“Act, Learn, Build, so you can Act again” is the best and most important course of action when facing the unknown.

**Prediction reasoning.** It is a pattern of thinking and acting based on the assumption that the future is going to behave in a way similar to the present and the immediate past.

Treating an uncertain world as if it were predictable only gets you into trouble.

What we call Creaction, a word we made up by combining creation with action. Creaction boils down to this: the future may or may not be like the past, but you don’t have to spend a lot of time wondering how it will play out if you plan to shape (i.e., create) it.

Nothing changes unless you act.

Yes, of course, entrepreneurs think differently. But equally importantly, their natural inclination is to put that thinking into immediate action to see if they are right.

The much more typical path is that they come up with an idea. They take a small step toward implementation to see if anyone is interested, and if it looks like there is potential market acceptance, they take another step forward. If they don’t get the reaction they want, they regroup and then take another step in a different direction. In other words, they Act.

Entrepreneurs are not committed to the plan (starting a PR firm); they are committed to the goal (in this case, “starting a business of my own that would be fun and successful”).

**If you can’t predict the future—and increasingly you can’t—action trumps everything.**

We learned something (“since creating that book doesn’t excite us, let’s figure out what does”), and we tried something else.

The way we have been taught to solve problems was designed for a different world. Prediction reasoning—a way of thinking based on the assumption that the future is going to be pretty much like the past.

**Here’s the central point of this book: when the future is unknowable (Is quitting your job and starting something new a good idea? Will the prototype we are developing at work find a market?) How we traditionally reason is extremely limited in predicting what will happen. You need a different approach.**

In the face of an unknown future, entrepreneurs act.

Take a small, smart step (see “What’s a Smart Step?”) forward; So, what’s a smart step? It is the action you take based on the resources you have at hand and never involves more than you can afford to lose, that is, your acceptable loss. Having taken the step, you pause to reflect on what you have learned.

From there, you take another smart step or quit if your desire has waned (or you have discovered something else that you want more) or if you have exceeded your acceptable loss.

Process of act, learn, build,
• “Action trumps everything.”
• Thinking is often a part of creating, but without action, nothing is created.
• Stay within your acceptable loss.
• **Bring others along.**
• In other words, when facing the unknown, act your way into the future that you desire; don’t think your way into it. Thinking does not change reality, nor does it necessarily lead to any learning. You can think all day about starting that restaurant, but thinking alone is not going to get you any closer to having one.
• You can “what if” yourself to death.
• When the results of thinking would lead to actions that are predictable (“I wonder how many high-end sports cars I could sell in a year during an economic slump”), let predictive thinking dominate, supplementing it with Creaction as necessary.
• If you act, you will find out what works . . . . . . and what doesn’t.
• **If you never act, you will never know what is possible and what is not.**
• As you act, you can find people to come along with you.
• As you act, you can find ways to do things faster, cheaper, better.
• If you act, you won’t spend the rest of your life going, “I wonder what would have happened if . . .” If all you do is think, you may end up being less interesting as a person.
• **Action always leads to evidence.**
• Entrepreneurial Thought and Action. That’s our phrase for using both Prediction and Creaction together to solve a problem or create something new.
• If you have insufficient data, make your own.
• Creaction does not replace prediction reasoning.
• Unless you truly want to make something happen, the odds are nothing will. Without desire, nothing else matters . . . or occurs. So, **the starting point is: what do you want to create?**
• People destroy and kill out of passion. Moreover, it leads to misperceptions of reality.
• If you believe that passion and desire must be in place before you act, you may never start.
• An essential characteristic of entrepreneurs is perseverance: the ability to picture and maintain focus on what they are trying to create, dropping anything that distracts from or interferes with that focus.
• They don’t see a lot of downside in getting underway.
• It is always more desirable to move toward something you truly want than to move away from something you hate.
• “It’s supposed to be hard. If it wasn’t hard, everyone would do it. The hard . . . is what makes it great.”
• Act quickly with the means at hand.
• Assess your acceptable loss.
• Build on what you find. Desire keeps you moving.
• **Bring other people along.**
• **Just Start: An Exercise for Finding Your Desire.**
To help clarify your desire(s), write down a half-dozen things you want.

Nothing happens until you take that first smart step.

But before you act . . . you need to know what you want. If you don’t eventually develop a strong desire, odds are you will never see your idea through. Ability to take stock of current reality is incredibly important, as we will see in the next four chapters.

- Professional creator is an equal if not better description for the entrepreneur than businessperson, since entrepreneurs bring new businesses into being in much the same manner as a composer who creates a new choral work.

- You want what you want, but you don’t yet have it. So you go off to create it.

- The two major elements to the creative process are the “want” (desire) and the “don’t have” (current reality).

- The people who excel at Creaction don’t spend months or years assembling resources. They like to get started quickly—immediately, if possible.

- Ask these three questions: Who am I? What do I know? Who do I know?

  (There is no reason to reinvent the wheel when a friend of a friend owns the world’s biggest wheel store, or more concretely, you are thinking of starting a newsletter and Uncle Jim has a printing shop with idle capacity.)

- Ask, what you know: Professionally? From my training? Personally?

- About the world around me? From there, you can ask: What aptitudes do I have? What am I good at? What did I learn in school that can help me? What have I learned from my personal and professional experiences?

- Need to ask two questions to make sure you stay within the bounds of your acceptable loss.
  - Can I afford to pay to take the next step?
  - Am I willing to pay to take the next step?

- There is absolutely no doubt that Creaction will reduce the cost of failure, should there be one. If you fail, you fail cheaply.

- In the worst of all possible worlds, you are going to fail quickly and cheaply as a result of using Creaction. That is not a bad thing.

- Problems are good news (almost always). Really.

- Try this: accept the situation to the point of embracing it. Take as a given that it won’t ever change and turn it into an asset. What can you do with the “fact” that it won’t ever change?

- Try this approach next time you encounter something unexpected. Despite how unpleasant it seems, say, “This is really good news,” and then try to make it so.

- The heart of Creaction is the ability to turn the unexpected to your advantage.

- To escape that difficulty, sit down with someone, describe your problem, and then say to the person you’re with, “Tell me five ways this could be an asset for me.”

- That’s why you want to view everyone as a potential customer or collaborator.

- “Aim. Fire.” There’s not a lot of getting ready.
• Serial entrepreneurs told Saras Sarasvathy that they believed that the growth of their potential enterprise was limited only by the number of collaborators they could attract, not by how much money they could raise.
• Many great companies are founded by a great team coming together in advance of a particular idea.
• Customers end up shaping our ideas.
• Your immediate goal should be taking the next smart step toward what you want to accomplish and not focusing on what could happen.
• **Enrollment** is not about getting somebody to do something that you want them to do. It’s about offering them the chance to do something they might want to do. They truly convince themselves.
  o Step 1. Be enrolled yourself. If you try to enroll someone when you are not truly enrolled yourself, you end up selling, and you probably won’t even do a very good job of it.
  o One of the results in enrolling people is a lasting relationship.
  o People enroll with you, perhaps even more than with your vision.
  o Enrolling Believers
• Honest selling is a noble profession. Great salespeople can make your life easier when you are looking to buy.

• **Just Start: An Exercise for Enrolling People**
  o Rewrite your desire as if it were fully accomplished and successful. What would it look like and feel like?
  o Tell a friend or someone else what you want to do, but spend most of your time describing what it will be like when your desire is fulfilled.
  o Enrollment is getting people to buy in and be excited along with you. It’s a voluntary, personal commitment on their part.
  o Selling is getting someone else to do something that you would like him or her to do. You want both.
• Even in extreme predictability, acting can make more sense than more thinking.
• Action always leads to evidence and learning; thinking does not.
• Fully imagine yourself taking the unfamiliar road. See how it feels. Then see if you can be comfortable with that discomfort, if it’s there. And as always, talking this through with a friend is a really good idea.
• Everything about contemporary Western organizations is designed to generate predictable performance.
• As you face any new situation, ask yourself: “Is this a challenge I have seen before, and/or one where I am likely to know what is going to happen? If it is, I should probably employ the Prediction skills I have been trained to use for years. There is absolutely no reason to go down the Creaction path.”
• You can learn from what others have done, but you can’t adopt their methods completely. You need to put your own spin on it.
• Link what you want to do to your firm’s a business imperatives.
  o “You know, the organization has the business goals of A, B, and C.
  o I’ve got an idea that I think will fit perfectly.”
You don’t want anyone in the “keep it from happening mode,” if you can avoid it. You (and possibly a few others) have to “make it happen.”

“What is the least amount of commitment I need to move forward?”

Don’t make big “kickoff” announcements.

Manage expectations. In early phases, keep it low-key. Be relatively quiet and offer only enough public announcements to provide sufficient autonomy of the experimental units.

Build on successes and manage pace and momentum.

- How do you reintegrate the ideas, products, or services the unit develops into the parent company? Your proposal exceeds her acceptable loss—or her boss’s. (You either figure out how to make that number smaller, or you are out of luck.)

- **How to introduce Creaction organization wide:**
  - Step 1. Instead of introducing the idea from the top down, one or a few early adopters need to employ the method on their own and see if it works for them on a real project.
  - Step 2. If it does, they need to use it again and share the results with the organization’s thought leaders, who are not necessarily in formal leadership positions, but are the 5 percent to 10 percent of employees whose views receive a disproportionate amount of respect and attention.
  - Don’t wait for senior executives to take the lead.
  - Large organizations are skeptical about internal entrepreneurs—intrepreneurs.
  - Airline commercials almost never show you the inside of the planes. They show where the planes can take you.
  - Care, energy, and education—all of them have fundamentally resisted top-down intervention, and all of them now are starting to yield to local or community-based, bottom-up experimentation.

- Since it is often hard, if even possible at all, to predict what our customers will do (and even more so what future customers will do) maybe a better strategy for coming up with the big idea is to start with as many promising ones as possible.

- We simply argue for adding a deliberate, conscious “action component” to what is already being taught. We want students to recognize, when faced with a problem where Prediction may not yield a satisfying answer, that it is a logically legitimate time to try Creation.

- **Schools currently emphasize teaching people stuff at the expense of teaching them how to act.**

- The educational process of preparing people for an assumed exclusively predictive world is fundamentally getting in the way of building a generation of people for whom smart action will be a habit as well, an additional part of their repertoire.