



Some rules need to be broken

Our View

A man who wrote a book titled "Cheat to Win" dropped by our offices last week, and instead of throwing him out, we listened.

We figured we should because he's Bob MacDonald, who became the CEO of ITT Life Insurance Corp. at the age of 37, later formed LifeUSA Insurance Co., sold that to Allianz AG for \$540 million and served as chairman and CEO of Allianz Life Insurance Co. until retiring in 2001. So he does know something about business.

And the subtitle of his book tells you a lot more about what's inside: "The Honest Way to Break All the Dishonest Rules in Business."

In the book and in person, MacDonald says business managers and leaders are a lot more likely to succeed if they get in the habit of questioning rules and then breaking the ones that no longer make sense, or never did.

"I always had the mentality that if they say you can't do it, ask why," MacDonald said. "What I learned over time is that you tend to find different ways of doing things."

For example, he says you should cheat against the rule that says you lead by creating conflicts of interest, and the one that says you must manage by intimidation.

MacDonald was the kind of leader who put the executive offices of ITT Life on the ground floor and gave the 10th-floor corner offices, with a view of downtown Minneapolis, to underwriters. He would show the employees the company's financial results every quarter, causing the execs at the parent Hartford insurance group to "blow a gasket." When he started LifeUSA, he required every employee to buy into the company. "As owners, they would work four times as hard as somebody at Prudential," he said.

MacDonald focuses on the insurance industry, but he thinks the same principles apply to all kinds of businesses and elsewhere, too. Underlying all of his experiments and philosophy are the idea that strict, formal corporate rules are not what made America great and the fear that something basic has changed in our national attitude.

"America grew great because we challenged tradition," he said. "Now we rarely celebrate someone who goes against the norm. Look at the winners in history; a lot of them were kind of weird guys."

Of course, there's no guarantee that breaking rules will lead to success. But it worked for MacDonald, and it sounds like an interesting way to spend a career.