

Cameron Herold: Let's raise kids to be entrepreneurs

I would be willing to bet that I'm the dumbest guy in the room because I couldn't get through school. I struggled with school. But what I knew at a very early age was that I loved money and I loved business and I loved this entrepreneurial thing, and I was raised to be an entrepreneur, and what I've been really passionate about ever since -- and I've never spoken about this ever, until now -- so this is the first time anyone's ever heard it, except my wife three days ago, because she said, "What are you talking about?" and I told her -- is that I think we miss an opportunity to find these kids who have the entrepreneurial traits, and to groom them or show them that being an entrepreneur is actually a cool thing. It's not something that is a bad thing and is vilified, which is what happens in a lot of society.

Kids, when we grow up, have dreams, and we have passions, and we have visions, and somehow we get those things crushed. We get told that we need to study harder or be more focused or get a tutor. My parents got me a tutor in French, and I still suck in French. Two years ago, I was the highest-rated lecturer at MIT's entrepreneurial master's program. And it was a speaking event in front of groups of entrepreneurs from around the world. When I was in grade two, I won a city-wide speaking competition, but nobody had ever said, "Hey, this kid's a good speaker. He can't focus, but he loves walking around and getting people energized." No one said, "Get him a coach in speaking." They said, get me a tutor in what I suck at.

So as kids show these traits -- and we need to start looking for them -- I think we should be raising kids to be entrepreneurs instead of lawyers. Unfortunately the school system is grooming this world to say, "Hey, let's be a lawyer or let's be a doctor," and we're missing that opportunity because no one ever says, "Hey, be an entrepreneur." Entrepreneurs are people -- because we have a lot of them in this room -- who have these ideas and these passions or see these needs in the world and we decide to stand up and do it. And we put everything on the line to make that stuff happen. We have the ability to get those groups of people around us that want to kind of build that dream with us, and I think if we could get kids to embrace the idea at a young age of being entrepreneurial, we could change everything in the world that is a problem today. Every problem that's out there, somebody has the idea for. And as a young kid, nobody can say it can't happen because you're too dumb to realize that you couldn't figure it out.

I think we have an obligation as parents and a society to start teaching our kids to fish instead of giving them the fish -- the old parable: "If you give a man a fish, you feed him for a day. If you teach a man to fish, you feed him for a lifetime." If we

can teach our kids to become entrepreneurial -- the ones that show those traits to be -- like we teach the ones who have science gifts to go on in science, what if we saw the ones who had entrepreneurial traits and taught them to be entrepreneurs? We could actually have all these kids spreading businesses instead of waiting for government handouts.

What we do is we sit and teach our kids all the things they shouldn't do: Don't hit; don't bite; don't swear. Right now we teach our kids to go after really good jobs, you know, and the school system teaches them to go after things like being a doctor and being a lawyer and being an accountant and a dentist and a teacher and a pilot. And the media says that it's really cool if we could go out and be a model or a singer or a sports hero like Luongo, Crosby. Our MBA programs do not teach kids to be entrepreneurs. The reason that I avoided an MBA program -- other than the fact that I couldn't get into any because I had a 61 percent average out of high school and then 61 percent average at the only school in Canada that accepted me, Carlton -- but our MBA programs don't teach kids to be entrepreneurs. They teach them to go work in corporations.

So who's starting these companies? It's these random few people. Even in popular literature, the only book I've ever found -- and this should be on all of your reading lists -- the only book I've ever found that makes the entrepreneur into the hero is "Atlas Shrugged." Everything else in the world tends to look at entrepreneurs and say that we're bad people. I look at even my family. Both my grandfathers were entrepreneurs. My dad was an entrepreneur. Both my brother and sister and I, all three of us own companies as well. And we all decided to start these things because it's really the only place we fit. We didn't fit in the normal work. We couldn't work for somebody else because we're too stubborn and we have all these other traits.

But kids could be entrepreneurs as well. I'm a big part of a couple organizations globally called the Entrepreneurs' Organization and the Young Presidents' Organization. I just came back from speaking in Barcelona at the YPO global conference, and everyone that I met over there who's an entrepreneur struggled with school. I have 18 out of the 19 signs of attention deficit disorder diagnosed. So this thing right here is freaking me out. (Laughter) It's probably why I'm a little bit panicked right now -- other than all the caffeine that I've had and the sugar -- but this is really creepy for an entrepreneur. Attention deficit disorder, bipolar disorder. Do you know that bipolar disorder is nicknamed the CEO disease? Ted Turner's got it. Steve Jobs has it. All three of the founders of Netscape had it. I could go on and on. Kids -- you can see these signs in kids. And what we're doing is we're giving them Ritalin and saying, "Don't be an entrepreneurial type. Fit into this other system and try to become a student." Sorry, entrepreneurs aren't students. We fast-track. We figure out the game. I stole essays.

I cheated on exams. I hired kids to do my accounting assignments in university for 13 consecutive assignments. But as an entrepreneur you don't do accounting, you hire accountants. So I just figured that out earlier.

(Laughter)

(Applause)

At least I can admit I cheated in university; most of you won't. I'm also quoted -- and I told the person who wrote the textbook -- I'm now quoted in that exact same university textbook in every Canadian university and college studies. In managerial accounting, I'm chapter eight. I open up chapter eight talking about budgeting. And I told the author, after they did my interview, that I cheated in that same course. And she thought it was too funny to not include it anyway.

But kids, you can see these signs in them. The definition of an entrepreneur is "a person who organizes, operates and assumes the risk of a business venture." That doesn't mean you have to go to an MBA program. It doesn't mean you have to get through school. It just means that those few things have to feel right in your gut. And we've heard those things about "is it nurture or is it nature," right? Is it thing one or thing two? What is it? Well, I don't think it's either. I think it can be both. I was groomed as an entrepreneur.

When I was growing up as a young kid, I had no choice, because I was taught at a very early, young age -- when my dad realized I wasn't going to fit into everything else that was being taught to me in school -- that he could teach me to figure out business at an early age. He groomed us, the three of us, to hate the thought of having a job and to love the fact of creating companies that we could employ other people.

My first little business venture: I was seven years old, I was in Winnipeg, and I was lying in my bedroom with one of those long extension cords. And I was calling all the dry cleaners in Winnipeg to find out how much would the dry cleaners pay me for coat hangers. And my mom came into the room and she said, "Where are you going to get the coat hangers to sell to the dry cleaners?" And I said, "Let's go and look in the basement." And we went down to the basement. And I opened up this cupboard. And there was about a thousand coat hangers that I'd collected. Because, when I told her I was going out to play with the kids, I was going door to door in the neighborhood to collect coat hangers to put in the basement to sell. Because I saw her a few weeks before that -- you could get paid. They used to pay you two cents per coat hanger. So I was just like, well there's all kinds of coat hangers. And so I'll just go get them. And I knew she wouldn't want me to go get them, so I just did it anyway. And I learned that you could actually negotiate with people. This one person offered me three cents and I got him up to three and a half. I even knew at a seven-year-old age that I could actually get a fractional percent of a cent, and people would pay that because it multiplied up. At

seven years old I figured it out. I got three and a half cents for a thousand coat hangers.

I sold license plate protectors door to door. My dad actually made me go find someone who would sell me these things at wholesale. And at nine years old, I walked around in the city of Sudbury selling license plate protectors door to door to houses. And I remember this one customer so vividly because I also did some other stuff with these clients. I sold newspapers. And he wouldn't buy a newspaper from me ever. But I was convinced I was going to get him to buy a license plate protector. And he's like, "Well, we don't need one." And I said, "But you've got two cars ..." -- I'm nine years old. I'm like, "But you have two cars and they don't have license plate protectors." And he said, "I know." And I said, "This car here's got one license plate that's all crumpled up." And he said, "Yes, that's my wife's car." And I said, "Why don't we just test one on the front of your wife's car and see if it lasts longer." So I knew there were two cars with two license plates on each. If I couldn't sell all four, I could at least get one. I learned that at a young age.

I did comic book arbitrage. When I was about 10 years old, I sold comic books out of our cottage on Georgian Bay. And I would go biking up to the end of the beach and buy all the comics from the poor kids. And then I would go back to the other end of the beach and sell them to the rich kids. But it was obvious to me, right? Buy low, sell high. You've got this demand over here that has money. Don't try to sell to the poor kids; they don't have cash. The rich people do. Go get some. So that's obvious, right. It's like a recession. So, there's a recession. There's still 13 trillion dollars circulating in the U.S. economy. Go get some of that. And I learned that at a young age. I also learned, don't reveal your source, because I got beat up after about four weeks of doing this because one of the rich kids found out where I was buying my comics from, and he didn't like the fact that he was paying a lot more.

I was forced to get a paper route at 10 years old. I didn't really want a paper route, but at 10, my dad said, "That's going to be your next business." So not only would he get me one, but I had to get two, and then he wanted me to hire someone to deliver half the papers, which I did, and then I realized that collecting tips was where you made all the money. So I would collect the tips and get payment. So I would go and collect for all the papers. He could just deliver them. Because then I realized I could make the money. By this point, I was definitely not going to be an employee.

(Laughter)

My dad owned an automotive and industrial repair shop. He had all these old automotive parts lying around. They had this old brass and copper. I asked him what he did with it, and he said he just throws it out. I said, "But wouldn't somebody pay you for that?" And he goes, "Maybe." Remember at 10 years old --

so 34 years ago I saw opportunity in this stuff. I saw there was money in garbage. And I was actually collecting it from all the automotive shops in the area on my bicycle. And then my dad would drive me on Saturdays to a scrap metal recycler where I got paid. And I thought that was kind of cool. Strangely enough, 30 years later, we're building 1-800-GOT-JUNK? and making money off that too. I built these little pincushions when I was 11 years old in Cubs, and we made these pin cushions for our moms for Mother's Day. And you made these pincushions out of wooden clothespins -- when we used to hang clothes on clotheslines outside. And you'd make these chairs. And I had these little pillows that I would sew up. And you could stuff pins in them. Because people used to sew and they needed a pin cushion. But what I realized was that you had to have options. So I actually spray painted a whole bunch of them brown. And then when I went to the door, it wasn't, "Do you want to buy one?" It was, "Which color would you like?" Like I'm 10 years old; you're not going to say no to me, especially if you have two options -- you have the brown one or the clear one. So I learned that lesson at a young age.

I learned that manual labor really sucks. Right, like cutting lawns is brutal. But because I had to cut lawns all summer for all of our neighbors and get paid to do that, I realized that recurring revenue from one client is amazing. That if I land this client once, and every week I get paid by that person, that's way better than trying to sell one clothespin thing to one person. Because you can't sell them more. So I love that recurring revenue model I started to learn at a young age.

Remember, I was being groomed to do this. I was not allowed to have jobs. I would caddy, I would go to the golf course and caddy for people. But I realized that there was this one hill on our golf course, the 13th hole that had this huge hill. And people could never get their bags up it. So I would sit there with a lawn chair and just carry up all the people who didn't have caddies. I would carry their golf bags up to the top, and they'd pay me a dollar. Meanwhile, my friends were working for five hours to haul some guy's bag around and get paid 10 bucks. I'm like, "That's stupid because you have to work for five hours. That doesn't make any sense." You just figure out a way to make more money faster.

Every week, I would go to the corner store and buy all these pops. Then I would go up and deliver them to these 70-year-old women playing bridge. And they'd give me their orders for the following week. And then I'd just deliver pop and I'd just charge twice. And I had this captured market. You didn't need contracts. You just needed to have a supply and demand and this audience who bought into you. These women weren't going to go to anybody else because they liked me, and I kind of figured it out.

I went and got golf balls from golf courses. But everybody else was looking in the bush and looking in the ditches for golf balls. I'm like, screw that. They're all in the

pond and nobody's going into the pond. So I would go into the ponds and crawl around and pick them up with my toes. You just pick them up with both feet. You can't do it on stage. You get the golf balls, and you just throw them in your bathing suit trunks and when you're done you've got a couple hundred of them. But the problem is that people all didn't want all the golf balls. So I just packaged them. I'm like 12, right? I packaged them up three ways. I had the Pinnacles and DDHs and the really cool ones back then. Those sold for two dollars each. And then I had all the good ones that didn't look crappy. They were 50 cents each. And then I'd sell 50 at a time of all the crappy ones. And they could use those for practice balls. I sold sunglasses, when I was in school, to all the kids in high school. This is what really kind of gets everybody hating you is because you're trying to extract money from all your friends all the time. But it paid the bills. So I sold lots and lots of sunglasses. Then when the school shut me down -- the school actually called me into the office and told me I couldn't do it -- so I went to the gas stations and I sold lots of them to the gas stations and had the gas stations sell them to their customers. That was cool because then I had retail outlets. And I think I was 14. Then I paid my entire way through first year university at Carlton by selling wine skins door to door. You know that you can hold a 40-ounce bottle of rum and two bottles of coke in a wineskin? So what, right? Yeah, but you know what? You stuff that down your shorts, when you go into a football game you can get booze in for free, everybody bought them. Supply, demand, big opportunity. I also branded it, so I sold them for five times the normal cost. It had our university logo on it. You know we teach our kids and we buy them games, but why don't we get them games, if they're entrepreneurial kids, that kind of nurture the traits that you need to be entrepreneurs? Why don't you teach them not to waste money? I remember being told to walk out in the middle of a street in Banff, Alberta because I'd thrown a penny out in the street, and my dad said, "Go pick it up." He said, "I work too damn hard for my money. I'm not going to see you ever waste a penny." And I remember that lesson to this day.

Allowances teach kids the wrong habits. Allowances, by nature, are teaching kids to think about a job. An entrepreneur doesn't expect a regular paycheck. Allowance is breeding kids at a young age to expect a regular paycheck. That's wrong, for me, if you want to raise entrepreneurs. What I do with my kids now -- I've got two, nine and seven -- is I teach them to walk around the house and the yard, looking for stuff that needs to get done. Come to me and tell me what it is. Or I'll come to them and say, "Here's what I need done." And then you know what we do? We negotiate. They go around looking for what it is. But then we negotiate on what they're going to get paid. And then they don't have a regular check, but they have more opportunities to find more stuff, and they learn the skill of negotiating, and they learn the skill of finding opportunities as well.

You breed that kind of stuff. Each of my kids has two piggy banks. Fifty percent of all the money that they earn or get gifted, 50 percent goes in their house account, 50 percent goes in their toy account. Anything in their toy account they can spend on whatever they want. The 50 percent that goes in their house account, every six months, goes to the bank. They walk up with me. Every year all the money in the bank goes to their broker. Both my nine- and seven-year-olds have a stock broker already. But I'm teaching them to force that savings habit. It drives me crazy that 30-year-olds are saying, "Maybe I'll start contributing to my RSP now." Shit, you've missed 25 years. You can teach those habits to young kids when they don't even feel the pain yet.

Don't read them bedtime stories every night. Maybe four nights out of the week read them bedtime stories and three nights of the week have them tell stories. Why don't you sit down with kids and give them four items, a red shirt, a blue tie, a kangaroo and a laptop, and have them tell a story about those four things? My kids do that all the time. It teaches them to sell; it teaches them creativity; it teaches them to think on their feet. Just do that kind of stuff and have fun with it.

Get kids to stand up in front of groups and talk, even if it's just stand up in front of their friends and do plays and have speeches. Those are entrepreneurial traits that you want to be nurturing. Show the kids what bad customers or bad employees look like. Show them the grumpy employees. When you see grumpy customer service, point that out to them. Say, "By the way, that guy's a crappy employee." And say, "These ones are good ones." (Laughter) If you go into a restaurant and you have bad customer service, show them what bad customer service looks like. (Laughter) We have all these lessons in front of us, but we don't take those opportunities; we teach kids to go get a tutor.

Imagine if you actually took all the kids' junk that's in the house right now, all the toys that they've outgrown two years ago and said, "Why don't we start selling some of this on Craigslist and Kijiji?" And they can actually sell it and learn how to find scammers when they get email offers come in. They can come into your account or a sub account or whatever. But teach them how to fix the price, guess the price, pull up the photos. Teach them how to do that kind of stuff and make money. Then the money they get, 50 percent goes in their house account, 50 percent goes in their toy account. My kids love this stuff.

Some of the entrepreneurial traits that you've got to nurture in kids: attainment, tenacity, leadership, introspection, interdependence, values. All these traits you can find in young kids, and you can help nurture them. Look for that kind of stuff. There's two traits that I want you to also look out for that we don't kind of get out of their system. Don't medicate kids for attention deficit disorder unless it is really, really freaking bad. (Applause) The same with the whole things on mania and stress and depression, unless it is so clinically brutal, man. Bipolar disorder is

nicknamed the CEO disease. When Steve Jurvetson and Jim Clark and Jim Barksdale have all got it, and they built Netscape -- imagine if they were given Ritalin. We wouldn't have had that stuff, right? Al Gore really would have had to invented the Internet.

(Laughter)

These skills are the skills we should be teaching in the classroom as well as everything else. I'm not saying don't get kids to want to be lawyers. But how about getting entrepreneurship to be ranked right up there with the rest of them as well? Because there's huge opportunities in that.

I want to close with a quick little video. It's a video that was done by one of the companies that I mentor. These guys, Grasshopper. It's about kids. It's about entrepreneurship. Hopefully this inspires you to take what you've heard from me and do something with it to change the world. [Kid ... "And you thought you could do anything?"] [You still can.] [Because a lot of what we consider impossible ...] [... is easy to overcome] [Because in case you haven't noticed, we live in a place where] [One individual can make a difference] [Want proof?] [Just look at the people who built our country;] [Our parents, grandparents, our aunts, uncles ...] [They were immigrants, newcomers ready to make their mark] [Maybe they came with very little] [Or perhaps they didn't own anything except for ...] [... a single brilliant idea] [These people were thinkers, doers ...] [... innovators ...] [... until they came up with the name ...] [... entrepreneurs!] [They change the way we think about what is possible.] [They have a clear vision of how life can be better] [for all of us, even when times are tough.] [Right now, it's hard to see ...] [... when our view is cluttered with obstacles.] [But turbulence creates opportunities] [for success, achievement, and pushes us ...] [to discover new ways of doing things] [So what opportunities will you go after and why?] [If you're an entrepreneur] [you know that risk isn't the reward.] [No. The rewards are driving innovation ...] [... changing people's lives. Creating jobs.] [Fueling growth.] [And making a better world.] [Entrepreneurs are everywhere.] [They run small businesses that support our economy,] [design tools to help you ...] [... stay connected with friends, family and colleagues around the world.] [And they're finding new ways of helping to solve society's oldest problems.] [Do you know an entrepreneur?] [Entrepreneurs can be anyone ...] [Even ... you!] [So seize the opportunity to create the job you always wanted] [Help heal the economy] [Make a difference.] [Take your business to new heights.] [But most importantly,] [remember when you were a kid ...] [when everything was within you reach,] [and then say to yourself quietly, but with determination:] ["It still is."]

Thank you very much for having me.