

Poll results: is rule-breaking essential to entrepreneurial success?

'You don't learn to walk by following rules. You learn by doing, and by falling over.' **Richard Branson**

The entrepreneur has a reputation as a rule-breaker; someone who does things their own way, rather than following existing rules and conventions. Their apparent indifference to higher education is one manifestation of this. Peter Thiel's focus on the development of completely new ideas, going from 'zero to one' as he outlined in our September 2014 event (podcast [here](#)), is another.

The results of our poll backed this up. The vast majority of voters agreed that rule-breaking was essential on the road to entrepreneurial success.

However, this isn't always the case. LSE alumnus and entrepreneur Richard Knight gives us his perspective on the question.



Richard Knight is an entrepreneur with considerable experience in the digital, retail and manufacturing sectors. After graduating from the LSE, Richard qualified as an accountant and worked in major blue chip companies covering a diverse range of sectors including telecommunications, paper and food. The dot com boom in 1999 attracted Richard and he learned to programme and devoted more than 10 years at the leading edge of digital marketing.

Depending on the opportunity identified by an entrepreneur, the entrepreneur does not have to be an iconoclast. It is, however, essential for the entrepreneur to understand why the opportunity exists and to determine who sets the rules and for which purpose? For example, are the rules set by law, tradition or simply perceived? Could the opportunity identified be developed by either redefining or creating new rules as opposed to breaking them?

Another factor that influences the answer is how far you are in the product lifecycle? In the early days of the internet when many believed the old world rules no longer applied, many entrepreneurs were very successful in exploiting uncertainty. These pioneers leveraged the values of well known brand names to attract traffic to websites when using keywords in advertising online. Now the internet industry has matured, old world order has been restored and is fully functional in regulating the online media space.

Taking my recent venture into child car seats, an oligopolistic industry, I can illustrate how an entrepreneur can enhance rules to create an advantage over incumbents.

All child car seats, within Europe, must comply with legislation set by the United Nations. Child car seat manufacturers work with stakeholders from many countries within Europe including test houses and, provide recommendations for changes in legislation to the United Nations. This process is extremely lengthy and can take a decade for advancements to be incorporated into legislation.

Furthermore, manufacturers appear reluctant to introduce new materials and innovations until demanded by law. For example side impact protection, although known as being essential for ten years, is now only just coming to the market due to new legislation coming into force.

It is market dynamics such as these that create opportunities for new businesses. In my business, the focus is raising awareness of a design flaw in child car seats with stakeholders involved in standard setting. Current regulations do not fully take into account misuse and behavioural issues of young children using car seats. An infant has minimal cognitive understanding of the risks if the seat is misused. Unlike an F1 driver who knows the paramount importance of the seat harness, a toddler does not realise that taking their arms out from the harness renders the car seat useless in the event of a crash, the sole purpose of using a child car seat.

New rules will be created to provide a focus on designing child proof car seats. My business has developed an award winning patented innovation that solves a significant design flaw.

The need to break rules to be successful is highly dependent on the opportunity and its environment. In my case, the need was to enhance the rules to leverage the opportunity identified.

Featured image credit: [JB on Flickr](#)

May 22nd, 2015 | [Featured](#), [Guest blogger](#), [Poll](#) | [0 Comments](#)
