

# DAYMOND JOHN

Star of ABC's  
*SHARK TANK*

with Daniel Paisner

A black and white photograph of Daymond John, a bald man with a goatee and small hoop earrings, wearing a dark suit, white shirt, and patterned tie. He is standing with his hands clasped in front of him, looking directly at the camera with a slight smile. The background is a solid red color.

# THE POWER OF BROKE

**How Empty Pockets, a Tight Budget, and a Hunger for  
Success Can Become Your Greatest Competitive Advantage**

# THE POWER OF BROKE

# THE POWER OF BROKE

HOW EMPTY POCKETS,  
A TIGHT BUDGET,  
AND A HUNGER FOR SUCCESS  
CAN BECOME  
YOUR GREATEST  
COMPETITIVE ADVANTAGE

**Daymond John**

WITH DANIEL PAISNER



Copyright © 2016 by Daymond John

All rights reserved.

Published in the United States by Crown Business, an imprint of the Crown Publishing Group, a division of Penguin Random House LLC, New York.  
www.crownpublishing.com

CROWN BUSINESS is a trademark and CROWN and the Rising Sun colophon are registered trademarks of Penguin Random House LLC.

Crown Business books are available at special discounts for bulk purchases for sales promotions or corporate use. Special editions, including personalized covers, excerpts of existing books, or books with corporate logos, can be created in large quantities for special needs. For more information, contact Premium Sales at (212) 572-2232 or e-mail [specialmarkets@penguinrandomhouse.com](mailto:specialmarkets@penguinrandomhouse.com).

Library of Congress Cataloging-in-Publication Data

John, Daymond, author.

The power of broke : how empty pockets, a tight budget, and a hunger for success can become your greatest competitive advantage / Daymond John with Daniel Paisner.—First edition.

pages cm

1. New business enterprises. 2. Success in business. 3. Creative ability in business. 4. Strategic planning. 5. Entrepreneurship. I. Paisner, Daniel, author. II. Title.

HD62.5.J6336 2015

658.1'1—dc23

2015021158

ISBN 978-1-101-90359-9

eBook ISBN 978-1-101-90360-5

Printed in the United States of America

Book design by Elina D. Nudelman

Jacket design by Michael Nagin

Jacket photograph by Geordie Wood

10 9 8 7 6 5 4 3 2 1

First Edition

“Yes, there were times, I’m sure you knew,  
When I bit off more than I could chew.  
But through it all, when there was doubt,  
I ate it up and spit it out.  
I faced it all and I stood tall;  
And did it my way.”

–Frank Sinatra, “My Way”  
(I know Paul Anka wrote the song,  
but it’s the Sinatra version that gets me going)

## CONTENTS

### ONE: **The Power of Broke** {1}

### TWO: **Rise and Grind** {26}

*BE RESOURCEFUL:* Steve Aoki—Find Beauty in Chaos {44}

*BE YOURSELF:* Acacia Brinley—Honor Your Truth {53}

*BE RELENTLESS:* Rob Dyrdek—Let It Rip {63}

*BE FIRST:* Christopher Gray—Look Under Every Rock for Every Last Dime {75}

### THREE: **Money Changes Everything** {85}

*BE DELICIOUS:* Gigi Butler—Faith and Flour {99}

*BE AGILE:* Jay Abraham—Turn Your Problems into Solutions {110}

*BE COMMITTED:* Kevin Plank—Protect This House {120}

**FOUR: What It Is** {130}

*BE DIFFERENT:* Moziah Bridges and Tramica Morris—Mo's Bows:  
A Passion for Fashion {142}

*BE NICE:* Tim Ferriss—The Power of Humility {156}

*BE FUNNY:* Josh Peck—"This Is Where I Need to Be" {170}

**FIVE: Broke Isn't Just Personal** {178}

*BE SMALL:* Linda Johansen-James—Big Things in Little  
Packages {192}

*BE RESILIENT:* Ryan Deiss—Getting Back to Zero {199}

*BE VISIONARY:* Loren Ridinger—Own Your Own Style {209}

**SIX: Be the Change** {217}

*BE ADVENTUROUS:* Mark Burnett—Survive and Thrive {239}

**A FINAL THOUGHT: Bringing It All Home** {249}

*ACKNOWLEDGMENTS* {255}

*ABOUT DAYMOND JOHN* {259}

*INDEX* {263}

ONE

## THE POWER OF BROKE

*THE POWER OF BROKE* is a mind-set. It exists in all of us, whether we have money, opportunities, or advantages. Trouble is, most people don't recognize this power for what it is. They leave it alone, or maybe they don't even know it's there. Instead, they buy into the line from people in suits, fancy offices, or business schools who tell us that there's a certain way to start businesses—we need money to jump-start our business.

But that only works for a few of us—and only for a while. Why? Because, take it from me, the *power of broke* is all about substance over flash. It's about creativity over certainty. It's about taking a shot over playing it safe. And here's another thing: The money runs out after a while. Those deep pockets you may or may not have, they'll never be deep enough to buy all the passion, ingenuity, and determination it takes to have success over the long haul. Even if you've got money behind you, there's no guarantee that it will see you through. It's the money in front of you that counts, after all. It's the money you need, not the money you have, that makes all the



difference. And this book is all about that difference, and how to put it to work for you.

Let's face it, when you're up against all odds, when you've exhausted every opportunity, when you're down to your last dime . . . that's when you've got no choice but to succeed. You're out of options, man. So you double down, dig deep, and switch into that relentless turbo mode we've all got kicking around in our machinery. And that's when the real magic happens. Are we clear on this? **The *power of broke* is the half-court shot you fire up with time running out and the game on the line.** It's the shot your teammates won't take because the likelihood of that ball kissing the net is pretty damn thin and they don't want to mess with their stat lines. They're playing the percentages while you're playing to win—and this can mean everything. I don't mean to mix my sports metaphors here, but I'm reminded of that great Wayne Gretzky line, "We miss one hundred percent of the shots we don't take." So, take the shot! Absolutely, take the shot. **The *power of broke* is all about taking that shot.** The *power of broke* is looking up at the sky, wondering what you've got to do to catch a break, and saying, "God, why am I doing this?" It's living with the constant fear that you've gone crazy for putting it all on the line—but putting it out there anyway. There might be a million reasons for you to throw up your hands, throw in the towel, throw away your dreams, and put an end to whatever craziness you're pursuing, but the *power of broke* is that one reason you keep going. Maybe you've been rejected by thirty loan officers, but that green light could be waiting for you on the thirty-first try. Perhaps your product or service has been totally slammed by the first thirty people who try it, but the thirty-first review is a rave. And that comes from the one guy whose opinion really matters.

Whatever it is, keep at it—absolutely, keep at it! Because, hey, you never know. **When you've got nothing to lose, you've got everything to gain.** Sometimes it takes having your back against the

wall, leveraging your last dollar, and having no place to go but up, up, up if you expect something to happen. Because if you've got to succeed to survive, you will. Trust me on this.

## BE A TRUE INNOVATOR

Here's my take: Innovation happens from the bottom up, not the top down.

Break dancing, rap music, slam poetry, iPods, smart watches, electric cars . . . all the most creative, the most successful, the most dynamic innovations pop in an organic way, and then grow. Or not. You put your idea out there, no big thing, and it just kind of happens. Or not. People either respond to it or they don't, and it doesn't matter how much money you throw at it, how much you try to dress it up, it is what it is and that's that.

It has its own beating heart.

You don't need me to tell you this—just take a look at the world around you. Our favorite movies, the ones that win all the awards, the ones we talk about with our friends, tend to be the indie films that come from a small, sweet voice, a singular vision, and not the slick, big-budget, mainstream movies from the major studios. Yeah, those big blockbusters make the big bucks, and they can be a lot of fun, but they don't *always* light our imaginations or stir our souls—at least, not in the same way.

Just look what goes on at Art Basel in Miami Beach, the biggest gathering of international artists on the calendar. Hundreds and hundreds of the best artists in the world come to Florida every December to share their work, strut their stuff, do their thing. It's an amazing thing to see, what some of these folks are up to, but it's not *just* the fine art displayed on the walls by the top galleries that makes all the noise. A lot of folks, they'll tell you the real excitement of the show, the raw energy, is off to the side. That's where

you'll find the street artists, the pop-up displays, the next big thing. And that's where you'll find the crowds—because, when it comes down to it, people want to experience something pure, something real. They want to be lifted from their everyday experiences, from what's expected, and set down in the middle of something completely and breathtakingly *new*.

I come from the world of fashion—that's where I made my name. But at FUBU we were never about *high* fashion. Our designs came from the streets, from our own hard-won style, our pride of place. The spirit of our clothes was in our name—For Us By Us—and one of the reasons we captured a good chunk of the market was because we were authentic. We were true to ourselves. Were we completely and breathtakingly *new*? Not really, but what was exciting about our clothes, what a lot of folks connected to, was that we wore them proudly. They were a reflection of our world.

FUBU isn't the only successful brand that launched in this way. A lot of the most iconic fashion brands started out in a small, hand-sewn way. *Haute couture*, at the high end of high fashion, is based on the same principle—high-quality clothing, made by hand, with a personal touch. In French, the word *couture* simply means “dressmaking,” and when it started out it just referred to plain folks figuring out a way to dress nicely, to turn their rags and loose fabrics into clothing that made them feel a little more like nobles. But today the term has come to symbolize the best of the best. Why? Because it came about in this genuine way.

The same goes for architecture, literature, music, technology, design, fashion . . . every important innovation, every lasting impression, every meaningful trend, and every successful business comes from a singular vision, put out into the world with a small, sweet voice. It starts from the bottom and it grows from there—or not.

*Or not . . .*

Those two little words, suggesting the possibility that things

might not go my way . . . they're at the heart of everything I do. They're why I give myself the same marching orders every morning when I get out of bed: rise and grind. Because in *those* three words I find tremendous power—the power to do anything, to get past anything, to become anything. They remind me that the choice of whether to succeed—*or not*—is all mine.

**POWER FACT:** Eight out of 10 new businesses fail within the first

**18 months.** . . . It's not enough to have a good idea for a start-up or a hot new product; execution is key, and part of that execution comes in finding your "voice" as an entrepreneur. Why do so many new businesses fail? Many times, it's because they've been cashed to death. It's because businesses built on steroids and on injections of capital are living on borrowed time. When the money runs out, the business runs its course.

This idea that the best concepts and innovations tend to happen organically, authentically, is not limited to art and discovery. It cuts to our personal lives, too. Think about it: Our most lasting relationships are built on the same solid foundation. It's got to be pure, got to be real . . . or else it just won't work. If you're a guy, and you pull up to meet a girl in a hot car, you'll make a certain kind of first impression, right? The two of you get together, you take her out for an expensive dinner, buy her a nice pair of shoes and maybe some bling, you sip the finest champagne . . . by the end of the night she's into you. And if you keep it up, at end of the week, she's *totally* into you. Doesn't matter what you look like. Doesn't matter if you're a brilliant conversationalist or even if you share the same views. In some cases, you could be fat, bald, stupid . . . whatever. It only matters that you showered her with power, bought her a bunch of gifts and flowers, took her away on romantic weekends, and whatever the case may be. It all adds up. You've presented

yourself to her in a certain way. And if she responds to that certain way, that's great, I'm happy for you . . . *really*. But what happens to that kind of relationship in the long run? What happens when all that money goes away and there's nothing left but to be yourself? What happens when you buy her a present every time you see her, and then all of a sudden you lose your job? Then what?

Don't be surprised if you find your relationship was only as strong as the money you put into it. When the jewelry runs out, no more fancy dinners, and the getaway vacations end . . . what's left? You've been riding a superficial high, a false emotion—and it's bound to catch up to you. It will.

Or maybe you're a woman looking to snag your dream man. So you slip yourself into a fine, beautiful dress, get yourself *done* with hair and makeup, work out like crazy so you can't help but turn all kinds of heads. You finally meet this amazing guy, and you really, really want him to pay attention to you, ask you out a second time, and a third. And he does, and the two of you have a good thing going . . . for a while. Again, I'm happy for you. That's great. But then you get a little older, you gain a couple of pounds, the dress no longer fits. Or maybe you're living together, and you're stuck in bed with the flu, looking all a mess in your footie pajamas. What happens then?

## BE GENUINE

Now, before you start beating up on me for presenting such superficial examples, let me just say that they're *meant* to be superficial examples. I'm trying to make my point in the extreme. No, women aren't just out for money and fine things—and men aren't just out for sass and sex appeal. The point is that if it's not authentic, if there's no *there* there, your relationship is not about to work in any kind of long-term way, no matter how you dress it up, or how much

money you throw at it. You might hang in for a while and have a nice little run, but it won't last. It *can't* last. It's the same in business. Let's say you open a new restaurant. You design a gorgeous new space, in the best part of town. You have no experience in the kitchen, but you have the money to hire a top chef, the best decorators. You have no vision, no specific market you're trying to serve, no style of cooking that speaks to you, but your research tells you that a certain kind of cuisine is crazy popular right now, the *edge* of the cutting edge, so that's what you decide to pursue. Basically, you focus-group the crap out of the place, spend all kinds of money throwing in all the bells and whistles and every conceivable amenity, open your doors, and wait for the tables to fill. But it doesn't always work out that way, does it?

Why is that, do you think?

Or let's say you're in the soda business, and you decide for some reason to shake things up, tweak your formula, try something new. You've already got the biggest, most successful brand in the world, and your market projections show steady growth for years and years. But you get it in your head that the soda-drinking public is fickle, ready for a change, so you shave off a chunk of that money and hire a bunch of chemists to engineer a new flavor, a bunch of marketing experts to redesign your logo, a bunch of advertisers to help get the word out. You can afford to bring in the best of the best to work with you on this. Trouble is, you haven't taken the time to stir up any real interest in the marketplace. You haven't even *identified* any interest for what you're selling. There's been no demand for a new formula, folks haven't really tried it or asked for it—and nobody's even saying they're tired of the old formula. You've gone down this road for no good reason and you end up with New Coke—one of the biggest thuds in the history of product launches.

Remember what happened there?

Well, truth is, nobody outside the Coca-Cola Company really

knows what happened back in 1985 when New Coke hit the market, because nobody's talking. Nobody will cop to it. But I have some ideas. They teach case study classes on this New Coke fiasco at some of our top business schools, and I certainly don't have that kind of insight or expertise. And obviously I can't put myself in the boardroom at Coca-Cola when these big-time executives made the series of decisions that set them down this path. But if I had to guess, I'd say that all their money got in the way, confused the issue. Probably, they were just making change for the sake of change—because they could *afford* to, and not because they *needed* to. Probably, there was a collective and colossal failure to acknowledge the simple fact that business is like any other innovation, any other relationship. It grows from the bottom up—only here it's not about a guy and a girl, an artist and her audience, a designer and his muse. No, here it's about your brand and your relationship with your customer, with the marketplace. It's a marriage: *I'm giving to you, and you're giving to me*. It's a partnership: *I'm here for you, and you're here for me*. If the authenticity is there, if the business is built on a solid foundation, you'll have a shot to succeed. If it's just a superficial enterprise, built on flashy gimmicks, inflated hopes, and a big budget, the odds run a little longer.

In today's digital age, even *governments* have got to keep it real. Just look at the so-called “Facebook Revolution” that basically kick-started the overthrow of an oppressive regime in Egypt in 2011; the revolution in Tunisia that same year; Hong Kong's Umbrella Revolution of 2014, where protesters changed their profile pictures to images of yellow umbrellas to rail against election reforms; and on and on. These movements didn't succeed because they had big marketing budgets. They succeeded because they were *real*. It's gotten to where an entire nation can be energized by the force of a single idea put out into the world in a passionate way through social media—at little or no cost.

**POWER FACT:** According to WebDAM, a leading digital marketing platform, 25 percent of the world's total advertising budget is devoted to online promotions. . . . *Clearly, if you're out to make some noise, if you want your message to pop, it's never been easier to reach your target audience with a direct hit, but you've got to keep it real if you want to make an impact.*

Doesn't matter what you're selling—the power has shifted to the people. Doesn't matter if you're in government, in business, in a relationship, today's buzz words are *transparency* and *authenticity*. You've got to keep it real, people—and you can't keep it real in business today if your strategy is to simply throw money at whatever roadblocks come your way, because chances are, money alone won't get you past them. It's the force of that *single idea*, offered in a genuine way, that gets results—no matter how much money you put behind it.

## STAY HUNGRY

My point here is that there's great value in being true to yourself, and that it helps to have your back against the wall when you're starting out. It helps to be up against it. It helps to have to scrape, hustle, dream your way to the top. It helps to have a passion for your pursuit, especially when passion is the only resource you can afford. It helps you to realize your dream because it forces you to keep that dream real.

Bottom line: *It helps to be so hungry you have no choice but to succeed.* Better believe it . . . it helps. It does. Trust me, I know—because that's where I was coming from when I started FUBU with three of my boys from my neighborhood in Hollis,



Queens. I know—because now that I’ve turned my focus to helping others launch their own businesses and grow their own brands, I see it all the time.

Take it from me, “the People’s Shark.” That’s how folks have come to know me on the ABC-TV reality show *Shark Tank*, where I sit on the panel with four other investors, listening to the pitches and proposals of our entrepreneur-contestants. Anyway, that’s how I come across, because that’s who I am. Some of my colleagues on the show have developed reputations as ruthless dealmakers, and some as easy marks, easily won over by flash and publicity. Me, I’ve worked hard to champion the underdogs on the show, to shine a light on the hardworking success stories, and to help people recognize a good idea—a real idea, a winning idea.

So here’s the big idea at the heart of this book: When you start from a place of nothing much at all, when you’re *hungry* and laser-focused on succeeding at whatever it is you’re out to do, when you’re flat-out determined to get where you’re going *no matter what* . . . well, then you’ve got a running start. You’re moving in the right direction, for the right reasons. On the flip side of that, when you start with all kinds of resources, when funding isn’t an issue, when failure isn’t about to break you . . . well, then you’re standing still.

Absolutely, there’s tremendous power in being broke. The more you *need* to succeed, the more likely it is that you *will* succeed. The more you’ve *invested*—and here I’m talking about emotional and personal investment, not a financial investment—the more you’ll *get back* in return.

And so I’ll say it again: there’s great power in having to scrape and scramble. The people I’ve met in business, the ones who’ve had their first breaks handed to them, they’re missing a kind of fire inside, a hunger, a willingness to do whatever it takes to succeed. I’m generalizing, I know, and there are exceptions everywhere you look, but for the most part it takes this certain fire, this certain hunger, to build any kind of real and lasting success. At least, that’s

how it was with me—and chances are, if you’ve grabbed this book, that’s how it is with you too.

But here’s the thing: the *power of broke* only works in your favor if you recognize it, tap into it, put it to work. Broke, on its own, is just broke. If you let broke beat you down, if you let it *break* you, you’ll never find a way to thrive or even survive. You’ll never lift yourself up and out and on to great things. But if you look broke in the face, if you define it, own it, make it a part of who you are and how you go about your business . . . well, then you’ve got something, people.