

Credit Union Journal Best Practices Conference

**Why Leaders Should 'Cheat'**

By Frank J. Diekmann

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MIAMI -- What qualifies for a Best Practice? Selling an insurance company just 11 years after you founded it for \$540 million would seem to qualify.

But as Bob MacDonald made clear, it was creating Best Practices by "cheating" that made the sale of his company possible. By "cheating," MacDonald, who keynoted day two of The Credit Union Journal's Best Practices conference, said he means "taking control over our own lives" and not always following the unwritten rules of society, business and life.

MacDonald started out as a "knock-on-the-door" life insurance salesman, a college drop-out who eventually rose to become CEO of ITT Life in 1980. In 1987, he founded LifeUSA, eventually selling that company to Allianz AG of Munich, Germany. Along the way he developed a philosophy he calls "Cheat to Win," which he has outlined in a book of the same name.

"All our lives we deal with rules. What's the first thing we get when we get a job with a company? We get a rulebook," he said. "Everywhere we turn we have these rules. How many have ever heard the rule, 'That's the way we've always done it.' How many have heard the rule of conventional wisdom, 'This is what we have to do.' Do schools teach us to question or challenge? No. They teach us to rote memorize. There are good rules and bad rules. But the point is we should never be afraid to question or challenge a rule and to try something new."

MacDonald said that any person who has ever been "outstanding" in any field had to break rules to get there. He noted that Sam Walton, founder of Wal-Mart, broke the rule that no one could compete with Sears, and that Steve Jobs, co-founder of Apple Computer, broke the rule that IBM was an insurmountable foe. In his case, noted MacDonald, there was a rule that life insurance was a mature industry impenetrable by start-ups, that the industry was marked by entrenched behemoths and that it required a mountain of capital to get started. His success disproved all three, he said.

In words of advice that resonated with a CU audience, MacDonald observed that he always tried to be guided by "parallel interests." "The rule says that in negotiations I should try to do everything I can to get the very last drop of blood from the opposition. But what if you cheated on the rule and said I'm going to try to do something that benefits both?" he asked. (c) 2006 The Credit Union Journal and SourceMedia, Inc. All Rights Reserved. <http://www.cujournal.com>  
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