

MY ALGEBRA FOR SCALING PASSION TO PROFITS

Background

As a current university finalist, I am taking advantage of the industrial strike action to finish up my undergraduate dissertation and also write this essay. I try to divide my schedule between the two while spending time in the catholic library I registered with. I've spent days thinking and reading on how best to approach this theme.

On a certain evening, while returning from the library, I boarded the usual tricycle (*Keke Napep*¹). Through the journey, I engaged my driver – John – in a conversation. He narrated how tough the country's economy was; how he gave up his passion of artistic painting to become a driver as the former was not economically viable to meet up with his needs.

In his words – '*Passion won't put food on my table.*' At first, I just smiled but then just before the smile could fade, I replayed that sentence in my head. I didn't know my subconscious had been on the Peter Drucker Challenge. I began asking myself: How can we turn passion to profits? What exactly do we need? How can one do it?

I needed something precise, simple and explainable. Something I could easily explain to John, my driver. A formula of some sort. I then came up with what would later become the topic of this essay.

Algebra for Scaling Passion to Profits

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$$(\text{Passion} + \text{Management} + \text{Need})^{\text{Community}} \times \text{Technology}$$

Passion

"Any time I have seen someone accomplishing something magnificent, they have been a monomaniac with a mission. A single-minded individual with a passion." – **Peter Drucker**

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This is the bedrock of the passion economy. Nothing works without passion. This begins with doing a mental audit to identify what you love to do and what you can do. Doing what you love to do is very integral because it takes away the extra need for willpower to accomplish tasks which is commonly seen in the blue- & white-collar work. However, this is not enough, doing what you love must be backed by ability. One can be passionate about something and still lack the capacity to carry it out effectively and efficiently. On Ability – Drucker

¹ The Nigerian reference to Tricycle

believed that it was important for individual workers to take responsibility for his or her own results and continued learning. Thus, creators will need to continuously learn better ways of showcasing their passion. For instance, an artist in the early 21st century who still paints on a canvas would need to upskill by learning how to become a digital artist to leverage the numerous opportunities in the NFT space.

In the past, authors, artists, photographers and other creatives expended time in creating but did so as a hobby and could not monetize. As Adams Grant puts it, following your passion in the 20th Century meant leaving wealth. Growing up in Nigeria, I can only but imagine the shock that would have enveloped my parents if I told them I wanted to solely focus on earning a living from my writing passion. That would have been unacceptable. But times have changed, with the creative economy accounting for the employment of 4.2 million Nigerians², I could easily showcase my skills by authoring online courses on Teachable or selling newsletters on Substack. The possibilities are endless.

+ Management

“A person can perform only from strength. One cannot build performance on weakness; let alone something one cannot do at all.” – Peter Drucker

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Passion is never enough. It must be matched with Management. On self-management: Being a creator in the passion economy involves knowing how to manage oneself effectively. Creators would need to understand the importance of discipline, hard work, fast experiments and consistent delivery. Drucker's *Managing Oneself* provides an ample guide.³ I would refer to this creator as The Druckerian Creative.

First, the Druckerian creative must remedy his or her bad habits. According to Drucker, these are things that inhibit effectiveness and performance. One of such bad habits is too much idealism without execution. This particular habit is easily susceptible to the creative as a large portion of work go into the mental planning. However, the creative must guard against it by knowing when to take action or abandon the plan altogether.

Again, Drucker noted that many people with great expertise in one area pride themselves in ignorance of other elementary areas. To remedy this, one must work on acquiring the skills and knowledge needed to fully realize one's strength. This is very instructive for the creative as there is a great likelihood for

²Mondaq.com. 2022. *The Creator Economy In Nigeria: What You Should Know - Social Media - Nigeria*. [online] Available at: < <https://www.mondaq.com/nigeria/social-media/1157474/the-creator-economy-in-nigeria-what-you-should-know> > [Accessed 31 May 2022].

³ Drucker, Peter. *Managing one's self*. Massachusetts: Harvard Business School Publishing Corporation, 2008

a photographer to know little or nothing around blockchain technology. Meanwhile, such knowledge may be very instrumental to upscale the photograph into a Non-Fungible Token.

Also, Drucker noted that as people achieve results by doing what they are good at, they also achieve results by working in ways that they best perform. For the creative, the dynamic becomes unique. The creative must decide how he or she learns; whether he/she is a collaborator or an independent; and the type of environment best suited for optimal performance. Imagine a creative who is naturally an independent trying to collaborate with another creator to create and sell tutorial videos? There is bound to be conflict in the delivery of the information.

+ Need

“Innovation is the specific instrument of entrepreneurship...the act that endows resources with a new capacity to create wealth.”

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Monetizing passion can only arise when such passion addresses a need. The creator must be attentive to the novel means of matching his or her passion with those that value or need it. This is the point where innovation is most instructive.

Drucker noted that successful innovations come from a conscious and purposeful search which can be found from seven areas of opportunity.⁴ Some of these areas of opportunity will be discussed in context of the creator economy.

- i. **The Unexpected Occurrences:** Unexpected success/failure may present an opportunity for innovation. In the context of the creator economy, the Covid 19 pandemic caused lockdowns making people to stay at home. This led to an increase in online gaming as well as social media interactions. I, for one, created a short online course on how to create winning CVs and prepare for job interviews. I signed up and sold that course on Teachable.
- ii. **The Incongruities:** Innovation can arise when there's an incongruity between expectation and results. For example, when I signed up on Youtube, I expected to watch videos and learn things seamlessly. However, this is not the case as I am constantly bedazzled with loads of advertisement. I then find an alternative in Patreon - a creator

⁴ Drucker, P. F. (1985). Innovation and Entrepreneurship. London: Pan Books Ltd

specific platform – where I make a direct payment to the creator in exchange for the particular content I want or need.

- iii. **Demographic Changes:** Drucker made a case that change in the number of people and in their age distribution, education, occupations, and geographic location— is an opportunity for innovation. In the context of the creator economy – according to a new survey by MBO Partners⁵, the creative economy is skewing youthful, with 75% of creators identifying as Gen Z or millennials. My junior sister who is yet to enter high school spends a lot of time on YouTube learning how to make-up. The point here is simple – as more and more young people tilt towards getting knowledge from the internet, there exist a gap/need for creatives to fill.

^Community

“The purpose of a business is to create a customer” – Peter Drucker

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Community is an exponential. Passion, Competence and Need can only be raised to the power of community. This community is twofold – community of co-creatives and community of customers/clients/audience.

A community of co-creatives is important because it ensures new creatives do not make mistakes as they begin. They can learn the ropes faster as there is no need to re-invent the wheel. For instance, a new podcaster who is in a community is able to learn the best platforms to publish his or her podcast. Community of co-creatives also help to develop accountability and consistency on the part of the creatives. These twin qualities are very essential in scaling passion to profits as the niche audience can only become drawn to consistent content put out by the creative.

On the other hand, clients or niche audience can become a strong community. Clients or Niche audience can engage directly with the creative, which in turn builds the creative's influence. This is a great advantage to the creative as it can scale monetization. For instance, A creative that influences for a brand can do so effectively because his interaction with the community is authentic and organic. This is because the niche audience feels involved in the process as part of a community and not another data algorithm. Community give feedback. As Drucker noted, it is through feedback analysis that we are able to identify our strengths.

⁵ “First Ever Sizing Study Reveals 7.1 Million Americans Participate in the Creator Economy, Earning Money from Platforms like Youtube, TikTok and Instagram” 2021. MBO Partners. November 16, 2021. <https://www.mbopartners.com/blog/press/creator-economy-research/>.

Community also extends to the NFT's sphere as we would see in the next section. In short, the NFT sphere practices a community first ethos. Here, people put time and effort into sharing ideas, collaborating, conversing on Twitter Spaces, and supporting and investing in one another's art and projects.

× Technology

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Technology is the disruptor and the driver. It has a multiplier effect on the combination of Passion, Competence & Need – all of which are exponentially raised by the power of Community. This multiplier effect will be discussed in parts.

First, technology offers a platform to connect the creative with his or her community. For instance – Substack and Revue offers writers the opportunity of creating paid newsletters; Anchor and Buzzprout is available for Podcasters; Teachable and Podia is available for creator-led online courses. And the list goes on and on. There have also been increased digital support by tech and social media giants. For instance; Tiktok built a marketplace to connect advertisers with creators and launched a \$200 million fund to pay its top creators.⁶ Similarly, Facebook announced its plans to build a marketplace on Instagram to connect influencers with brands. Spotify refuse to take cuts from profits of creatives. Although, tech and social media giants are pouring money into the creative economy, there are still possibilities of democratizing and decentralizing control. This possibility is found in the rise of Web 3.0, Blockchain and Non-Fungible Tokens (NFTs).

Blockchain and Non-Fungible Tokens (NFTs) will in no little way revolutionize the creator economy. NFTs are unique representations of digital media like art, videos, music, gifs, texts, etc. Through NFTs, creatives will be able to monetize their content directly with their fans by using social tokens. These social tokens are decentralized and secured by blockchain. No more digital middlemen like Youtube, Amazon, Facebook that take double-digits cuts. Through smart contracts, interactions between creatives and clients will be recorded in a blockchain. This will enhance quick payments and reduce piracy challenges. Creatives will be able to track the value of their work and monetize it as royalties can be fixed for all transactions carried out in the lifetime of a work.⁷

⁶ “Social Media and the Creator Economy.” Listen & Learn Research, April 6, 2022.
<https://listenandlearnresearch.com/the-rise-of-the-passion-economy/>.

The effect of all these is decentralization and democratization. Drucker was a big fan of decentralization as opposed to the centralized command model.

Igniting the Passion Economy: Education as a catalyst

Education remains the bedrock for any meaningful development in the society. Thus, as the passion economy gain grounds, there is need to look into the style of our educational sector in other to get insights on how the passion economy can be boosted. This of course begins from the elementary education. Pupils and Student need to learn how to hone their passion.

In an interview on Education,⁸ Drucker noted that schools should stop imposing its own concept of intelligence which is narrow. According to Drucker, schools should spend more time to find out what a youngster is really good at. It could be Music, Sports, Painting or Writing. This is very important as formal education merely concerns itself with only a rigid curriculum structure that does not allow full expression of one's passion.

Growing up and schooling in Nigeria, I drew fast sketches of my teachers while they taught. This action saw my parents being constantly invited to the Head Master's office as I was serially warned to abandon any love I have for drawing. Their intentions were perhaps noble, but that cost me one of my passion because I stopped drawing for a long time. As a grown up, I think it is very important for Parents and Teachers alike to allow students hone their passion, perhaps, in alignment with their coursework. For instance, a kid with a great imagination can be encouraged to write science fiction blogs.

To hone a child's passion effectively, parents and teachers should begin to pay attention to the creative side of the child. Mid-term breaks should not see the child attending to school curriculum again. Rather, such child should be allowed to spend such time honing their skills, interests and passion.

Concluding Thoughts

The passion economy is here to stay. No doubts about that. Before I alighted from my journey, I exchanged numbers with John, my driver. I shared my simple algebra with him. He read Peter Drucker's *Managing Oneself*. He is currently learning how to upskill his art passion from painting on canvas to digital painting. He hopes to transfer such skills to the NFT space where he will work on

⁸Peter Drucker and Carolyn Ellner, "A Conversation with Peter Drucker on Education" *Carlifonia Journal of Teacher Education* 3, no.1 (1976) 18-49

minting African Masquerade art works. Soon, his passion will begin to put food on his table.