



TEL EPISODE #050:

The Toilet Paper Entrepreneur with Mike Michalowicz

Show Notes: <http://www.theelpodcast.com/tel-050-toilet-paper-entrepreneur-mike-michalowicz/>

Welcome to *The Entrepreneurs Library*, the only book-centric podcast that reviews all the top-selling business books and shares author's perspective, firsthand. This is your resource to finding the next great book that will enable you to grow personally and professionally. Welcome your host, Wade Danielson.

WADE: Thank you for joining us on The EL. Today we have one of my favorite authors, Mike Michalowicz, author of multiple different books, but the book that we'll be covering today is *The Toilet Paper Entrepreneur*. Welcome, Mike, and thank you for joining us on The Entrepreneurs Library.

MIKE: Thanks for having me, Wade. I appreciate it.

WADE: Yeah, absolutely. Will you take just a moment to introduce yourself and tell us just a little bit about you personally?

MIKE: Sure. I'm Mike Michalowicz, and I'm an author of a few books: *Toilet Paper Entrepreneur*, which we're going to be talking about today, and *The Pumpkin Plan* and *Profit First*. I'm an entrepreneur – I was about to say retired entrepreneur. I don't know if that's the word, but prior to becoming an author, I was a full-time entrepreneur growing a couple companies. Today I'm fortunate enough to have some more businesses I'm involved in. But the forefront of my activities is writing books and talking about them and supporting other entrepreneurs in their endeavors.

WADE: Mike, thank you for sharing that. Now let's jump right into your book that you were just referencing, *The Toilet Paper Entrepreneur*, which I'm showing – you can correct me if I'm wrong – was first made available on September 24th, 2008. Is that correct?

MIKE: Yeah, which is my birthday, by the way.

WADE: Oh, nice.

MIKE: That's why we picked that day. I wasn't born in 2008. (laughs) That was simply the day the book...

WADE: (laughs) That's your birthday.

MIKE: Yeah, it's my birthday but not the birth year.

WADE: You are wise beyond your years. (laughs)

MIKE: Yeah, I'm 5 now.

WADE: Yeah. Mike, we're going to move quickly, but here are the top questions that our reader/listener really wants to get answered. The first one is, what was the inspiration behind writing *The Toilet Paper Entrepreneur*?

MIKE: It was kind of my retaliatory stage of being an author, and I just wanted to challenge all the academic reads that have been out there. I believe there's a lot of great content in books; I believe in books more than anything. I'm an avid reader myself. But most of the books I was reading about business were kind of – you had to bore your way through it.

So I said I'm going to write this retaliatory book, this edgy, raw, my perception of what entrepreneurship is and how you can navigate starting and building a business when you have no resources. So that's what Toilet Paper Entrepreneur is: how to get it done when you have nothing.

WADE: Mike, when I pull up brand new books any given month in Amazon, I'll look at the actual subtitle of entrepreneurship, and there can be anywhere from like 90 to 150 books that come out new each month. This is where this next question becomes very relevant, and that's what makes your book different from others regarding the same topic?

MIKE: I think it's the analogy I use. I have to argue that the content that I talk about – I think that anyone talks about – it hasn't been addressed by others in different ways. So for a book to be fresh, it just has to be a new spin. It could be old adages, but a new spin.

Toilet Paper Entrepreneur, I connected entrepreneurship to the bathroom experience, and specifically if you're ever stuck in the bathroom with three sheets of toilet paper – well, everyone's been there, you know? But no one really talks about that situation, yet we find a way to navigate it. We find a way to survive, if you will, on three sheets. And that's what true entrepreneurship is.

We often get caught with our pants around our ankles, aren't aware of it, and now we don't have enough money to continue our business – at least we perceive we don't. We don't have enough contacts, we don't have enough sales coming in. And I argue when you're in that situation, innovation is what will get you out of it, and that's your biggest ally.

So *The Toilet Paper Entrepreneur* is all about leveraging the fact that what you have is enough, and how to innovate consistently in all facets of your business to grow wildly successfully.

WADE: With the way that you wrote this book, how would you suggest the reader engage with it? Is this one that they should really start from the beginning and work their way all the way to the end? Or is this one that they can jump in and grab different concepts and jump back out?

MIKE: All the books I write, they build on the prior concept, so this isn't a jump in, jump out; it's a read-through. And I should say at the end of each chapter – and I've done this for every book I've written – it has specific actionable steps. So when someone's done reading a chapter, it says "Here's the 3 things you should do immediately that will apply to your business." Then we get to Chapter 2; if you haven't taken the first action steps, you haven't put the foundation in place, and it won't work. So it's definitely a read-through.

WADE: Great. Mike, now that we know the background behind the book and what it's all about, this is my favorite part of the interview, in which we really just take a deep dive into the book. I'm going to hand over the mic to you and let you just roll through, like you were telling a friend about what your book is all about.

MIKE: Yeah, I'll walk you through the book. I broke Toilet Paper Entrepreneur down into three significant segments. It's Belief, Focus, and Action. In the first part, and it's broken into three chapters, but in the first part of the book, it's really about the mental game of entrepreneurship. A big part of that's not talked about. Many authors and blogs and all different resources talk about the strategies, and they definitely apply, but the big question first is, is your mind behind it?

In the first chapter, I call it "Nature's Calling" – in this one, I totally went overboard with the scatological suggestions and innuendos, but what I mean with nature's calling is what do you feel naturally compelled to do? If you and I, Wade, were starting businesses, and maybe I come in with all this experience and I come in with money and all these resources, and you're going into the exact same business as me without those, but you are absolutely passionate about this, this is your life vision for yourself, this is your dream for yourself, and for me it's just a way to get rich quick – you're probably going to beat me in the business.

Because no business – I shouldn't say no business, but it's a very, very, very, very rare circumstance that you start a business and it just hits it out of the park. We've all run into obstacles and challenges and so forth. So it's the guy or gal that walks into a business that's passionate about it that's going to see the business through the dip, the dark period, the quiet period because they're doing what they love to do.

A lot of people say "What's your passion?" I'm taking it one step further in this chapter and talking about what's your purpose? Passion is something you love to do, and that's a very important component, but purpose is there's a reason why you're doing what you do. So when the challenges present themselves and business is struggling, you have the internal conversations going on, "There's a reason I'm doing this beyond the money," and that's what gets you through those

dark periods and ultimately to make a pretty substantial living doing what you're doing.

Then the second chapter, I call it "A Little Peace and Quiet (In Your Mind)." What I talk about in this chapter is the power of beliefs and how they can either be a wall or a channel. When I say "I'm not going to be able to get this report done on time," for example – maybe I make a commitment to a client that I'll have a report to them at the end of the day, and I say to myself "I can't get this report done," we are all wired in our minds to prove ourselves right. So when I say I can't get something done, it's, as strange as it sounds, to my best mental interest to not get it done. Conversely, if I say "I'm going to get this done," I will find a way to get it done.

So our beliefs can be channeling, where they can move us toward an accomplishment, or they can be a wall. When it comes to entrepreneurship, we've got to investigate, what is the internal conversation going on in our heads, and then leverage that or convert it into a channel. A channel will get us to our vision; a wall will prevent us from getting there.

Then in the third chapter I talk about just "The Fire in Your Belly." I referenced it earlier. It's the "why." We've talked about passion, what we're passionate about, but the question really is, what's your purpose? And when you know what your purpose is in your business and how it connects with you, you'll know why you're doing it, and that keeps driving you forward. Those parts that put together the beliefs, and I totally believe, Wade, that's the foundational component of entrepreneurship that so many people miss, is the mental game. Get your head in it.

Then in the next couple chapters, I talk about getting down to the actual execution of your ideas. One strategy that I talk about in here that I really strongly suggest is a strategy called tacking, and tacking comes from an analogy or a strategy used by sailors. This is how it works: when someone puts a sailboat into the ocean or into a lake or whatever, they pick a target on the horizon of where they want to go. They want their boat to go to that little island in the distance, for example. But they don't go in a straight line. The wind is blowing a particular

direction; they need to leverage it. There could be other boats navigating the waters, and if they just went straight, they could have a collision. There could be obstacles in the water. There could be a tidal change if they're in the ocean, or currents.

So they use a technique called tacking, and what tacking does is you identify that spot on the horizon where you're going, that island, but you go for only about 100 or maybe 200 yards going in a direction that may not be direct toward it; it may be a diagonal, but still in the general direction. But what that diagonal is doing is it's avoiding obstacles, it's leveraging the wind and the currents, it's moving the boat.

Then after you travel those 200 yards or something, you redirect the boat. You look, where was your destination again? You align to it as best as you can, but also leveraging the current winds and the current tides and so forth. You push on forward another 200 yards. Then you again realign. What happens is a zigzag pattern, but ultimately, and every time, you get to your destination.

It's an important analogy to use in business. So many of us have been told that the shortest distance between where we are today and where we want to be is a straight line. Rock and roll, go directly where you want to go. Don't worry about anything else; just drive forward. I think that's a mistake. I think we have to realize that there's a macro economy going on. 2008 was a tough time and affected a lot of businesses. Some businesses leveraged it; some businesses repositioned themselves to serve customers that were experiencing less income into their households, for example. It's the businesses that adjusted to those tidal changes, if you will, or those new winds, that were the ones that were successful and have zigzagged their way to where they want to be.

I suggest in Toilet Paper Entrepreneur that every 90 days, that's the equivalent to 200 yards. Push your business forward for 90 days as best you can; then stop, see where you stand compared to the vision that you want to achieve, and then redirect your corporate ship, if you will, and push forward again. Then you'll zigzag your business there.

Then the final part of Toilet Paper Entrepreneur, or the final section I should say, is the Action section. One of the biggest actions that entrepreneurs can take is to have a discipline of saying “no.” The saying that I like to use now, it’s “you grow by saying no.” There was a study of successful entrepreneurs and struggling entrepreneurs, defined by people that have achieved financial success and a vision for their business that they wanted versus people that were living check by check and did not have the vision they had for their business.

They found one of the greatest differentiators were successful entrepreneurs say “no” at a rate of 10 times more than they say “yes,” while struggling entrepreneurs say “yes” 10 times more than they say “no.” So an opportunity presents itself, the struggling guy will say “Yeah, yeah, yeah.” Another opportunity, the focused guy, the successful guy will say “No. No, I got to stick with what I’m doing and really become masterful at it.”

There’s quite a few stories I share in this section, and then strategies, but another one that maybe is the ultimate “no” to everything else is a story I call burning the boats. This story has been told in many versions, but basically in the medieval days, there was a rookie general of an army.

This small army had been devastated so much that they brought on a new guy with very little experience, and they said “We’ve got a big issue here. This other army we’re fighting is destroying us. This is our last shot-in-the-dark attempt to turn the tides of this war. What we need to do is there’s an island out in the ocean that we need to take control of. They took control of it. It’s the entryway to all our imports and stuff. They’ve cut us off; we need to recapture that island. Now, they’re a better equipped army, they have way more experience, better weapons, they’re way better financed. We’re smaller. They’re on the defensive, we’ll be on the offensive. It’s basically a death trap.”

But the general was sent out with his army. He lands on the island, and the very first instruction he gives his army is to burn the boats they just landed on. Being loyal soldiers, they burned the boats, their own boats, and the general looks at them and says “Now there’s only two ways off the island, gentlemen: either we are victorious or we die.” And of course, they were victorious.

When there's no option for retreat, when there's no way off, the chances of your success increase dramatically, because it has to work. Doesn't mean it's guaranteed to work. You may proverbially die. But when there is no alternative, the odds of it happening become much greater. Too many entrepreneurs pull their retreat trigger way too early. It's too scary, it's too hard, and they just pull the retreat trigger and are off to the next thing and realize that's too hard and so forth, and just perpetually struggle.

In *Toilet Paper Entrepreneur*, I talk about how to burn the boats in your business so that there is no Plan B. It's Plan A and all we know is Plan A. There may be variables in it; you will have to tack, like we talked about earlier. But you execute on Plan A until it works.

Then the book wraps up, I talk about money and equity. It's an extremely important component. I talk about how to grow a business when you don't have money, when you don't have those resources. But there are ways to – money is a necessary vehicle; you can't do things with nothing at times, so how do you extract some money when you don't have traditional financing in place? And then when do you consider more traditional financing, maybe bringing on a partner or an angel investor or something like that, how do you go about that? So I give strategies there.

And that's the essence of *The Toilet Paper Entrepreneur*. I think it gives an aspiring entrepreneur all the tools to get ready, and the big kick in the ass to actually get started. And I think for established entrepreneurs, it realigns them with where they are and what their relationship is to their business. It gets them re-inspired and reconnected with it, and tools and strategies to make it work if they feel that they're a little bit down and out of resources.

WADE: Excellent. Mike, you basically just took 170 pages and put it in 10 minutes, so that was perfect.

MIKE: Yeah, you don't need to buy the book anymore. (laughs)

WADE: No, I think one of the things that I love about your books is how much personality, how much Mike is actually in the book. The first time I read *The Pumpkin Plan*, I remember thinking “Man, I actually feel like I know him, his attitude.” It wasn’t just normal – I took writing classes in college, and it wasn’t just your normal straightforward reading that was kind of boring. I almost felt like at times I was having conversations, and I took it more direct than I do a lot of other books. So I thought it was fantastic. So no, they definitely still need to read the book because of the stories and the attitude and the comical relief that’s in it. (laughs)

MIKE: (laughs) One of the greatest compliments I got was an old college friend reached out to me and said “I read your book *The Toilet Paper Entrepreneur* and fell in love with it, but I’ve got to tell you something: I bought the book because I heard of the book. I didn’t know you were the author,” and as he was reading it, he’s like, “Holy cow, this sounds just like my old college buddy. This is like Mike.” It was only once he was halfway through or a certain point that he’s like “Who’s the author?” and he’s like “No way!” And that’s when he called me.

It was the ultimate compliment. It’s the ultimate compliment when someone says “That’s exactly who I know you to be.” And why that’s important for authors – or for anyone, any brand – is if you’re authentic, if it’s a true representation of yourself, when you’re out doing a speaking engagement or however else the public will see you, on Facebook or whatever it is, there’s absolute consistency.

I think it’s a shame when authors, and other people do this too, when they present their brand to be something they’re not. Then when you meet them in person, it’s the great letdown. It’s like, “This isn’t the same guy. Who the hell is this?” So be authentic. It pays off. It may not resonate with everyone; some people are definitely turned off by my books. There’s definitely some edge to them. But for the folks it does resonate with, any facet or experience they have with my brand is consistent.

WADE: Yeah, that’s huge. I’ve never minded – I always heard people talk about throwing a book after reading something that they didn’t necessarily like. I guess books do that sometimes; sometimes they punch you in the gut. But I think the

real reason why you're reading the book is to get as many gut punches as you can and go fix what you're not doing right.

So I actually – there's a sense, it's that good kind of pain. After you're done working out, that pain that you're like, "Okay, this doesn't feel good. My legs don't feel good walking up the stairs, but you know what? I got better today."

MIKE: Yeah, that's a great way to see it.

WADE: This next question I think is somewhat mean, but it's such a phenomenal question for the reader, and it's basically – again, we just talked about you just in 10 minutes gave a bird's eye view of *The Toilet Paper Entrepreneur*. Now this next question is, if the reader could only take away one concept, principle, or action item out of your entire book, what would you want that to be?

MIKE: It's this: that the lack of resources is in fact a massive, massive asset. It's perhaps your biggest asset. You see, when we have resources, then the path we want to take, the first path that comes to mind, the obvious path, becomes the doable path.

Conversely, when you have no resources, the obvious may not be doable, and therefore it forces you to think of alternatives. And that's where innovation comes from. When you can't follow the obvious, you have to break the rules. It's triggered by the lack of resources.

And that's why some people, "Gosh, how come large companies struggle to be innovative?" Look at what's happening to Apple now. Steve Jobs passed away, this amazing innovator, and now this massive company that has all these people that they recruit and all those things, they're starting to struggle to innovate. The reason is the obvious path is easy to do for them. They have all this funding, so just do the obvious.

Small business, or any business that has a lack of resources, are ultimately the rule breakers, and the rule breakers are the innovators, and the innovators change the world.

WADE: I just pulled some quotes out of what you just said, but this next question is, do you have a favorite quote from your book? I think this was originally a way for the author to hopefully throw out humility and be able to talk about something that they wrote that they really loved and thought would be impactful. So either a quote that you wrote that you love, or a quote that's resonated with your audience. It's the one that gets tweeted the most, it's the one that you see on Facebook or whatever, that you're quoted on. So your choice, but we're looking for a quote.

MIKE: Yeah, I think it's this, that "successful businesses don't get rich quick; they get rich right." How I distinguish that is when we go into business, there's two common entry points. One is to come into a business because "Ooh, this is a big money opportunity."

Another way to go into it is like "Wow, this business resonates with who I am." Interestingly, that latter choice, "this business resonates with who I am," I find brings the most wealth to people, brings satisfaction, it brings stick-to-itiveness, and it brings ultimately the most financial wealth. Folks that go into it just because "Ooh, it's a big money opportunity," yeah, some of those folks are successful – but most of them, the get-rich-quick, will not get rich quick and then look for the next get-rich-quick and be constantly jumping around.

So I believe in that quote so much, now whenever I autograph a book, that's the common quote I'll put in there. I'll say "Here's to getting rich, right."

WADE: Perfect. Okay, very good. Mike, there's no doubt in my mind that your books create paradigm shifts for individuals and help them move forward. This last question is really what's a book that you've read that created a paradigm shift or had such an impact on you, and will you share that with our audience?

MIKE: Oh my God, yeah, I'd love to. There's unlimited amounts, so I'm going to tell you one you've probably never heard of, at least in a business sense, and I'll tell you how it affected me. It's called *Moonwalking with Einstein*. It's a fascinating read about memory experts – memory competitors, in fact, I think is

their term. These are guys and gals that go to areas to compete, and they'll memorize like 50 decks of cards in sequence, they'll memorize every person's name in the audience and stuff like that.

Why it was such a paradigm shift for me is if you ask people about memory, they'll say "I can't remember anyone's name. I meet someone, I forget their name within 10 seconds of meeting them. My memory sucks." The reality as I was reading this book is anyone has this capability. It's just the process we go about to memorize things that's falling apart.

It just kind of broadened my eyes that whenever I believe I can't do something, chances are I can; I just don't have the right way of going about it, and I need to seek out experts. So when it came to this memory stuff, I was so fascinated about it, I was like, "I want to see if I can do this." And sure enough, using their techniques, I can memorize a deck of cards or 20 random items or 100 random items and repeat them in sequence. It's very easy once you know the method. I just have to be aware that there are alternative methods.

I think every entrepreneur needs to know that. If you read this book, *Moonwalking with Einstein*, you'll find that you're capable of doing things you never imagined, and if you have the courage to apply this to all facets of your life beyond just memory, I think you'll knock the socks off yourself.

WADE: Does that help you when you go to Vegas?

MIKE: (laughs) You know, I'm not a gambler, but it does help when I do my presentations. When I do my presentations, I never have notes, and I don't use a PowerPoint. I've had certain circumstances where I had to do – in one case, this was actually 2 weeks ago, ironically in Vegas – I was at a conference about innovation, and they asked me to do a speech around innovation, but something I didn't expect to speak on. They said, "You're up in an hour; can you speak on this?"

Well, when someone asks you to do something and they're your host and are paying you, the answer is always "yes, of course." So I had an hour to write a

speech, and they fully expected me to prepare a quick PowerPoint or some bullets. But I just did it all from memory using these memory techniques, and it just blew their mind. They said, “Wow, you prepared” – because they knew it was a last-minute request, that I prepared a whole speech in a hour. That’s how you do it with these memory techniques. So it works for that too.

WADE: Wow, that’s incredible. Mike, before we depart, can you recommend the best way for our listeners to get more information on you and your book, *The Toilet Paper Entrepreneur*?

MIKE: Sure. You can type in “toilet paper entrepreneur” on the web and you’ll find it on Amazon and bookstores, and you’ll find my website. My website is my Mecca, so that’s where everything is. It’s mikemichalowicz.com. I’m sure you’ll have it in the links. That’s a doozy to spell, and if someone can’t spell it, just give your best stab at Google. The one benefit of having the weirdest last name on the planet is that no one else has it, so if you type in “Mike Michalowicz,” it finds me, and you can type in any spelling version of it.

And on my website, you’ll find downloads for *The Toilet Paper Entrepreneur*, so you can get a couple chapters for free, check it out. Of course, I have a blog up there; I blog daily. Videos, I do some television work, so there’s some television stuff up there.

And I have a sign-up, too. What’s kind of cool about that is it’s a newsletter. I share some of my best stuff there because I believe in newsletters so much, but specifically, I wrote for the Wall Street Journal for 2 or 3 years and have the rights, of course, to the articles I wrote. They’re subscription-only articles to the Wall Street Journal now, but I share all of those articles if people subscribe.

WADE: That’s a great resource. Very good. And yes, we will put the spelling and everything that you just talked about in the show notes. It is nice, though, because I typed in “Mike” and then “M-i-c-h” and Google took care of the rest for me.

MIKE: Oh, good. Okay, okay. Good. (laughs)



WADE: That was perfect. Mike, thank you so much for coming on. We look forward to diving into your next two books.

MIKE: Yeah, I look forward to being back on, and thanks for the time.

WADE: Absolutely. Thanks again for listening in today. If you would like to get your hands on *The Toilet Paper Entrepreneur* or any of the other resources mentioned by Mike, just look at the show notes at TheELPodcast.com.

Looking for your next book idea? Head over to TheELPodcast.com, where Wade shares his amazing resource, "The Top 10 Business Books Recommended by Over 500 Entrepreneurs," with you for free. That's TheELPodcast.com. Till the next time, keep it on the EL.

LINKS AND RESOURCES MENTIONED IN THIS EPISODE:

Check out [Moonwalking with Einstein](#) by Joshua Foer on Amazon

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