

The Self-Made Billionaire Effect – A Summary

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What enables self-made billionaires to create such massive value?

Self-made billionaires are individuals who created wealth of more than \$1 billion through entrepreneurial activity or inherited financial resources/existing business and increased the value 100X or more.

Myths of Self-Made Billionaires:

Age

They're not necessarily young wunderkinds – for more than 70%, the idea or transition that catapulted them to billion-dollar success happened after age 30; nearly 40% were 40 or older.

Industry

Technology isn't the main pathway – less than 20% of the sample came from tech, with 19 industries in the group, including money management, consumer products, oil and gas, apparel, food and beverages, publishing, printing, real estate development, entertainment and hotels.

Greenfield Innovators

More than 80% of the sample earned their billions in red oceans – highly competitive, mature industries; for example: Spanx, Red Bull, Amazon

Luck

They're not just lucky – the data says luck alone doesn't explain it – given that more than 90% of the self-made billionaires have launched multiple successful businesses.

Exploitative Practices

Businesses launched are on the socially responsible end of the scale in their industries – a large number of the billionaires have signed the Giving Pledge (promising to give away more than half of their net worth).

Overnight Success

They're not really – 50% started working before age 18; 30% launched their first entrepreneurial venture before age 22, 75% before age 30. More than 75% were raised in middle class or higher level households.

Five Critical Qualities Observed in Self-Made Billionaires

Ideas – Empathetic Imagination

They combine extreme empathy for the customers' needs and wants with an imaginative mindset that explores new, untested ideas

Perspective – Patient Urgency

They urgently prepare for opportunities but able to wait patiently for the right market timing

Action – Inventive Execution

They use an integrated approach to execution that allows continual new value to develop

Attitude – Relative Risk

They're not huge risk takers, but more worried about not taking advantage of an opportunity than losing what they have – and able to bounce back after setbacks.

Leading – Leadership Partnership

They have the confidence and insight to value skills and complementary strengths