



Voiceover: This is Business Reimagined. Every week we talk with thought leaders and revolutionaries who are bringing innovation to their industries, like today's guest Taylor Pearson.

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Voiceover: This is Business Reimagined with Danny Iny.

Danny Iny: Taylor Pearson is the author of a new book called *The End Of Jobs And The Successful Entrepreneur*, which he became through an unconventional path. He was a history major on his way to law school, but he never made it there. Instead a book that you might have heard of took him on a different path. It was *The Four Hour Work Week*, and it set him on an entrepreneurial path once and for all. He began as a freelance interpreter. Then taught English in Brazil, but he didn't feel the control over his life he was looking for.

Taylor Pearson: I'm not massively power hungry, but I am moderately ambitious and there wasn't a lot of opportunity to move up and there wasn't a lot of opportunity to impact people in a significant way on either of those career tracks. I felt like getting myself into sales and marketing was a much better vehicle for making the impact and exercising the ambition in the way I wanted to.

Danny Iny: Taylor was on a trail to satisfy his ambition and it certainly wasn't going to take him back to school. Instead Taylor began what considered to be an apprenticeship.

Taylor Pearson: I thought it would be a lot better to go and learn from someone that understood it than it was to try and hack away at it myself. Basically, I think I searched marketing agencies in Memphis in Google and took the top ten results and just called all of them and said. I know a little about SEO. I know a little bit about WordPress and I'll come work for you for



cheap, because, my costs are low, because, I'm living in my parents basement or in my old [00:02:00] room. I want to learn how this online marketing stuff works.

Danny Iny: Taylor started with low paying jobs, but he quickly worked his way up, learning how to be successful from the people who were successful. He moved onto larger companies across the globe and all of his experience and research contributed to his book, *The End Of Jobs*.

Taylor Pearson: The core idea of the book is that for macro-economic reasons, primarily globalization, outsourcing and technology, there are structures that are changing which are making jobs more competitive and less profitable and are making entrepreneurship more accessible, safer and more profitable.

Danny Iny: Explain those macro-economic trends to me.

Taylor Pearson: The two primary ones like I said are globalization and outsourcing. Starting with globalization what's happened over especially the last 20 years is that one global education standards have risen. I can't remember off the top of my head, but something like 90 million people in 2000 had college degrees. This is globally. By 2010, I think that number was up to 130 million, so it took us basically all of human history to get to 90 million and then we almost tacked on another 50% of that in ten years. This huge section of the developing world was coming into this college educated class. At the same time communication technology had improved dramatically. Not only were there more of these individuals, there was also more accessible. If you think about making a call 20 years ago from overseas, you're buying a phone card and you're paying \$5.00 a minute and you're at the pay phone.

Now you're in a café with your SmartPhone and Skype and you're connected to the free WiFi and you're calling anyone else around the world. These very dramatic changes in these relatively short periods of time. First of [00:04:00] all the market that you're competing with if you have a college degree and you're working in a traditional position has gotten much, much larger and much, much more accessible. At the same time you're looking at this rapid development in software and Internet



access. I think the numbers are something again like 50 billion, excuse me 50 million people in 2004 had area of access and something like two billion in 2014. You've seen this huge portion of the globe come online in a very, very short time. You've also kind of seen the destruction or the renewal of these industries like, you look at Blockbusters to Netflix or Kodak has kind of been replaced by Flickr and Shutterfly, these online stores.

You've seen all these people come online and also all these tools that were previously unavailable are replacing jobs, so you don't see people working at Blockbuster anymore. You don't see people working at Kodak anymore. Instead those jobs have either disappeared or they've been, maybe five people have been replaced by one developer at Netflix. All that has come together and has happened a lot faster than most people have realized and also is going to continue. That speed is not slowing down, it's speeding up.

Danny Iny:

Talk to me a little bit about, because, this is a part of the book that I actually found particularly fascinating where you talked about the operative limits on the growth of the economy at different points in history.

Taylor Pearson:

If you look there's a book that was certainly one of the inspirations for me, it's called *The Fourth Economy* by Ron Davison. I borrow his framework. The framework he lays out is basically that if you look at the past 800 years of Western history, we've gone through four distinct economic phases. Agricultural was roughly 1300 to 1700, from 1700 to 1900 we went through the industrial phase. From [00:06:00] 1900-2000 we went through the knowledge phase and now in 2015 we are shifting from a knowledge economy into an entrepreneurial economy. A lot of forecasters or people trying to explain what's going on in the economy right now are saying we're in this massive global recession. I think instead a better explanation for that is what Davison says which we're actually transitioning between two distinct economic periods. The fact that we're handling that transition poorly is the reason why economic growth has slowed down.



I'm sure if you look at how work has changed over those periods, it's become increasingly complex. Most agricultural and industrial work could be categorized as simple. If you're working on a farm or you're working on a line in a factory, an assembly line, that work can be very clearly documented. It's step A, B, C, D. You follow the orders and the work gets done. Then we kind of transition into the knowledge economy where work went from simple to complicated. In a lot of cases there are good practices, but you had to apply a certain level of creativity, so you're starting with good practices often which are trained or going to a university or some kind of additional education. Some kind of certification course. That gets you 80% of the way there and then maybe the last 20% is kind of figuring out the nuances of the particular industry or the particular situation.

Now as we enter the entrepreneurial economy a lot of people are trying to apply this same framework of I can just take these good practices and put them on these new entrepreneurial problems. It's not working effectively, because, kind of the nature of problems and how we solve them has changed. It's gone from complicated to complex where work is not about good practices, but instead about emergent practices. If [00:08:00] you had maybe 80% of it was clearly defined and complicated, maybe it's more like 10-20% is defined and complex and there's a lot of probing and testing. We've seen ideas like the lean startup where you don't really know what's going on, you can't train somebody to operate in that environment. Instead you have to develop these systems around testing and probing and using that feedback to solve problems, instead of being trained or learning best practices.

Danny Iny:

I was fascinated when I read that. It really kind of grabbed my attention and held it. Now I want to explore what is the conclusion of all that? Where does that go, because, to me reading that. That's part of why I was so excited to get on this call. The first half of the book, I was like reading buildup and buildup and buildup. I'm like yes, yes, this is, I agree 100%. Then your conclusion, I didn't agree with. I was really looking forward to kind of exploring that with you. Let's first of all just kind of



spell out, what is the conclusion, this is everything that's happening and the conclusion is the end of jobs. What does that mean?

Taylor Pearson: Jobs in some ways is a misnomer. I think the accurate title, but much less marketable one would have been the The End Of Non-creative Work As Obligation. What I think it means is that we have been, the systems that were set up, kind of the foundation of the educational system and the foundation of a lot of corporate training systems is the system where you come in and you're taught a seemingly static skill set. You're taught best practices and good practices. Then your role is to go and work within this defined system which someone else has defined. Certainly there's knowledge work involves creativity but not I think to the degree. A lot [00:10:00] of opportunities that exist today demand more than kind of that traditional thing.

The End Of Jobs in that sense is the end of kind of operating within these defined systems and this necessity to be the engineer of the system yourself to a much greater degree than has historically been the case.

Danny Iny: Is it basically the end of crappy jobs?

Taylor Pearson: Yeah, that's not a bad of saying it. One thing I noticed a lot and this is certainly true of myself and a lot of people that come out of perhaps more traditional corporate environments is an unwillingness. I don't think it's the inability, I think it's really an unwillingness, because, it's not how the system is set up, but an unwillingness to kind of write the rules themselves. Like business look okay? Is this what you wanted. It kind of wants someone to go in and define what the problem is and define a solution. I'm sorry I don't think, I tried to make this clear in the book, but no I don't think everyone needs to, everyone has to own their own LLC or anything like that. I think the correlation between people being entrepreneurial and then they own corporate entity or whatever is loose at best. Yeah, I think the end of crappy jobs might be the simplest way of saying it.

Danny Iny: This is something that I struggle with. This is one of the big ideas that I enjoy kind of playing with in my mind and talking to smart people about,



again why I was excited to have this conversation, because, on a micro level you can see the changes happening. Like Blockbuster to Netflix is a great example. It's not just really an industry was disrupted, but they are massively improved efficiencies on the consumer side is just so much better a viewing experience. You actually get to see what you want to see, when you want to see it and they give you good recommendations and so forth. On the [00:12:00] business structure side, Blockbuster at its peak it went from, it had 60,000 employees and over 9000 stores. Netflix as a little more than 2000 employees. Massively, massively more efficient. You can see that kind of shrinking down on a micro example. Then on the other hand Starbucks isn't employing any less people than they were before and either is Walmart.

I don't know that we can generalize these trends from a subset of the economy that happens to be very tech heavy and prone to this automation. Starbucks could put in automated machines and turn into coffee vending machines, but that's not what they want. People want to walk into a store and get their coffee from an expert barista. Do you really see this trend happening across the board in the economy, because, the major industries, they area food service, transportation, etc., do you see these changes happening in a way that is really economy disrupting?

Taylor Pearson:

I think so. Well, what I would say is this. I don't make any clear predictions in my book and I do that very deliberately, because, my track record of predictions is quite poor as I think almost everyone else's is, where they kind of made definite predictions ten years out into the future in the 21st Century. I think the direction things are moving is very clear, so whether Starbucks specifically replaces baristas with machines, I have no idea. Whether a large portion of the middle class, the traditional middle class that kind of fills this middle management role, that really boomed in the second half of the 20th Century, whether a large portion of that is going to disappear, yes I think that's certainly going to happen.

Danny Iny:

What does that mean for all those people? Is unemployment just going to shoot through the roof? There is an argument to [00:14:00] be made that



that is what's going to happen. I just said, do you think all the transportation jobs are going to go away? Realistically speaking now that I'm kind of thinking about it, yeah those are some of the jobs that are going to go away pretty quickly, because driverless cars are going to be a thing and they are going to be a lot safer. Does this just mean there's going to be a lot more people unemployed looking for work, or does this mean there's going to be all this creative talent that is going to be snatched up to do all these really cool things that we aren't doing yet?

Taylor Pearson:

I don't know and I think that's a lot of the reason I wrote the book and that's a lot of my hopes for the book, is that I'm not a determinis. I don't think the future is pre-written in that sense. I think it very much depends on how we as individuals and we as society choose to approach it. To elaborate on that I think, because, of the way access to power has traditionally worked, we are very much ingrained with this notion that there are people who have power and we have to go through them to access that power. I look at the Occupy Wall Street movement. These are the people that have power and so protesters went to the government and said, we need you to come in and we need you to regulate these individuals. Of course, what happened is the regulators and the lobbyists and the Wall Street bankers were all friends and so they passed some legislation which as far as I can tell is a lot of nothing and everything has pretty much returned to status quo.

I think that is kind of indicative of the way power works. I think we have this enlightenment notion of the Hobbesian Social Contract, that the government gets its power from the people and that we license the government. That's really not true. If you look at one book I'll recommend is Guns, Germs and Steel, by Jared Diamond who does a really good [00:16:00] job of kind of articulating, but the reason governments form or the reasons governments dissolve is not, because, of the will of the people. It's usually, because, either they are invaded and have to bond together to protect themselves from the invasion or they're invaded in kind of the conquering power overcomes. I think the opportunity today is that's no longer the case. The access to power is much more democratized and much more in the hands of the individual



than it ever has been before. I don't know what's going to happen to the middle class at large, and I think it's kind of disempowering to think of it in those terms.

What I do think is that the middle class at large today has the opportunity to choose to exit up and to move into a position where they can become the creators of wealth. I think what the future will look like will depend on if and how many people choose to do that.

Danny Iny: To me what you're saying sounds very helpful in a very optimistic way. The theme of the show Business Reimagined, it's the ways in which business is being reimagined. If we look at this through the lens of how is the economy being reimagined. Yeah, it sounds very deterministic, very potentially gloomy, right? On the other hand to me this really feels more like the reimagination of opportunity. It's suddenly up for grabs for whoever wants it. Is that fair to say?

Taylor Pearson: Yes. I'm fundamentally an optimist when it comes to The End of Jobs. I think the level of opportunity presented by what's going on macro-economically is greater than it has ever been before and I think then the vast majority of people realize.

Danny Iny: You talk about, I found this to be a really interesting just way of looking at things. You talk in the book about how a hundred [00:18:00] years ago, there weren't necessarily, I don't know what the development of the educational systems in these capacities were, but a hundred years ago, 200 years ago there wasn't a medical school where you could go and be certified as a doctor. It was some kind of apprenticeship program and you learned and eventually you were recognized as a doctor. Whereas today you go to medical school. You're certified. You're kind of likening it so that entrepreneurship today is kind of where medicine was one or two hundred years ago. There isn't a entrepreneurship program. I poke fun at business schools by saying entrepreneurship classes, are to entrepreneurship, kind of like music appreciation classes to actual music.

Taylor Pearson: Interesting.



Danny Iny: You're not actually doing it.

Taylor Pearson: That's a good analogy.

Danny Iny: In this current state, maybe in 10 years, 50 years, 100 years, it will be much more formally structured. My conviction is that education has to become a lot more entrepreneurial but for the moment, for people who want to develop this skill set or resource of entrepreneurial capacity, how do they do that? Especially if they're as exciting as it may sound, they're not necessarily ready to throw caution to the wind, quit their job and fly to Brazil to be an interpreter.

Taylor Pearson: I think one of the myths about entrepreneurship, particularly entrepreneurs like to tell to be honest in my experience, is it often gets labeled as this kind of binary condition as in I am an entrepreneur or I'm not an entrepreneur. I think that's really damaging. I certainly didn't identify as very entrepreneurial growing up. My parents were both in healthcare which is perhaps the least innovative industry on earth. While I liked to work, I certainly wasn't entrepreneurial about the way I approached work. Kind of what I discovered through the process [00:20:00] personally and through observing and talking with others, is that there can be routes emerging to become more entrepreneurial. A much better question is not how can I become an entrepreneur, but how can I become more entrepreneurial. The ways I typically see that happening and people I've interviewed with seen happening is one through apprenticeships.

I think we kind of, you mentioned apprenticeships with medical school. I think that system is in a lot of ways re-emerging. That as we operate in this complex domain where there aren't, you can't script good practices. It's much more effective to work in a small entrepreneurial business as opposed to a large less entrepreneurial corporation. That skill set in a lot of ways be absorbed just by being in and being around an environment and seeing what that feels like. Also developing relationships with other entrepreneurs. That's one way. I think the other primary path I see is something I stole from Rob Walling who hosts a podcast called Startups



For The Rest Of Us and also has some software products. He calls the stair step method which is part of what the Internet has enabled.

If you think about starting a business, the notion a lot of people still have in their minds is this idea that you have to go out and get a lease and you have to buy inventory. You're looking at a lot of overhead and a lot of capital. If this doesn't work out, it can be a very expensive mistake both in terms of time and money. That's no longer really the case. You can set up a WordPress shop, WordPress site or a Shopify site and you can kind of stair step your way in by starting with much smaller niche markets with much smaller products or services which all of a sudden are real business opportunities. To give an example, if you look at say a guy mentioned in the book who sells CB radio equipment. If [00:22:00] you wanted to start selling CB radio equipment 20 years ago, you need to go lease a storefront. You need to buy CB radio equipment. In order to do that you've got to find a manufacturer and there's no Internet at this point. You had to call people in the industry.

It's much harder to find these manufacturers. There's a lot of real barriers to entry here that make it very hard for someone to get started. Now that's really no longer the case. You can distribute online which requires a Shopify site. His particular business is a drop shipping site, which basically means he doesn't carry inventory. People place an order through his site. Then he sends that to the manufacturer who ships it out to the end customer. Kind of the point being that he was able to enter this market that previously he couldn't have entered for much less capital and that's now a business that fully supports him and his family and a small team that he's built around it.

Danny Iny:

What about doing, does entrepreneurialism necessarily have to mean starting something, selling something, building something? How would someone who wants to be more entrepreneurial in their thinking and in their work just to bring more value to the organization they're in for example? What if you are in an entrepreneurial startup. I'm assuming, actually maybe I shouldn't assume. Would you advice to someone who is



working on the team of the guy selling CB radios to be able to quit and start their own thing?

Taylor Pearson: No, I would say it depends. My perception has been if you're in a position where you go in and you try to improve the system and fix the system. I relate to the school I was teaching English at in Brazil. The curriculum was bad and I remember going in and I was like oh we're going to update all the curriculum. He was like no, no just leave it alone. I went in and I wanted to make this better and I wanted to improve the ability to deliver value to the students and he was not interested. I think if you're in a position like that in which you are trying to kind of do [00:24:00] something to generate more value, I think the best definition I've heard of entrepreneurship is still I think the original one. Is by a French economist John Baptiste and I forgot his last name, but to paraphrase it is taking existing resources and re-purposing them for a higher and better use.

Without expanding the number of inputs you're able to re-purpose those in a way that generates a higher and better use or more value. I think you can do that within a business. I certainly worked in businesses and had a "job" in the sense I was certainly on someone's payroll for a long time, but that was for me very much part of the process of becoming more entrepreneurial. I think the way I think about it and the way I talk about it is in terms of trajectory. The point at which I went out and started my own business was the point at which I didn't feel like my trajectory in the current position could continue to go up. I think a lot of people are in jobs where their trajectory can keep going up and they are learning and growing. That's not how I would define a "job" in the context I use it in the book.

Danny Iny: It's not a crappy job.

Taylor Pearson: Yes, it's not a crappy job. You're much more concise by putting it.

Danny Iny: That was Taylor Pearson showing us a future economy that's already here and means more interesting work and opportunity for anyone who cares to seize it. All you have to do in order to capitalize on this next wave of



opportunity is become more entrepreneurial in your pursuits, whatever they may be. To learn more about Taylor and his ideas, find his book *The End Of Jobs* where good books are sold or visit his website taylorpearson.me. Spelled T-a-y-l-o-r-p-e-a-r-s-o-n.me.

Voiceover: We love hearing from you. Your feedback makes this podcast even better. Take a minute to rate us on iTunes and leave a review. Each week we'll share what one of our reviewers has to say. [00:26:00]

Danny Iny: Today's reviewer is Root Stock P who says Business Reimagined is a great new resource sharing inspiring stories from inspiring business leaders. Check it out today. Thank you Root Stock and to everyone who's listening to this. If you feel the same please share this podcast with your friends. Help us spread the word. (Music playing).

Voiceover: This has been Business Reimagined with Danny Iny. Join us next time as we talk with Donald Miller.

Donald: We've really focused on how story works and story is thousands of years old, but it has always worked to compel the human brain. When you begin to study how story, how you can filter your business messaging through story, you find all of the tactics from Harvard Business Review and all the tactics from these online courses fit in this sort of epic process that's based on thousands of years of best practices in telling stories.

Voiceover: Learn more about us at firepolemarketing.com.