

Reinvent yourself and thrive
in the digital economy!



BE YOUR
BEST

THINK LIKE A STARTUP

**Get Agile and Unleash
Your Inner Entrepreneur**

STEVE SAMMARTINO

WILEY

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LIKE A
STARTUP**



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About the author

Steve wrote his first lines of computer code at age 10, and is one of Australia's most respected business minds. While the school system didn't really suit his learning style, he has an incredible ability to make sense of how emerging technology is changing the way we work, live and earn. He's a born entrepreneur, and had his first startup at age 10 — an organic egg farm. While holding down a daytime corporate gig, in his spare time he started and eventually sold a successful a clothing business. (He used to start work at 5 am, sell to customers at lunch time and do the administration at night.)

After graduating from university majoring in Economics, he worked in multiple Fortune 500 companies and held many senior positions culminating in directorships, before answering his true calling for independence from The System. Curious about why some people seemed to get richer, regardless of education and income, he delved deeply into the study of personal finance, *informally*. His experience means he intimately understands small and big business and how to play the game to get ahead and design your own future.

Steve has had multiple technology startups, including launching rentoid.com, one of the first 'sharing economy' startups, before Uber or Airbnb. Steve had a successful exit

selling the startup to a public company. He now invests in emerging technologies and has multiple advisory board positions in a variety of disruptive technologies across the airline, automotive, real estate and co-working industries, and the internet of things, quantified self, mobile applications, and 3D printing technologies.

Extreme projects are something Steve loves doing to demonstrate what is possible. Crowdfunded via Twitter, he helped build a full-size driveable car made from 500 000 Lego pieces, complete with an engine made completely from Lego that runs on air. This project has over 9 million views on YouTube and was a global news story. He also put a toy space ship into earth orbit for under \$2000 to prove how cheap powerful technology has become.

A media commentator on technology and the future, Steve is a regular on the ABC and provides expert assessment on the rapidly evolving technology sector. He has also been featured on the BBC, The Smithsonian Institute, The Discovery Channel, Mashable, Wired, and has even had documentaries made about his projects. Steve wants to share a life of hacking the system with you, so you can use emerging technology to your advantage, to live the life you deserve.

Get in touch with him at stevesammartino.com.

Preface

The first job I ever had was in a factory. I was pretty excited about it at the time. The job would leave a permanent imprint on my life. There was something about it I've never forgotten; it changed me in a way. Maybe it was to do with all those routines, procedures and outputs, or maybe it was the way people behaved inside this closed system. In hindsight it all seemed a little strange, unnatural, even a little inhuman, but I didn't really question it when I was starting out — I just took it as the way things were.

Factories are without doubt among the most interesting kinds of workplace humans have created. Most of us have at some point had the opportunity to at least visit one and see it in action from close up. Maybe you were sent to the factory of a company you worked with, so you could get an understanding of how things were done there. Maybe you've partaken in a bit of industrial tourism — aviation and chocolate factories are favourites. If you haven't had such an experience, let me recall my factory job for you.

Most people would arrive for their shift at the last moment. Clad in uniform with the company logo emblazoned on it, we streamed through the factory gate, which was set into an eight-foot-high chain-link fence — I'm still not sure if it was

designed to keep outsiders out or insiders in. The plant was broken up into sections, clearly delineated by yellow lines so everyone knew where to go and how to get there. More experienced workers took on more advanced tasks on the factory floor.

Right on 8.50 am a loud electronic bell heralded the start of the shift. In the next 10 minutes we'd all file inside to our workstations. Once the head count had been taken we would be allocated our tasks for the day. The work week, month and year were planned by management, our work clearly set out for us in advance.

Some of the day-to-day procedures took me a while to get used to. I had to work independently in semi-isolation yet in a large, crowded room. We had to memorise certain tasks and calculations, which was important so each of us maximised our output and the whole system worked efficiently. Conversation was generally discouraged, as was helping others on the shift, which we were told would end up slowing down two people instead of one. When we got stuck or needed help with a task, the shift manager was to be informed. But we soon understood it was important not to make mistakes, because it slowed down everyone on the production line.

To remind us of the policies (there were quite a few to remember), the walls were festooned with notices covering 'how-to' instructions, work-based targets, efficiency measures and reminders of what was required for success. Also displayed were photographs of star workers who had been recognised for performing above expectation on particular measures. And in every room a clock hung front and centre so we could all keep abreast of the time and meet our deadlines, completing specified outputs before each break. While many of the tasks were boring and repetitive, we were reminded of the benefits of doing things well and in a timely fashion. In fact, everything seemed to be about time.

Management generally had a vantage point from which they could observe and assess the workers' progress. They'd walk the floor looking over our shoulders to ensure everything was humming along efficiently and we would meet the production targets set for the day.

I was told little about what was going on outside my section of the factory, but was encouraged simply to focus on the job in front of me and doing it well. So long as I displayed a basic amount of competence, I could expect to be promoted to a higher position, like most of those who came before me, a position where the work was more demanding yet also more rewarding. No one got promoted if their performance review wasn't up to scratch, so it was vital that I master and memorise by rote the more rudimentary procedures. Quarterly interim performance audits, and an annual review at year's end, determined our rate of advancement both at the plant and, eventually, to something bigger and better beyond it. The performance reviews noted the areas of improvement required by each individual. Doing well in one area and neglecting another wasn't good enough; management demanded that workers both followed procedures effectively and were well rounded.

Obedience mattered too. Suggesting a better way to do something, or questioning why we did certain things, was totally frowned on. I found it annoying that sometimes the most rewarded workers weren't the best, but rather the best behaved. Sometimes it felt like following rules and wearing the right uniform were considered more important than the work itself, and the managers always had their favourites.

To be honest, I didn't like this job very much, but while I sensed the lack of freedom and humanity from day one, I somehow stuck it out for the next 13 years. If you're wondering why, it's because I didn't have much choice. I started this job

when I was five years old, and my employer was the public schooling system.

While all the tasks and expectations were made exceptionally clear at this factory, there was one important thing I didn't realise until much later — the product I was making was myself. I was a raw material being processed into something that could be sold in the marketplace. The factory of school was teaching me to be a successful participant in the industrial economy. I was being prepared to be marketed to the industrialists who owned and controlled the factors of production. They would eventually take on a form of quasi-ownership of this 'human resource', otherwise known as Steve Sammartino. Perhaps they owned you too — maybe they still do?

Together in this book, we'll be undertaking a journey towards independence. Because I believe something was stolen from many of us through subterfuge. In the course of the book we'll explore this system that shaped you, and I'll help you unlearn its mode of thinking and relearn the lost art of self-reliance. Along the way I'll introduce you to some cool tools, new rules and general life hacks that will enable you to design your own system for living. One designed by you, for you. And you're going to love it.

Part I
Revolution

There's a lot of material in the market these days on the technology revolution. Disruptive technology is very much the management focus du jour. The impact it has on the economy, industry and established industrialised companies has been well documented. And it makes sense to seek insights into how companies facing it might be able to respond. What's less clear is how the heck an individual with a skill set that is about to expire might cope with the impending changes. If companies, industries and economies are worried about what might come next, and their potential displacement, then the people who make up these organisations have reason for their own concerns. I hope that this book will become a timeless future-proofing manifesto for your own economic survival. The techniques and ideas in here mash up economic ideas that have survived millennia with a new set of technological tools with which to implement them. To make this work, I've split the book into three discrete sections that give context, structure and strategy under the headings Revolution, Revenue and Reinvention.

Part I, 'Revolution', outlines how we got here, why most of us believe what we do and act the way we do, and why as a result so many of us struggle financially and in our careers. This background helps makes sense of how we have been shaped to think in certain ways, even when this runs counter to our own interests. It describes the obsolete mindset we need to escape from and sets out a new philosophy to help us reframe our thinking and to reinvent ourselves. It points towards the *aha* moment when we can finally say, screw the system, I can change — and now I know what's possible. I believe the links between the traditional institutions of the school and industrial economic model are really important and can't be overstated. Understanding why systems and thinking developed in the way they did very often reveals the fork in the road we need. It's cathartic, lifting a weight off our shoulders and encouraging us

to take a new direction without confusion or fear. It's an essential precondition for cutting new ground.

The revolution we are living through is redesigning how money moves around and what is valued in our world. You'll learn about the exponential growth of the technologies behind the changes, but also that, surprisingly, the power skills of the emerging era are not purely technological, but human and creative too; they are skills anyone can learn if they make the effort. This revolution is for everyone who chooses to participate. I hope you'll be inspired to *unlearn* some of the upside-down thinking you were taught at school and *relearn* that you were born an entrepreneur brimming with creativity. The first chapters will expose the myth that we are all headed for economic hardship. Some surely are, but it is really a choice they make; you need not do so. Economic hardship today is a result of personal stagnation, because we have never known such opportunity, and it is at the same time so affordable (free is a pretty compelling price point). This revolution we've all been gifted to participate in is made possible by a level of prosperity unmatched in human history, a time of great abundance for those who recognise the shift and decide to take advantage of it. You'll soon know that this revolution was actually designed with you in mind, but it requires you to be active and shape it for yourself.

CHAPTER 1

A lesson about school

It's time to launch the Startup of you!

We are in the midst of a technological revolution. There is no doubt that our world is changing at a pace never before witnessed in human history. This is no longer controversial, or even debatable; it's a mere fact. We've seen it in our own lives. Innovations that would have seemed unimaginable even 10 years ago are now widely available, affordable and so much a part of our daily life that we imagine we couldn't live without them. But it's still early days. We're only 20 years into this, and let's not forget that the automobile didn't arrive until 150 years after the start of the industrial revolution.

This technological shift is impacting us all at a societal and economic level, changing the very nature of the lives we live, including of course how we earn a living. No one is immune. Incredible changes are being introduced in every industry, every business model, every job. This is because everyone is sharing the same core digital technologies.

This revolution is open to everyone who chooses to participate. But we need to reboot the entrepreneurial spirit

every one of us was born with, because school, with all its good intentions, has not prepared us for this.

STEM is not enough

As the birth child of the industrial revolution, school taught us survival skills for a bygone era. Educators and governments have deftly moved to ensure the graduates of tomorrow arrive prepared for the technological era by focusing on what they call STEM subjects — *Science, Technology, Engineering and Maths*. The problem is that STEM is not enough. In fact, this re-emphasis, on its own, really won't help much at all, because it is just more of what we've been taught historically, with a different angle of approach. What we need to do is add the two missing E's of *Economics* and *Entrepreneurship*, so STEM becomes ESTEEM.

By adding the missing E's, we have a chance to build people's esteem. We give people an opportunity to become more human and to live an adventure as modern-day economic explorers carving out a new path for themselves. When we share the lost arts of entrepreneurship and self-reliance, a spark we all had as kids is reignited so brightly that it becomes a beacon to guide others.

ESTEEM recognises that we need each other, that some non-technical skills, as you'll see, create value that makes previously invisible STEM visible. They create more value than is offered by anything else we attempt, because without the spirit of exploration, even in an economic sense, we'd all still be living in caves. Building an economy around the idea of ESTEEM means appreciating the wide variety of viewpoints and natural faculties we have to offer. Tech Hackers, Design Hipsters and Sales Hustlers meet in the middle and make something great together. When we add the missing E's we give everyone who believes they have a chance a tilt at an independent future. If we want future-proof kids, and grown-ups, we all need ESTEEM.

For too long science and maths have been largely ignored in wider society. We glorify celebrity and sporting achievement, but technologists are rarely recognised. I've lost count of how many sports people have been named Australian of the Year; it really is 'fall of Rome' stuff. But it does feel like the tide is turning. As end users of technology, society is starting to value science on a personal level, and it's about time. More and more kids are learning to code, to hack, to experiment with robotics — it feels like an exciting shift. But if we reconfigure their minds only to science, without addressing economics and entrepreneurship, we are still just teaching them to participate in someone else's game, and we all deserve more than that.

We need to be able to take what we know and convert it into income, to participate in the market not only to get a good job but also to *create* jobs for ourselves and others. Even better, we can look towards inventing new industries that don't even exist yet, and all the technology in the world can't do that, because technology without practical application, in the form of customers and a market, is just a discovery. The people developing the wizardry of tomorrow deserve to be the beneficiaries of what they create. In fact, anyone doing anything deserves the dignity of knowing how to manage their own future, and this is what *Think Like a Startup* is all about.

Time to unlearn

For the sake of collective progress, let's assume we're all late to the party. We probably should have started a little earlier on all this. Yes, there's always someone who knows more and started before us — so what? Let's agree that the second best time to start is now. And the first thing we have to do before anything else is unlearn the way we think. In order to reinvent ourselves, we need to wipe our human hard drive clean of all the useless files we've been carrying around since school. Some of them

are heavy and slowing us down. We need to remember that our training to follow a linear path is obsolete. With some simple knowledge hacks, we can reframe what looks risky and pursue a new path.

Today's playbook can be learned relatively quickly, once we free our mind from what we have been told. It's low cost and has a high return on time invested. The least anyone willing to have a crack at reinventing themselves can expect is that they'll get a very nice ROH (return on humanity). Sometimes the having is in the doing, and by doing more than you've done in the past, you'll become more than you were and will feel pride at having had the guts to try. And some strange things happen when we invest in ourselves. We gain a great deal of self-esteem, and our own economics improves because we know, and others sense, we are the kind of person to make an effort. It's the same feeling you get when you've prepared well for anything: suddenly the outcome doesn't seem as important, although we are often happy with it.

You've already got the skills you need. If you can read, you can do it. I really mean that. This revolution is one that connects skills and people, and we all need each other. But if you can dig up some deeply buried desire for risk, some courage and a bit of the creative spirit you had as a five-year-old, then I know you'll seize the opportunity that being connected to everyone in the world can bring. It's an opportunity no generation before ours ever had.

The history of the present

Before we can unlearn anything, we need to know why we sometimes think the way we do. We need to be able to see through the system that shaped us. School is a good place to start.

The first thing you need to know about school is this:

SCHOOL WAS NOT DESIGNED WITH YOU IN MIND.

They designed it for them. You might be wondering who ‘they’ actually are. Well, ‘they’, in the developed world at least, are the governments and the industrialists and business leaders who own and control the factors of production. School as we know it was designed to create competent, compliant workers who could fit into the rapidly industrialising world.

Before the industrial revolution there was a very high probability that people would simply do what their parents did, especially if it involved agriculture or a craft. They would follow family tradition, the required skills usually handed down from parents or close relatives. Or they’d work in the family business, most often eking out a living with the primary focus of providing for the food, clothing and lodging to sustain their family. There wasn’t much excess for the working classes, but there was a fair amount of freedom.

Why change hurts

If you’re wondering why change is so hard for us to cope with, it’s because we’ve been programmed for stability, indoctrinated from the age of innocence to believe in a system that is now obsolete. From the moment we are capable of comprehension, we are shaped into little industrialised robots awaiting instructions from the corporate or governmental algorithm. It’s not our fault that change is so uncomfortable. The 200 years of the industrial era, despite its world wars and depressions, led to a long period of systemic stability and unsurpassed material prosperity. For many generations we have had the formula for living an increasingly prosperous life, and the industrial revolution delivered against this promise big time.

As I wrote in my first book, *The Great Fragmentation*, we now live better than royalty did before this revolution, and anything that threatens to upend that comfort is fearsome. We fret at the possibility of change not only because we've never had it so good, but because we've been told all our lives to leave the big important stuff to the people in charge of the systems in which we obediently participate. Economically we have been coddled, so much so that we have come to believe our system was designed to serve us in perpetuity. It's now clear that is not going to be the case. The system is changing dramatically, and we need to change our personal business models to recognise this. We have a choice:

We can wait for the system to get better.

Or we can reinvent ourselves, redesigning our lives and in the process helping reshape the system (which I go into in detail in Part III, 'Reinvention').

We've been treated like economic outpatients waiting for the government and our once reliable institutions to provide for us, believing they will provide us with the opportunities we need, and all our social and economic needs, so long as we work hard. It's not surprising we think like this — they trained us to think they would continue to provide jobs and security. Well, they're not going to. The incentive structure of management tells the simple tale of why it can't and won't happen.

Incentives shape behaviour

Nothing indicates what people will do more clearly than their incentives. These days our economic lives, which can be loosely equated to 'the market', are an aggregation of short-term interests. Government and corporate leaders simply aren't around long enough to care about the impact of the major decisions they make. In Australia, where I live, the federal