



Business-Dō

The Way to Successful Leadership

Hiroshi Mikitani | Wiley © 2018

Hiroshi “Mickey” Mikitani, founder and CEO of Rakuten Inc., built a two-person firm into one with several thousand employees that earned its place on the *Forbes* 100 list of the world’s most highly regarded companies. Mikitani attributes his success to a set of guiding principles that he calls “Business-Dō.” The word *dō* means “the path” in Japanese. Mikitani’s precepts are especially applicable for new employees and start-up entrepreneurs. These axioms can enlighten anyone in business, although many are not for the faint-hearted. Hard-core success seekers – those who want to change the world and themselves – will appreciate Mikitani’s wisdom.

Take-Aways

- Pursue your dreams with every ounce of your energy and all your talents. Never give up.
- People will tell you not to pursue your dreams. If you believe in your dreams, pursue them anyway.
- Rally your teams around a shared purpose and a strong sense of ownership.
- Think things through, but when you make a decision, move fast to implement it.
- Improve constantly. Never rest on your laurels or grow overconfident. Stay humble, and keep learning and experimenting.
- Think of nothing but your work, all day, every day. Obsess over it, and never let anyone outwork you.
- Study widely, learn from others and teach others.
- Inspire people through celebration and achievement, particularly team achievement.
- Emphasize what you must do now to stay in business. Keep your eye on the horizon to see what’s coming.
- No business is special. Pay attention to the fundamentals. Sell more than you spend and deliver more value than you charge.

Summary

“The 10 Core Principles”

Hiroshi “Mickey” Mikitani and his corporation, Rakuten, Inc., live according to a set of 88 principles that are called “Business-Dō.” Ten of these principles represent the core of Business-Dō:

1. **Ignore conventional wisdom** – People will tell you not to pursue your dreams. If you believe in your dreams, pursue them anyway.
2. **Set big goals** – You have no idea what you can achieve. Set almost impossible goals. Use every ounce of your talent and effort every day to achieve them.
3. **Think “team”** – No business can grow and win with a collection of individuals. Everyone must be a part of the team and treat the company like an owner would.
4. **Use your skills. Don’t merely dream** – Work hard and commit to success. Never stop learning and stay on the lookout for new ideas and inspiration.
5. **Practice humility** – Avoid thinking you deserve success. Luck plays a role, and everything can change instantly.
6. **Nurture your reputation** – Build and protect a reputation that reflects your values and purpose. Your employees and customers put their trust in that reputation.
7. **Don’t look back. Look forward** – No one can predict the future. Only lazy people let that stop them from forming a vision for the future and their role in it.
8. **Emphasize the human touch** – People want human interaction. Providing it differentiates you from the competition.
9. **Develop a bias for action** – Plan and do. Action leads to better thinking. Do small things and see what happens, learn from that and then try something else.
10. **“Improve continuously”** – Step by step, try to make a little progress every day.

Growth, Relationships, Execution and Global Thinking

Rakuten’s principles include these ideas:

- **Know you can improve** – There is always room for growth.
- **Build win-win relationships** – Let everyone benefit.
- **Emphasize action** – Prioritize getting things done.
- **Develop a wide, objective “worldview”** – Stay curious.
- **Approach your work professionally** – Set goals and think about work constantly.
- **Balance creativity and logic** – Generate ideas using your creativity and intuition. Apply logic to analyze and describe your ideas. Repeat until you reach clarity.
- **“Write your obituary”** – Recognize you have only limited time to achieve your dreams.
- **See yourself through others’ eyes** – For perspective, see yourself and your situation as others might.

- **Learn continuously** – Take time every day to study and learn. Develop sound study skills in school, and apply them when you join the workforce.
- **Aim for many small successes** – Achieve your dreams step-by-step through small, incremental successes. Small wins give you inspiration and confidence.
- **Set new goals** – One goal leads to the next. Don't rest. Set your next goal right after achieving your current goal.
- **Bounce your ideas off others** – Test your thoughts, decisions and ideas. Get others' opinions to sharpen your thoughts.
- **For every goal, set clear metrics** – Describe how you will measure your success.
- **Stay curious** – Study widely, beyond your discipline. Look for ideas and inspiration everywhere. Ideas can come from anything and anyone.
- **Don't make excuses** – Own up to bad decisions. Examine what you did wrong so you can avoid repeating mistakes.
- **Know the "big picture"** – Understand the foundational knowledge in your field, and know how your work fits in with what others do.
- **Keep going** – When you solve a problem, a more complex one will appear. Persevere.
- **Overcome "your weaknesses"** – Work on improving your main vulnerabilities.
- **Maintain mental energy** – Exercise to stay sharp, or refresh yourself using other techniques that work for you. Stay positive and upbeat.
- **"Always add value"** – Know what differentiates your service and why customers buy it. Your clients must believe they receive value beyond what they pay.
- **Do unto others** – Embrace other perspectives. Empathize. Understanding builds relationships and helps you negotiate win-win agreements.
- **Seek root reasons** – Question yourself and others to discover the core reasons behind your thoughts, ideas and actions – and theirs.
- **Take calculated risks** – You can't move forward without risk. But don't gamble. Study the situation; take precautions; and then act.
- **Listen to opposing arguments** – Heed differing opinions with an open mind even when they make you angry. Encourage open debate to counter groupthink.
- **Embrace "co-opetition"** – Sometimes, you'll work with your competitors and sometimes you'll compete against them. Accept this new reality.
- **Teach** – All leaders should teach, coach and mentor.
- **Build trust** – Don't seek to win at the expense of your customers. Earn their trust by ensuring that you both profit from your relationship.
- **Act. Move fast** – Don't put things off. Think and plan. Decide and execute immediately. You can beat smarter, more talented people with speed.
- **"Report, contact, and consult"** – Know when to report your progress, keep people informed and ask for help.
- **Develop an entrepreneurial mind-set** – Don't do only your job. Consider your firm holistically so you can spot new areas of need and opportunity.

- **Remain hopeful** – Even when things look bad, find a spark of hope. Use it to rally the organization. Never give in to defeat.
- **“Be courageous”** – Embrace challenges and long odds. Don’t fear failure. You only succeed by aiming high.
- **Allocate resources carefully** – Pay attention to your use of people, time and money. Plan people’s time, and assign them to projects and teams wisely.
- **Share intrinsic knowledge** – Figure out how to teach what you instinctively know to others. It’s easy to teach hard skills and more difficult to share wisdom.
- **Remove 90% of meeting time** – Save time by reducing meetings. Share materials beforehand and expect everyone to come ready to make a decision.
- **Encourage healthy competition** – Encourage teamwork; reward only effort and success.
- **Celebrate** – People work for money, but they gain a feeling of achievement when they go above and beyond that level of effort, especially when they achieve in teams.
- **Remove “bottlenecks”** – Get your firm as close to full performance capacity as possible. Seek out barriers – things that slow people down – and remove them.
- **Reinvent** – Think ahead and start planning your pivot or transformation. Do this while you’re growing. Don’t wait for a crisis to manage change.
- **Meet daily to set goals and direction** – Your team should meet briefly first thing every morning to discuss how things stand now and to determine their next steps.
- **“Think like a manager”** – Encourage people to think beyond their own roles and needs.
- **Find what works and scale it** – Experiment to learn what succeeds for your firm and customers. Develop patterns and processes to replicate companywide.
- **Gain trust** – To get anything done, you must win the trust of your peers. Study the behaviors of people who have that trust. Deliver on your commitments.
- **“Establish symbolic rituals”** – Rituals, such as having everyone in the company clean their offices at the same time each week, bind people and the firm in a common bond.
- **Make it exciting** – Bring people together through “shared goals” and a “sense of urgency” in accomplishing those goals together.
- **Create speed and agility** – You need speed to succeed and agility to seize opportunity.
- **Field small teams** – Big groups obscure work and accountabilities. Create the smallest groups possible to get work done.
- **Plan for future scenarios** – Think about what might happen a few years in the future. Prepare for optimistic, average and pessimistic scenarios.
- **Theorize, test, learn, repeat** – Think about what will get you to your goal, and then perform an experiment to test it. Learn, adjust and repeat until you reach your goal.
- **Just do it** – Most people choose an easy existence and find reasons not to act. They waste their lives. Get out there and achieve your dreams. Make no excuses.
- **Seek different perspectives** – Look at things from various viewpoints. What does your service mean to you, and to your clients, employees and competitors?

- **Take care of business** – Get the everyday stuff right. Deliver now if you hope to stay in business. Focus on the short term while keeping an eye on the horizon.
- **Small steps**–Break big goals into the smallest steps possible. This makes them less intimidating and more achievable.
- **Cut waste** – If you are told that a project should take 90 days, slash it to 10 days. Or, if 10 people work on a project, remove nine. You'll be surprised; people do amazing things with deadlines looming.
- **Competition comes from everywhere** – Think broadly and creatively about who might enter your market to respond to threats from any corner.
- **Go the extra half percent** – Do your best. When you think you've given your all, put in another half percent of effort and value.
- **Cut your losses** – If a part of your business doesn't earn profits, cut it. Make exceptions only for "core and mission-critical businesses."
- **Determine what you won't do** – Don't only plan what you will do. Decide and document what you won't do. This saves time and money.
- **People matter** – Customers and shareholders matter, but your employees matter more.
- **Move fast, or wait?** – Sometimes, move first and fast. Other times, wait. Sometimes, profits matter most. Other times, growth does.
- **Pay attention to details** – Applying high standards and paying attention to each small detail will result in a quality outcome. Disaster comes from inattention to detail.
- **Learn from failure** – Succeed through failure by learning and improving. Move quickly to make improvements after each failure.
- **Examine the data** – Learn to read the metrics for your goals and relate them to the business. Use data to spot opportunities and threats.
- **Think through your business** – Know what drives interest and sales. Learn how to set sales in motion, and accelerate them.
- **Match your competitors, then add more** – Imitate your competitors and add something they lack.
- **"No business is special"** – Sales must exceed expenditures without exception. Customers must get value. This applies to all businesses, including yours.
- **Use all your assets** – If you have a breakfast café, open it at night as a bar. If you need a "super computer," link your PCs together at night instead. Exploit all your assets.
- **Strategize, but emphasize execution** – Focus on getting things done.
- **Set your own path in business** – Stay flexible and open to alternatives. Don't follow.
- **Cut costs, not ambitions** – Cutting costs doesn't mean scaling back your goals. The more you save, the more you can invest in achieving them.
- **Constantly improve** – To keep adding value, seek new ways to get better.
- **Communicate** – Automate, but emphasize connections among your employees, customers and partners.

- **Cross borders** – Don't rely only on local, city or national news sources. Seek diversity of thought and ideas by using foreign news and opinion sources.
- **Seek firsthand information** – Talk to people in and out of your industry and country.
- **You operate in an increasingly borderless world** – The Internet will continue to shrink the world. What happens abroad matters to you and your company.
- **Study global “best practices”** – Examine the best practices of organizations around the world. Learn from them and apply them.
- **Know what's happening globally to improve what you do locally** – Go abroad to see your country through the eyes of other people so you can improve locally.
- **Study history** – People do essentially what their ancestors did. Borrow lessons and ideas from people and firms of the past.
- **Even if you don't get there first, you can still do it best** – To follow others into a competitive field and win, you must do it better and try harder.

“Dreams are for the young. This is a beautiful saying. But it's wrong. Dreams are the very fuel that moves our society forward.”

About the Author

Founder and CEO of Rakuten Inc., **Hiroshi “Mickey” Mikitani** built a two-person start-up into one of the world's largest Internet companies. (Rakuten is a minority stockholder in *getAbstract*.)



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