product as they can into the small space available. Some truly top-of-the-range fashion outlets will have only one or two items under a spotlight, surrounded by swathes of open room, instead of shelf upon shelf of bundled goods.

Display communicates. Every visual cue says something about how seriously you take your business and about how much you’re worth.

Digital cues, like websites, videos and photos, speak volumes about you, announcing to the world in no uncertain terms whether you are a cheap mom-and-pop operation or the Cartier of your industry.

Whether you are climbing the ladder in a company or running one yourself, take your packaging and presentation extremely seriously. Study the successful businesses and leading brands. Learn *why* they get to be expensive.

Poverty mindset: It’ll do.
Wealth mindset: Does this say Gucci? And could the lighting be better?

36. The rich know that value is also perceived in relation to narrative

In the same way as visual cues teach the world how to treat you, your own narrative – the story you tell the world – does so too. The wrong narrative can be a wealth disqualifier.

If we spend our lives on social media announcing how tired we are, how depressed we are about our finances, how poor business has been, and how we're drowning our troubles in wine, we are training the world to see us in a certain light. If I were spending big money on your industry and you had trained me to see you in that way, I would simply pass you by.

By no means am I encouraging you to lie. But constantly displaying your frailties and insecurities will make you *seem* frail and insecure.

We must manage the story we tell. In telling it, we teach others how to treat us. This positions us either for success, or for dismissal as a serious contender.

We can make the mistake unintentionally, too. I once consulted with an up-and-coming business, run by a husband-and-wife team. Their business was thriving, and we discussed some ideas for taking them to the next level. One mistake they were making in their marketing materials was talking about their humble beginnings. They were justly proud of what they had done, but there is almost no upside to a 'humble beginnings' story.

Their branding essentially said, 'A husband-and-wife team founded this company in a small house in Townville.' The business was corporate in nature, and did not benefit from a folksy narrative. Rather than show how impressive the business looked now (and it did), their website had photos of them in their kitchen, packing items themselves by hand. The net result of this story and its accompanying visual cues was simply to convey the impression that they were a small, local, mom-and-pop store.

Have you ever noticed how truly enormous, high-end brands like BMW, Allan Gray and Apple do not talk about their humble beginnings? They want to convey entirely different ideas, such as power and dominance and premium positioning. They don't show smiling folk packing boxes. They show aspirational visuals, evoking life lived at the top of Maslow's hierarchy.

I recall working with an agent who, at the time, was breaking into the speaking market. In her early days, she put a lot of thought into her branding, which is good – but she was also tempted by the 'humble' narrative. ‘My differentiator as an agency will be excellent personalised service,’ she said. ‘I will always answer your calls personally.’

While that is an admirable sentiment (you certainly should provide excellent, personalised service), it was also a poor narrative that lowered the tone of her business and made it look cheap.

The people who book speakers for events are often CEOs and divisional directors. These are individuals who expect good service, but that’s not what causes them to buy. They care that the speakers they source will be leading thinkers in their arena. They care that their teams will get the latest, most innovative ideas that will help them to perform at higher levels and dominate an industry. They care about how a speaker might be able to solve an expensive problem for their division.

These are the things that truly matter to that buyer, and they entail a high-level narrative. They entail saying, ‘Our speakers are thought leaders in their industry, who will steer you away from the coming threats and guide you towards the coming opportunities.’

A low-level narrative – ‘We’re very sweet on the telephone’ – does not position you as a premium player, and could disqualify you from high-level deals and the wealth that such deals imply.

Look and sound premium, and you will be entrusted with higher-level deals. Look and sound cottage industry, and the high-level deals will pass you by. Narrative matters greatly to your wealth.

> **Poverty mindset:** We’re up-and-coming and very, very enthusiastic!
> **Wealth mindset:** We move worlds.

37. And the rich know that value is perceived in relation to price

Are you expensive enough to be taken seriously?

Many entrepreneurs undercharge. In doing so, they create a chicken-and-egg scenario. They argue, ‘My customers can’t afford to pay more. They’re not rich.’ My counter-argument is, ‘No, by charging so little, you have attracted the wrong type of customers. You need to attract the ones who are rich.’

If you sell Chappies, your market is going to be made up of the lower LSM. If you sell iced lattes, or branded handbags, your market is going to be made up of the higher LSM.

Position yourself as the cheap alternative, and you may find yourself doing less business. That's because people judge value and quality largely on price – which, in turn, is why Aston Martin hasn't gone broke, in spite of its premium pricing, and partly why Apple is ruling the world.

Minuscule profit margins tend to hurt you financially and cheapen the perception of your brand. Don't fight the war based on pricing – it's a losing game. Instead, fight the battle for wealth based on perceived value.

The concept of value is everything for entrepreneurs and wealth-builders. Once again: increase your value, or increase the value of what you offer, and you can earn more money in fewer working hours. Similarly, raise the value of what you offer and you will change the nature of customers in your market.

Misidentifying a problem

In 2011, as my own business began to become much more profitable, I started bumping my head on a new problem. I was becoming busier than one person could handle. The nature of my work is such, though, that it's difficult to outsource. When you run a burgeoning beauty salon, you can hire more beauticians, but when you deliver keynote speeches using your own specific skill set, the load becomes more difficult to spread.

For a long while, I agonised over possible solutions (virtual PAs, small support teams and time-management courses). But when I read Alan Weiss's book *Million Dollar Speaking: The Professional's Guide to Building Your Platform*, and learnt that this incredibly prosperous man gets by without any support staff, it occurred to me that my thinking was entirely wrong. I needed a Copernican Revolution.

My problem was a form of wheelbarrow thinking. I was trying to apply the labourer's concept of how to get richer: carry more bricks, work more hours. Escaping this equation meant a decision to position myself actively on a higher level as a speaker. It meant raising my fees significantly and jettisoning my lower-paying, high-input clients.

Consider how elegantly such an approach solves the problem of capacity: do less work for more money. Instead of constantly scrambling for loads of low-end work, take on fewer, higher-paid assignments.

This approach in no way advocates laziness. It takes a great deal of work to hold your position at the top end of the market. But it will mean less consumption of time for higher reward, which is a meaningful goal.

> **Poverty mindset:** My customers can't afford more.
> **Wealth mindset:** I need to target the right customers.

38. While charging a healthy fee, the rich ensure that they're worth it

The danger is being seen to be overcharging for an inferior product. That's a bad idea. Not only is it unethical, but it also only takes two or three clients to get burnt before the word gets out and your business falters.

You have to *be* the quality for which you charge. If you genuinely are the Mercedes-Benz of your industry, you are entitled to charge a premium. Your market will expect it and pay it.

It's an interesting dynamic: the more you increase your price, the more you will be seen as a quality offering. The higher the quality of your offering, the more you can increase your price.

So, if you hit an income-to-capacity ceiling and want to earn more, consider whether you are simply trying to carry more bricks. There are smarter approaches.

Here are four suggestions for how to choose better positioning over more hours carrying bricks:

Fire your low-paying, high-input clients

These clients have become a liability, not an asset. They are a drain on your time, they are not worth the financial reward and, perhaps most importantly, their high visibility in your own consciousness can keep you believing that you operate at that level. After all, if you see them often, they are your norm.

Give them up to the entry-level operators. You go ahead and own the top end of the market.

If you're having difficulty with this idea, think about it this way: doing one job for 30 coins is worth more than doing three jobs for 10 coins. How do I reach this apparent mathematical impossibility? Well, each job implies a certain amount of cost. If you do one job for 30 coins, you will incur one instance of cost. If you do three jobs for the same amount of money, you will be down by three instances of cost. Doing less work for more money is much more lucrative.

Doing a few big deals is worth more than doing many small deals.

Dump the bricks and carry gold

What do you offer that is high input (costs you a great deal of labour or money to make or do), but low yield (doesn't bring in very much income)? You know that you are not obliged to keep doing that thing, right? You are free to drop it and start offering only the thing that brings in good returns.

Are you scrambling to sustain the small-profit-margin part of your business? Perhaps it's time to dump it and focus on the high-yield things. You do not have to be all things to all people. Rather be the thing that generates high income. That will free up more of your time to chase the less frequent, higher-profit-margin deals, goals or sales.

Increase your fees

Raise your fees and your quality concurrently. Try to position your fees in the middle-to-upper cost range of your industry, and never in the middle-to-lower range. If you position yourself in the lower range, you become a commodity, which means that you are interchangeable and clients will only shop for you on price.

Your competitors in this range will have to decrease their prices to beat you. And you will have to lower yours to beat them. Everybody loses, and the offering becomes less valuable.

That's not clever positioning. Also, it will become remarkably difficult for you to raise your value later on, because you will have created a reputation in the market as a cheap player.

Put the word out

Whenever I speak on the topic of expert positioning, I always point out that technical knowledge alone will not cause your market to see you as the leading name. Knowledge alone makes you a specialist. But add *publicity* to the mix, and suddenly you can be *perceived* as an expert and an industry celebrity, which allows you to position yourself at the high end of the market.

Find forums to achieve this. Appear on radio talk shows with interesting messages pertaining to what you do. Appear on TV. Get into newspapers and magazines. Speak in public as often as possible. Raise the value of your brand's perception.

To become king of the world in your industry, the world must see you crowned.

> **Poverty mindset:** I must please every customer.
> **Wealth mindset:** Some customers are a poor investment in my wealth. I will constantly raise my customer base to higher levels.

39. The rich manage their price integrity

Now that you are charging a healthy, premium price, based on your excellent packaging and presentation, your good quality, your strong public narrative and the 'ribbons' you add to your customers' experience, you must manage the integrity of your pricing.

Guardianship of your pricing can be tricky, for a number of reasons. We tend to:

- get embarrassed about stating our full price, especially if we were not born into a wealthy family that feels no fear of large numbers;
- feel that we should offer discounts to people we know; and
- assume that potential clients will run away screaming, determined to fling their funds at our cheaper competitors' feet.

I once had to divorce an abusive client. It was made especially difficult by the fact that she was one of the nicest human beings I'd ever met. She would flirt and sweet-talk her way through our planning meetings, and so utterly dominate the conversation as to allow no opportunity for me to represent myself and discuss fees. It was a sort of bullying niceness.

Sound crazy? She managed it three separate times. More fool me.

I found it incredibly difficult to negotiate my side. And I'm well aware that I am not the only one who has struggled with this dynamic.

Dissecting what happened in retrospect, this is what I observed to be her technique. She would:

- gushingly confirm what wonderful friends we were, and how special our connection was;
- repeatedly compliment me, embellishing upon and amplifying my qualities until I found myself on a politely smiling back foot;
- speak almost non-stop, allowing little to no input from my side, but in a way that was so friendly as not to seem tactical;
- use assumptive closes, such as ‘when you handle this part’, before I had agreed to anything, and then move so far into the planning phase that the discussion about whether we actually *would* work together was moot;
- not raise the issue of payment at all (which, in fairness, was my responsibility, but the dynamic was so weirdly *Twilight Zone* that I somehow couldn’t do it and abdicated my own interests); and
- rush off to her next meeting once she had made her points.

In the face of her mix of flirtation and assumption, I allowed this client to manoeuvre me into giving of my services, free of charge, three separate times. The final occasion was on a Friday night, and the whole thing left such a bad taste in my mouth that I vowed never to be abused in the fee department again. I strongly recommend the same for you.

Following a great deal of meditation on this topic, and after consultation with other professionals and entrepreneurs, I offer these guidelines:

- Start with a conscious decision not to be abused on the issue of price and, if it has happened, not to allow it to keep happening.
- Understand that responsibility for your pricing belongs to you. If you manage it, it gets managed. If you don’t …
- If possible, pass it on to a third party (an assistant, agent, etc.), who can represent you more impartially.
- Speak up early and don’t get so far into planning that you’ve bypassed the necessary step of the fee discussion. If it’s an email discussion, state your fee in your first response. If it’s a face-to-face conversation, use phrases like, ‘Before we go on …’
- Don’t be charmed by manipulative people flirting their way to fee-free. Their smiles are a direct threat to your wealth plans. Such people are not your friends. They are harming and intentionally deceiving you.

Exceptions?

Absolutely! There are times and places for strategically discounting fees. You might do so for charitable organisations, like churches or the SPCA. Not only is that decent, but it can also create good PR for you.

You might also do so when there is an opportunity inherent in doing the business. You might identify a client who is worth working with at a lower rate, because of the possibility of additional work. This one is up to your good judgement, but do be wary of clients with big budgets who are simply looking for a freebie.

If and when you make the choice to discount, be sure to provide an invoice that states your full, original price, and then specifically states 'discounted to …' That way, your original value is clearly stated and known.

What happens if they can't afford me, but I want to work with them?

Here's one solution outside of offering discounts: if they cannot meet your fee, ask how they plan to make up the value. That might mean offering you equivalent value in return, by giving you something of equal or similar value that their company makes or sells. Or it might mean the guarantee of more business in future (in which case, represent yourself properly here and get it in writing).

Remember, if they can't afford you, you are fully entitled to walk away. More often than not, you should do so. If a trade is on the table, the onus to find solutions and offer equivalent value is on them, not on you. You are not a beggar. You are valuable. And you work for money.

Poverty mindset: This is my price … kind of.
Wealth mindset: This is my value, and I honour my value.

40. The rich act as their own cash-flow advocates

Money that is due to you, but outstanding, is as good as no money at all. Cash-flow problems kill more start-up businesses and bankrupt more entrepreneurs than an actual lack of earnings. Cash flow remains one of my biggest challenges, and it can be devastating.

Can you think of a store that would let you walk out with its goods on the premise that you'll pay for at some future point, when you feel like it? No? Then don't operate that way yourself. Respect yourself. Be your own advocate. When you earn money, it's your job to ensure that it gets into your account sooner rather than later. The people paying you are not your advocates. They have *their* interests, and the interests of their company, at heart. It is in their interests to pay you late, or not at all.

You must represent *your* interests. It's your job to be your own advocate and fight for timely payment.

Beware of the client who rushes you into action, or pressures you into a sale, on the grounds that time is of the essence.

'We have to have it today! If you can just give it to us, we'll make the payment later!'

'We need you to appear at our function this Friday! If you'll just come, we'll handle the payment later!'

The answer, if you are representing yourself as you should, is no.

High-pressure clients should make alarm bells ring in your head. At the very least, these are clients who plan very poorly, which does not bode well for your payment. In the worst-case scenario, they are conning you.

As a focused wealth-builder, represent your own interests first. Determine your side of the negotiation, and then stand your ground. If your stance is, 'I don't show up unless I have received proof of payment prior to the date,' stand by that. Communicate it clearly to the client in advance: 'If I haven't received the payment by that date, you should not expect to see me.' Be crystal clear and be firm. I speak from bitter experience when I say that most clients of this nature are unreliable, and that their business turns out not being worth the trouble.

Poverty mindset: I hope the money comes in soon.
Wealth mindset: I manage the income process.

41. The rich buy low, add value and sell high

Picture a sleepy tourist spot at a coastal town. Somewhere between Umhlanga and Umhloti, the village of Umdreamy is a beautiful little seaside community, replete with palm trees bending lazily in the salty sea breeze and tanned foreigners lazing the days away.

A woman is born into the village where, for generations, the locals have made a basic income in a very simple way. A unique fruit grows near their village of Umdreamy: the delicious, juicy and citrusy guavadilla. Guavadillas are gorgeous: beautiful to look at and sweet to eat.

The woman born into the village, Miriam, starts selling guavadillas at the roadside. She makes money because she can pick a guavadilla for free and sell it, which means that her costs are very low. Unfortunately, she can't sell them for very much. Guavadillas are delicious, but they're not terribly valuable simply sold by the roadside.

Miriam sees something interesting on TV. In a travel show about a tropical island, she notices that the islanders are carving coconuts into interesting designs, then filling the carved shells with alcohol and selling the finished product to tourists on the beach. For a hefty price.

Miriam copies the idea, applying it to guavadillas. She carves an exotic shape into the outer skin, turning the guavadilla into a natural bowl. She then pours a combination of relatively cheap vodka and orange juice into the bowl.

The guavadilla was free. The labour cost her nothing. The vodka and orange juice were cheap too. But add them all together, and Miriam can charge a greatly increased amount for the total package – almost five times more than she charged for the guavadilla alone. She has added value through creativity and the addition of extra ingredients. She bought low, added value and sold high.

But now it occurs to Miriam that that there are extra ways to grow her wealth. What if she bought up all the competing businesses? The competing businesses are five other women who sit on blankets beside the road, selling guavadillas.

Miriam 'buys up their businesses' by offering them jobs, thus reducing competition. They come to work for her, and now Miriam has a small company of people, each of whom is collecting guavadillas at a low cost, adding value to them, and selling them at an increased cost.

The principle is working, but Miriam quickly realises that her buying market (local tourists at that spot) is too small. If she could transport these delicious, alcoholic guavadillas to the next town, and the one after that, she would greatly increase her reach and, consequently, her profits, by transcending the limitations of her local market.

She sources a cheap way to do that. There is a teen with a bicycle who is looking for work. Miriam pays him to transport guavadillas to the surrounding towns, where she hires more people to sell them, scaling up her business.

In each new transaction, provided Miriam can keep her costs relatively low, she is adding value to her product by:

- improving on its original state;
- adding more components to it; and
- transporting it to a place where it was previously unavailable.

As guavadillas catch on in popularity, Miriam realises that her packaging still looks fairly basic. She sources a local carpenter to build small but attractive wooden shacks, with nice branding, from which to sell her guavadillas. She adds signage and attractive uniforms for her employees. This, again, raises perceptions of her product, resulting in more sales and the ability to keep her prices at a healthy premium.

The rich understand the principle of buying low, adding value and selling high. This basic principle applies to almost anything, from the humble guavadilla to a massive oil refinery. The lower the cost at which you can buy the things you need, and the more value you can add to them, the more you can sell them for afterwards. Think of it as a negotiation at two ends. You negotiate the most favourable (cheap) price when you buy. You make it better. You negotiate the most favourable (expensive) price when you sell.

Robert Kiyosaki said, ‘It’s more important to grow your income than cut your expenses. It is more important to grow your dreams than cut your spirit.’ By understanding this principle, Miriam is able to take the simple process of guavadilla-selling and scale it up into a revenue-generating machine.

Poverty mindset: This isn’t worth much.
Wealth mindset: How do I ensure that this becomes worth more?

42. The rich use numbers to transcend fallible emotional judgement

It’s a Tuesday morning and I’m psyched up. I’ve had my protein shake, loaded a high-energy playlist onto my iPhone, and I enter the gym on legs day to discover something wonderful: the weights section is almost entirely empty. The squats rack is available – a rare and glorious treat – and so, putting on my headphones, I head directly for it.

I line myself up beneath the barbell, ensure that my form is correct (thank you, *Muscle & Fitness* magazine), and slowly but steadily work through 10 repetitions. Then I increase the weight and repeat the process. I know how much weight I can manage, and I work my way up to it. Eventually, I arrive at my heaviest weights.

One rep. Two reps. Three …

The sweat is beading on my brow. I’m breathing deeply and my jaw is clenched. I get up to six reps and I’m starting to feel the fatigue. Figuring that that’s about as much as I can do, I re-rack the barbell and let out a steam of pent-up breath, leaning against the rack.

As I catch my breath, I pull up the Notes file on my phone in which I keep track of all of my weightlifting numbers, and discover something alarming. Six repetitions on that weight is not my maximum. It turns out I can actually manage 10. Knowing this, I prepare myself for the next set. This time I don’t stop at six. I go all the way to 10, simply because I know I can. The numbers have told me so.

In any form of performance, numbers matter greatly. They matter because they do not lie, and they matter because they transcend emotion. They cut right through the mess in our minds and bring objective standards to anything. Numbers help us to overcome what we feel like on the day, because they are objective. In transcending the messy world of emotion, they give us guidance.

Many of our previously held, inherited thoughts and beliefs about work and wealth can easily return to trip us up. Using numbers, however, is an effective defence. They force you to escape the entanglements of past thinking and the detrimental psychology of what you feel like on the day.

Suppose your goal is to write a book. You have a deadline in only two months, and you need to produce some 60 000 words. So, you break your goal down into numbers and discover that you should write about 1 000 words per day, every day, consistently, to meet your goal.

If you are operating on emotion – just walking up to the squats rack and seeing how you feel at the time – you may not produce your thousand words on a given day. On some days, you may simply not feel like writing at all. Thus, led by your feelings, you will miss your goal. But if you are led by numbers, you will achieve it. It's that simple.

The pursuit of wealth is no different. In fact, if anything, numbers are even more important when it comes to wealth.

At the simplest level, here are the numbers you should be interested in: How much money enters your account each month, and how much leaves it? Most poor and middle-class people don't know the answer to this question. They could give you a vague indication, but not an exact number: 'I have about 20 grand in debit orders that go off. I then spend about two or three grand on entertainment.' We are notoriously bad at such estimations. We fool ourselves. We do the proverbial six repetitions at the squats rack, believing that that's about right.

Track the real numbers, and you find out that the debit orders going off each month are actually closer to 30 grand, not 20. And that the money spent on entertainment hovers at around five or six. We could look at those actual numbers, as opposed to our assumed ones, and realise: 'That's not sustainable. I'm not earning enough to keep that up. I'm getting poorer every month.'

Knowing our own numbers is incredibly important. It is empowering. It puts the control back in our hands, and wipes away our mythological beliefs, replacing them with actual data.

In a number of books (*Thinking, Fast and Slow*, *Freakonomics: A Rogue Economist Explores the Hidden Side of Everything*, *David & Goliath: Underdogs, Misfits, and the Art of Battling Giants*), authors cite studies that show us something interesting. When a layperson and an expert (in just about any sphere) compete with each other and attempt to guess the outcome of a series of events, the expert will tend to guess more accurately than the layperson. That is what we would expect. However, if the layperson is simply given a set of reliable parameters to use, the difference between the expert and the layperson all but disappears.

In other words, when we try to predict something using emotion, we are rarely correct. But when we add numbers, which transcend emotion, we can, in many ways, be as effective as the industry experts. Numbers give invaluable guidance to our thinking.

Wealthy people run their businesses and their lives with a thorough knowledge of their numbers. They are not guided by emotional mythology.

I mentioned earlier on that the super-rich are also partially in love with the *idea* of numbers. In a surprising number of studies, it was revealed that money had ceased to be important to such individuals. What they cared about was merely the game of making their numbers bigger. That could mean ‘amounts of money’, but, equally, it could mean:

- number of units produced;
- number of products created;
- number of patents registered;
- number of new branches opened; or
- number of countries in which they operate, etc.

They found a metric that excited them, and drew deep satisfaction from watching it grow.

In a small way, I understand this. I draw satisfaction from daily word count in my writing, as well as the total number of books I’ve written. I imagine that at the highest levels of authorship, people like Stephen King, Dean Koontz or J.K. Rowling must derive incredible satisfaction from the same thing. They have long since surpassed the need to work. Their unborn great-great-grandchildren can already retire. Yet they keep producing. They clearly love what they do, and I have no doubt that there is a rewarding ego boost in watching the numbers grow.

Which measurable numbers are a part of your world? Do you track them, and can you grow them? Numbers transcend fallible emotion, while simultaneously offering a meaningful reward.

Numbers can also indicate opportunity. For instance, if I examine the numbers of my online book sales and determine that they are small, I uncover a major opportunity, which I then need to grow and systematise. Had I not checked on the numbers, I may not have spotted this.

Poverty mindset: Numbers bore me. I just don’t have a head for them.
Wealth mindset: Numbers fascinate me. They show me where my strengths and weaknesses are. They guide me and help me to become better.

43. Beyond owning a business, titans do deals

So, you have the appetite for becoming a true titan? A piffling business isn't challenging enough for you; a chain of your own businesses is still too easy, too small. You see Darth Vader and think, 'Now *there's* a career plan!'

If you do possess the appetite for billionaire status, one of the ways in which history's wealthiest humans have gone about things is by doing deals. Naturally, this is a complex topic, but here is what you need to know. Doing deals for profit generally means that you will:

- buy an existing business, negotiating favourable terms;
- sell that business, negotiating favourable terms again; and
- increase the value of the business between the point of purchase and sale (through optimisation or consolidation).

Here's how that might look. You identify a business that has potential. You negotiate the best possible purchase price (which is to say, the lowest possible one). You then add value to that business while you are in charge of it, either through good management practices that optimise its profitability, or by combining it with similar businesses that you buy (consolidation). You then sell this optimised business, once again negotiating the most favourable rate for you (which is to say, the highest possible one).

Buy low, add value, sell high.

In addition to this basic process, you would also buy shares in the company so that, above and beyond the profit you make selling it, you continue to prosper based on the continued prosperity of the company.

Naturally, this overview is an extremely stripped-down one. Carrying out this process is incredibly complex, and requires a wide range of skills, abilities and resources. Above all, though, it requires some fairly phenomenal will power.

Large-scale dealmakers tend to be iron-willed, relentless, goal-oriented individuals. They are skilled at negotiating and totally focused on getting what they want. If that feels like a fit for you, I would recommend Wilkins's *Wealth Secrets of the One Percent*, which describes the nature, and some of the techniques, of mega-dealmakers.

If the concept seems frightening to you, do bear in mind that you don't have to buy up America's major oil-production companies. You may purchase and optimise a couple of local coffee shops. It's the same principle.

Or, in simpler terms, you may identify a competitor in your industry and see the value in buying this person's business to:

- stop them from competing with you; and
- grow your own business by incorporating theirs.

On a smaller scale, this is exactly the same technique. It's the idea of doing a deal with another business, rather than competing with it head-on.

Poverty mindset: My competitors are making this hard for me.
Wealth mindset: What if I bought my competitors?

44. The rich use other people's money

What happens when your ideas are bigger than your wallet?

In 2016, Elon Musk did something remarkable. He generated $20 billion US dollars … on a product that he had not yet made.

Musk has been a media darling for some time now. Hailed by many as a one of the most important innovators of this century, his company, Tesla, announced the launch of a high-tech new car, the Model 3. Musk held a global 'launch' for the idea of the Model 3, and took orders in advance. The cars will only be available to owners in 2018, yet, within a month of the launch, he had sold over 400 000 units, with buyers putting money down in advance.

If Tesla lacked the money to make these cars, they don't any more.

Even though Musk has repeatedly invested his entire personal fortune into his businesses, he has also used other people's money to fund his dream. Based on the level of success of SpaceX, Musk has received enormous grants from NASA. He also sells launches into space in much the same way that airlines sell air tickets. With revenue coming in ahead of the launches, Musk is able to grow his company continually.

Musk is an extreme example of this principle, pulling it off on an unusually high level based on previous successes and rapidly accelerating celebrity. But the same principle can be applied at lower levels, too. The simplest example is a bank loan to start your business. You could also find other sources, such as crowdsourcing or the investments of venture capitalists, who invest in your potential success.

I believe that by far the best way to understand and master this dynamic is to watch the television series *Dragon's Den*. There are variations on this show (the British version on BBC, the South African version on DStv, and equivalent international shows such as *Shark Tank*).

The amount of useful insight you can glean from these shows into how to grow your business with other people's money cannot be overstated. I would go as far as to say that if you haven't been watching these shows, you are not ready to do business on a large scale. I also sometimes wonder whether schools shouldn't scrap the curriculum in subjects like Business Economics and simply let learners watch these shows instead. They could learn much more, much more quickly.

If you want to explore the world of public funding for your good ideas, you must watch series like these. You will learn what potential funders will definitely ask you, as well as what can disqualify you from receiving funding. Simply watching this show will increase your capacity to raise capital many times over.

Other people's resources

You can also become wealthy by using other people's resources, as opposed to their money or funding. Take the example of Uber, the taxi and transportation service driven by smartphones. Somewhat brilliantly, this service did not need any infrastructure. It made use of existing smartphones and existing drivers with their own cars to set up a profit-generating business.

> **Poverty mindset:** I have to save up for it.
> **Wealth mindset:** I have to find a clever way to fund it. And I will study how that works by watching shows that cover it.

45. The rich combat the greatest threat to their wealth: tax

Before you even get to touch it, the government takes some 30 per cent of your money. In some cases, it can be much more.

We tend not to think about it, because it's automatic, and generally comes off a salary before we even receive our share. Tax has become a normal part of life, but it wasn't always that way. There have been periods in human history in which governments did not tax their people. Tax is an invention, not a law of nature.

It is also negotiable.

We are all legally obliged to pay tax. That much can't be avoided. But we certainly do not have to pay unnecessary or excessive amounts of it.

The rich realise that tax is a negotiable concept. They do not avoid paying it. Do that, and you might win yourself a romantic evening with a cellmate. But here is another fundamental difference between the way in which rich and poor people think. Poor people simply accept the highest tax rates imposed upon them. Rich people don't. They find legal mechanisms by which to protect their wealth from excessive taxation.

At the simplest level, this might mean hiring an excellent tax consultant. Such a person can save you a great deal of money, simply by knowing how to find deductible costs and organise your income in ways that deflect tax gouging.

On the highest levels, the super-rich keep their assets tied up in things like corporations. They protect their wealth from tax by means of clever investments and knowing how to use the negotiable elements of taxation to their advantage.

I am not a financial advisor and I won't tell you which specific things to do to protect your money from unnecessary taxation. But it is enough for our purposes here to know that you *can* and that you *should*.

Heavy tax is not an inevitability. It's really only the poor who fail to protect themselves from this primary threat to their wealth. The rich know that the largest threat to their wealth is tax.

Poverty mindset: Tax is inevitable.
Wealth mindset: Tax is negotiable.

46. Uniquely African wealth threats: the grand funeral competition

In South Africa, and many other African nations, weddings and funerals are regarded as culturally important, often to the extent that they may prove financially crippling. People feel obliged to put on a show.

According to a *Mail & Guardian* article (28 March 2013), 'lavish expenses' are typical among very poor people, and 'paupers are turned into princes in death'. It is also typical for an entire community to attend funerals and weddings, without being individually invited. The costs of feeding and entertaining such crowds can become astronomical.

Whether you have a traditional African wedding or a Western one, the wealth principle at stake is this: you need to emancipate yourself from the financially ruinous expectations of others. It starts with you. Is your vanity greater than your common sense? Is hosting a lavish funeral (which truly is an absurd form of vanity) or a grandiose wedding truly worth the long-lasting financial damage to your life?

The expectations of others are a direct threat to your wealth potential. It is not a given that you have to cater to these expectations. You need to meet and manage that threat, or accept that becoming rich may never be an option for you.

Ego and expectation are in direct opposition to sensible goal-setting and long-term growth. The funeral that costs a year's salary, the wedding that costs as much as an education, the girlfriend who expects you to pay money into her account, the boyfriend who makes you feel guilty about not sharing your wealth – these are threats to your goals, and you need to view them that way.

> **Poverty mindset:** I must look important to the community, regardless of the cost of doing so.
> **Wealth mindset:** I must represent myself and not be bankrupted by ego or expectations.

47. 'It's working! I will immediately bankrupt myself with a new car!'

You know what's awesome? A Maserati!

You have a couple of good months and the money begins to flow in. *Really* good months. You dramatically increase your living standards – new car, new clothes, gifts for all and sundry — and, as it always happens in the business cycles of entrepreneurs, the next two months are disastrous. You've overextended yourself, and could take years trying to recover.

Don't make the amateur mistake of creating *certain* future debt when future income is *uncertain*. Don't make the mistake of assuming that the good times will last forever.

Sometimes, we overextend ourselves based on even less than a few good months. It's not uncommon to see entrepreneurs on the brink of a big deal spending the money in advance, confident in its security. The deal goes south (which can, and does, happen, and which will likely happen to you many times), and suddenly you're much worse off than before.

Better to reinvest your earnings into your business to keep it growing. This is also the point at which you can begin saving, and saving will start to make a real difference now that you are generating income.

A safe assumption is that your income will rise and fall in waves. You will have good and bad times. Sometimes, the downward trend in earnings could indicate that an idea has run its course or an industry is coming to an end. You may need to be agile enough to move on to the next thing.

Either way, spending conservatively and reinvesting your money is the smarter reaction to new wealth. Don't turn your big chance to escape poverty into insurmountable debt.

> **Poverty mindset:** I'm rich! Spend, spend, spend!
> **Wealth mindset:** I've caught a break here. This is my big chance; I'm going to use it wisely.

48. The one mindset that money can't change

Generating new wealth can solve many problems. But there is one problem that more money will never solve – in fact, more money could make it worse.

Simon's career path is on an upward trajectory. He started off as an electrician – an 'appie' – working for the owner of a business. His starting salary was humble, at less than R10 000 per month before tax. After receiving his first pay cheque, he spends a little more than he has earned. He argues that he needs good work clothes, so he buys them on credit, knowing that he can pay the account off the following month.

The following month, he organises satellite television. It costs a little more than he's earning, but he can pay it off next month. It's only about 5 per cent more than he's earning, so it's not a big deal.

A year down the line, Simon has been consistently spending 5 per cent more than he earns every month. Every instance of spending was justifiable at the time, but his debt has mounted quickly.

It's not a problem, though. Simon gets an increase! His salary goes up to R12 000. He immediately realises that he can, and should, get some better clothes, on credit, as he is now advancing in his career. He continues to spend just a little more than he earns – only 5 per cent – but he's offered more credit, so it's not a problem.

Soon, Simon gets a big promotion. His salary doubles. He has developed a lifestyle habit of consistently living beyond his means. Never by a lot; just by 5 per cent.

He continues to live this pattern. But, whereas before, 5 per cent of R10 000 was just R500 (which created R11 000 of debt for Simon in the course of a year), 5 per cent of R20 000 is R1 000 per month (which creates additional debt of R22 000 per year).

Simon only has one small, simple, mindset problem: he lives a little beyond his means. But his problem is amplified by his growing wealth. The more income he receives, the greater the debt he creates for himself.

In short, more money makes Simon consistently poorer.

He doesn't have an income problem. He has an outflow problem. Add three or four significant salary raises into the equation, and allow this pattern to run its course over, say, 10 years, and Simon will find himself buckling under a mountain of debt. He will wonder how he ever got into this situation. And he will hope and pray for 'just a little more income' to solve the problem.

Income is not the solution. Income, funnelled through this mindset, makes things worse. Outflow is the problem. No amount of extra money will help Simon.

But what if you earn obscene amounts?

The result will be obscene amounts of debt.

Michael Jackson fell prey to this mindset. Despite *Forbes*'s estimate that he earned $1.1 billion during his lifetime, when he died in 2009, he left over $500 million in debt. He earned massive amounts, but consistently spent more than he earned. If you earned over a billion US dollars, would you ever believe you could run out of money?

Jackson earned money on a scale that mere mortals find difficult to comprehend. But he also spent on the same scale. At one stage, he was unable to service a $25-million loan on his Neverland ranch. (Interestingly, he has 'earned' over $2 billion since his death.)

If you don't grasp this one brutally simple principle, more money will only ever make you poorer: you must live below your means.

Get it wrong, and greater income only ever equals amplified debt. Michael Jackson levels of debt.

> **Poverty mindset:** I can afford more now.
> **Wealth mindset:** If I can afford more, but I'm not tempted by it, I can genuinely improve my life.

49. Learning to live the failures-as-feedback system

Remember the idea of pivoting?

Very few businesses, innovations or wealth-creation exercises of any kind ever succeed on their first attempt. Most new ideas, successful businesses or profitable ventures have gone through at least three pivots before becoming profitable.

There is a valuable, even critical, lesson in this: If we stop at the first perceived failure, and do not pivot, we have not given our initiative a fair chance. It is premature to call a business a failure after not making money on the first try.

In an episode of the British *Dragon's Den* series, one of the entrepreneurs applying for funding has an idea for a yoga system. It's a clever idea, based on a small apparatus that guides where you put your feet and makes balancing more of a challenge. The entrepreneur has been struggling for years to sell his invention into gyms. The 'dragons' love the idea, but quickly point out that selling into gyms is too difficult. They propose packaging it with a training video and selling into stores for individuals to purchase, an idea that the entrepreneur had never thought of. They offer him £50 000 pounds and go into business with him.

Good pivot!

It's important to live the failures-as-feedback system. When we reach the first hurdle, obstacle or sticking point, we need to pause and say, 'Awesome! If I get past this, I've transcended a barrier to entry. This barrier will have stopped others. If it doesn't stop me – if I can find a way around or over it – I'm ever so slightly ahead of the game. The more hurdles jumped, the greater the exclusivity. I'm getting there.'

The important thing is not to see a failure as a full stop, but as valuable information that shows you what not to do. Every setback is an opportunity to hone and fine-tune until you have developed a highly optimised, wealth-generating machine.

Don't stop at no. Ask, 'Why not?' Then, move beyond no.

Lifelong learning matters to you. Education and knowledge are wealth levers. If you are willing to learn from your mistakes, and the mistakes of others, you will radically accelerate your own potential. Learning from the problems of others is a wealth lever and a time-period accelerator.

Are you willing to be that person cruising through the 'hood rocking an audio book?

> **Poverty mindset:** I failed. I'm done. Back to the old day job.
> **Wealth mindset:** I failed. I've learnt something useful. I'm one step closer to making it.

50. Give and you will receive

This is the last of our 50 ways, and the shortest chapter in this book. My full advice on this spiritual principle is simply this: Try it. It works!

> **Poverty mindset:** Bah, humbug!
> **Wealth mindset:** May you be richly blessed.

[1] Harari, Y.N. (2015). *Sapiens: A Brief History of Humankind*. New York: HarperCollins.

[2] See http://gemconsortium.org/country-profile/108

CONCLUSION

Let’s see how many of this book’s ideas we can sum up in one go:

Poverty mindset

I’m paid by someone else to make them rich. I receive a limited monthly salary to do a thing. It takes a long time to do, I can only do it for one customer at a time, it costs a lot to do it, lots of other providers can do it too and it’s not worth very much per instance. I don’t own the sale of the thing when it sells. I can only make and sell it in a limited geographical space. I am also limited by my own inabilities; if I can’t make and do it personally, it doesn’t happen. I don’t determine my own income – it is apportioned to me.

To realise wealth potential, reverse as many of these ideas as possible.

Wealth mindset

I work to make myself wealthy. I’ve decided to live and think differently from most people to achieve different and superior results. I have uncapped potential, based on my own abilities and my capacity to upscale. I have automated the thing I do to remove myself from the time equation. I can do it for many customers at a time, my costs are low, and few other providers can do it. It is worth a great deal per unit. I have transcended geography to reach large markets. I am also not limited by my own abilities; I hire others who are good at what I can’t do, and I automate as much as possible. I can go to bed and know that I am earning money while I sleep.

Now try this

One of my favourite concepts is what has popularly become known as ’10 x’ thinking.

Coined by Grant Cardone, this term refers to a simple, but powerful, idea. When you try to make something ‘a little’ better, you will get limited results. However, when you try to make something ’10 x’ better, you are forced to think in radically different patterns. Instead of tinkering, you need to overhaul. Instead of making something incrementally better, you need to change its foundations.

What if you applied 10 x thinking to your own world? Are you earning R100 000 per annum right now? What if, instead of trying to increase your earnings to R120 000 per annum, you shot for R1 million per annum?

Is your small business earning R1 million a year right now? Instead of trying to get to R1.5 million, what if you aimed for R10 million?

You can immediately see that such a radical change would not come from doing things ‘slightly’ better, or ‘a little’ differently. It would imply quantum shifts. Large-scale changes. Thinking and acting really big.

As you pursue your wealth goals, I encourage you to apply this framework. And remember, the mega-rich of history have typically not played to play – they have almost always played to win. Their thinking is fundamentally different … and that changes everything.

Imagine you …

Imagine you, a few years from today.

You have become a constant student of wealth and success principles. You’re a sponge for ideas that can accelerate your trajectory.

Instead of believing that time spent working = wealth, you have learned to think value raised = wealth.

You’ve decided to become your own boss, and you are living a business system that is making you progressively wealthier. Sure, it’s been hard – but it’s been satisfying, and your wealth continues to accumulate.

You save more than you spend, and you tend to acquire assets that make you richer, not liabilities that make you poorer.

You see Ferraris on the streets and you smile, acknowledging a fellow grower and generator. You know just how much work, wit, strategy, risk and input it takes to acquire such a vehicle. You wish the owner well, and you wish that everybody else could learn the same principles so that they, too, could prosper beyond their wildest dreams.

You contribute to humanity by serving exceptional value through your business. You don’t operate out of need. You operate out of value, impacting millions and making millions.

You are immensely proud that your idea, your creation, your business, your brand, your *thing* is making life just that much better for humanity. You are a part of the innovating, making, growing and generating story of our species. You are part of *what we do*.

You laugh at the idea of government dependency, and you wonder how others could fall for it. You are proudly creating your own story, growing your own prosperity, and your life is not only financially rewarding – it is psychologically satisfying. Your patterns of thinking are different, which shows in your bank balance.

Join me

If you find yourself in this position – better off because of some of the ideas in this book – please will you join me in my personal quest? I am on a crusade against victimhood mentality, and my goal is to share specific answers and ideas that can equip people to overcome it.

Won't you please pass this book on to somebody who needs it, or buy a copy for somebody whose life could improve as a result? We desperately need fewer victims in our country. We desperately need more makers and growers and contributors. We cannot sustain a system in which less than half of the population is supporting the rest.

And we don't need to. Poverty is now optional. It can be rendered obsolete by the right thinking. It can be made extinct by start-ups, entrepreneurs, small businesses, large businesses, solo practitioners, artists and artisans, and makers and growers of every kind. It can be helped along by government removing red tape, reducing punitive taxation for new businesses and encouraging start-ups in supportive, proactive ways.

Help me to help South Africa to graduate to newer and better problems. Problems that come dressed in Armani. Problems like how to defeat the Klingons in the far reaches of the galaxy, instead of problems like how to feed a starving child.

Poverty is a ridiculous problem to have. The answers exist. Let's share the hell out of them!

HOW THE RICH THINK DIFFERENTLY: A SUMMARY OF THE 50 WAYS

1. Reject the idea that you were ‘assigned’ you place in life.
2. The discovery of ignorance is the beginning of all progress. Don’t accept, ‘I am poor.’ Ask, ‘What am I missing here?’
3. Don’t fall for the misquoted and corrupted aphorism that money is the root of all evil.
4. Reject the idea that money is a valid source of guilt. Your prosperity does not impoverish others.
5. Money is infinite. Work and innovation create it in abundance. The more you make and produce, the more new wealth you generate.
6. Learn to use the world to your advantage. Represent yourself in all things, including contracts and negotiations, and teach your children to do so too.
7. Lose your awe of money. It is neither sacred nor precious. Gaining and losing it is not the worst thing that can happen to you. Wielding it easily as a useful tool enables you to grow more of it.
8. Aspiration is normal, natural and necessary. As a species, we are wired to derive deep satisfaction from meaningful work, which moves us forward. We are not wired for meaningless work or stagnation.
9. You are not unsuccessful if you face problems. But you should be concerned if you are still facing the same problems a year later. Wealth creation is a series of graduations to new problems. If you are still struggling with a previous problem, you may be preventing yourself from moving up.
10. Relying on the government will make you poor. Divorce your wealth creation from the state. Take total responsibility for charting your own course.
11. Thinking like the people around you will keep you at their level. Learn to think like the people *above* you. They have answers that you need,

and studying these answers is a lifetime pursuit.

12. When your own community, on balance, does more to hold you back than to lift you up, you may have to leave it to progress.
13. Qualifications help, but they usually only gain you entrance into the game. *Qualities*, such as leadership, sales, communication and persuasion skills, help much, much more. Driver personalities tend to become wealthier than those who do not push.
14. You *can* follow your passions and become wealthy, but you have to think of your passion as a business and engage in one or more ways of monetising it.
15. You *can* turn a cause into a career, but again, you will need to think of it as a business and choose a specific model by which to make it profitable.
16. Image is important, but there are right and wrong ways of portraying success. The best brag is genuine productivity; the worst is conspicuous consumption.
17. You do require a minimum level of financial literacy. Understanding some of the most important terms, like assets and liabilities, arms you with greater numbers of wealth levers.
18. Don’t focus on work. Focus on money-generating behaviour, which relies on sales.
19. Work towards becoming your own boss. There are different ways of doing so, and different scales at which you can apply this idea, but, ultimately, if you aspire to real wealth, you will need to be in charge of your own business.
20. Do not be crippled by caution. Inaction will never lead to wealth. Drivers tend to far outperform non-drivers in wealth creation. You may need to pivot a number of times before your ideas succeed. But unless you get to, and past, your pivot points, you are not on a wealth-creation journey.
21. Do not wait for permission. Do the unrequired, the unsupervised and the unguaranteed, regardless of negative public opinion.
22. Focus on the top line (how much you generate), and not only on the bottom line (how much you save). Saving matters. But if you are saving

too little, you will still starve.

23. Speak to the people who can say yes to your ideas, sales pitches and proposals, not the ones who only have the power to say no. Find the people who own the problem and wield the authority.
24. Say yes to opportunity, then find a way.
25. Selling is a good thing, but owning the selling is even better.
26. Become the person who owns and sells. This is always where the wealth lies.
27. You can also prosper by servicing needs, but you still have to own the sales.
28. You need to divorce your time from the income-generating capacity of your business, but you still need to remain sufficiently close to the business to be its strategic leadership.
29. Find wealth ideas in your own frustrations and those of the people around you.
30. In your sales, marketing and public narrative, never emphasise your own need. Instead, emphasise the value you can offer to the market. People only buy your value. They never pay for your need.
31. Determine what makes your business highly valuable and profitable. This is not always what we think it is. We may believe that our quality makes us valuable, while our market might value the convenience we offer.
32. Barriers to entry seem daunting, but because they seem daunting to everyone, they are a wealth secret to those who do tackle and overcome them. The greater your exclusivity, the greater your wealth potential.
33. The ability to create a natural monopoly, known as market dominance, sets you on the path to significant wealth. There are legal and ethical ways of becoming the dominant name.
34. There are times when it's worth building an industry instead of aiming to become the dominant force. When your business gains from the total credibility of the industry, uplifting your competitors works in everyone's favour.
35. Your value is perceived in relation to presentation and packaging. An 'it'll do' approach to presentation will result in an 'it'll do' income.

36. Your value is also perceived in relation to the narrative you present to the world. Avoid presenting the image of a mom-and-pop operation. Go to great lengths to portray a premium, professional image.
37. Your value is also perceived in relation to your pricing. Being too cheap can damage your business. Over time, it's worthwhile to fire your low-paying, high-input clients and graduate to a more favourable clientele.
38. While charging a healthy fee, ensure that you are, in every way, worth it.
39. Manage your price integrity. Discounts and freebies can harm your business and cheapen perceptions of your industry as a whole.
40. Cash flow is one of the most critical concerns of the wealth generator. Take charge and be an advocate of your own cash flow. Do not leave payment dates and receipt of funds to chance or the whims of others.
41. Buy low, add value and sell high. The more cheaply you can acquire something, the more value you can add to it in various ways, and the more expensively you can sell it, the wealthier you will become. There are many ways of adding value to objects and services.
42. Use numbers to transcend fallible emotional judgement. Knowing, and keeping track of, your own numbers helps you to see both weaknesses and opportunities. Not knowing your own numbers means operating blindly.
43. Beyond merely owning your own business, titans of wealth do deals. One handshake can exceed a year's salary.
44. It is entirely possible to use other people's money to fund your own growth. Study how-to shows like *Dragon's Den* for an invaluable education.
45. The greatest threat to your wealth is tax. You can't evade tax, but you certainly can avoid overpaying it.
46. There are some uniquely African threats to wealth, including competitive funerals. You may need to defend your wealth potential against the potentially ruinous expectations of others.
47. It's working! Now, be wise with your money. Do not create certain future debts on the strength of uncertain future income. A few good months do not equate to predictable wealth.

48. The one mindset that no amount of money can solve is a propensity for spending more than you earn. Living beyond your means is a bad idea when your income is small, but an utterly disastrous one as your income grows. More money simply amplifies the problem.
49. Living a failures-as-feedback system will ensure that you are continually growing and that your upward trajectory remains on course, regardless of changes around you. When you are willing to learn, you become the type of person who will inevitably prosper.
50. Try this simple spiritual principle: give and you will receive. Grow others, and more will be added to you, o faithful servant.

A final motivational thought

The wealth you desire is not separated from you by a number of years. It is separated from you by a number of actions. How many years will it take you to carry out these actions?

It's all in your hands. It's all in your mind. So, act. As a man thinks in his heart, so is he.

Don't think poor.

Some extra value

To keep these ideas percolating in your mind and benefiting your life, I have organised some free, additional resources for you, available today at http://douglaskruger.co.za/DontThinkPoor/.

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PRAISE FOR DOUGLAS KRUGER'S OTHER BOOKS

How to Make Your Point without PowerPoint

'Bottom line? If you use PowerPoint (and you want to stop, or at least stop torturing your poor audience), you need to read this book. Get it. Read it as soon as you can. And re-think the way you present. The only alternative? Death.'

– Women24

'I believe this book to be seminal for everyone who has ever had to make a presentation in the past, is preparing for one as we speak or envisages having to make one in the future.'

– Dr Ivor Blumenthal, *The Star*

'Somebody should give Douglas Kruger a medal. In his new book, he says what so many people know deep in their souls to be true: the ubiquitous presentation tool PowerPoint sucks!'

– Chris Gibbons, *Acumen*

Relentlessly Relevant: 50 Ways to Innovate

'This isn't a dry academic book. Neither is it heavily researched-based. But the insights are useful, practical and entertaining – which makes it a book you can still sit down and read at the end of a tough business day.'

– Mike Simpson, *Strategic Marketing*

Own Your Industry

'As a South African motivational speaking expert, Kruger offers advice that we can well associate with as entrepreneurs. Each of the 50 techniques are presented concisely on two pages or so, which makes this an easy read. I, for one, managed to keep to my aim of finishing the book!'

– Christoff Oosthuysen, *Small Business Connect*