

55

# QUESTIONS TO ASK YOURSELF

(Across 8 dimensions  
for a new you!)



MANOJ  
CHENTHAMARAKSHAN

# **55 Questions, Across 8 Dimensions For A New You!**

# **Introduction**

I want to thank you and congratulate you for downloading the book, “ 55 Questions, Across 8 Dimensions For A New You!”

Do you know that questioning yourself is one of the powerful ways to unlock some hidden things about yourself that you never knew? By asking the right questions, you will unravel interesting versions of yourself. In this book, I have specially crafted coaching questions used by life coaches to unveil the answers from you.

I would recommend you to use a partner to question each other to get better results. It is all fine to go it alone, but you will make far more progress if you involve another person in the process. This is because we tend to answer in depth when someone else asks the question. We tend to think deeply so that the answers we provide are concise and complete. You may think that you are bringing clarity to the other person but the truth is you are bringing clarity to yourself.

Before we can dive into the meat of this book, here are a few coaching tips:

Make sure the other person is in a comfortable place and is ready to be completely involved in the conversation; make sure to put the phones in silent mode and to achieve the best results, make sure you write the answers in a piece of paper. Not only will the latter ensure your answers are written down in an organized, well-structured manner, but you will be able to keep the piece of paper around for future reference.

Thanks again for downloading this book. I hope you enjoy it!

## **© Copyright 2018 - All rights reserved.**

This document is geared towards providing exact and reliable information in regards to the topic and issue covered. The publication is sold with the idea that the publisher is not required to render accounting, officially permitted, or otherwise, qualified services. If advice is necessary, legal or professional, a practiced individual in the profession should be ordered.

- From a Declaration of Principles which was accepted and approved equally by a Committee of the American Bar Association and a Committee of Publishers and Associations.

In no way is it legal to reproduce, duplicate, or transmit any part of this document in either electronic means or in printed format. Recording of this publication is strictly prohibited and any storage of this document is not allowed unless with written permission from the publisher. All rights reserved.

The information provided herein is stated to be truthful and consistent, in that any liability, in terms of inattention or otherwise, by any usage or abuse of any policies, processes, or directions contained within is the solitary and utter responsibility of the recipient reader. Under no circumstances will any legal responsibility or blame be held against the publisher for any reparation, damages, or monetary loss due to the information herein, either directly or indirectly.

Respective authors own all copyrights not held by the publisher.

The information herein is offered for informational purposes solely, and is universal as so. The presentation of the information is without contract or any type of guarantee assurance.

The trademarks that are used are without any consent, and the publication of the trademark is without permission or backing by the trademark owner. All trademarks and brands within this book are for clarifying purposes only and are the owned by the owners themselves, not affiliated with this document.

# **Table of Contents**

Introduction

Self-Discovery / Self-Image

Goal Questions

Belief and Value Questions

Opportunities Questions

Action Questions

Habit Questions

Accountability Questions

Celebration Questions

Conclusion

## **S elf-Discovery / Self-Image**

It is only fitting that we start by covering, and exhausting, self-image. After all, you could have perfect expression in every other area of your life but if your self-image is unsatisfactory to you, you will never be completely at peace with yourself and to properly reconcile with your abilities and uniqueness. Therefore, you need to first fix any self-image issues you may have and everything else becomes remarkably simple to tackle.

### **So how do you view yourself?**

It is important to mention that how you view yourself matters more than how others view you. You need to be completely in touch with yourself to achieve anything great. Some people might attend seminars or workshops, read numerous books, have enough knowledge but still lack wisdom! The reason is that they didn't change the existing self-image which is not supporting them to achieve their goals. These people spend years and years running around, trying to gather knowledge from every source they can access, but they never succeed in plugging the hole in their soul.

What these people do not understand is that trying to change the outside world rather than focusing on themselves, is like trying to change the image in the mirror rather than themselves. It is an exercise in folly, and really the only way to get results from this kind of thing is to blatantly lie to yourself... which we all know is not possible. Eventually, you will walk back to the mirror and see the same image you convinced yourself to have changed staring back at you. If you want a solution, you have to follow a more permanent route.

Do you want to know how you view yourself? Do you want to know who you are, at least as for now? Look at the areas of your life, such as your relationships, your career Etc. Get a proper feel of who you are by asking questions and answering them honestly in these areas of your life. Afterward, you will have the arsenal you need to make the requisite changes, and become a better you.

**Here are questions you need to ask yourself, in your examination of your self-image-**

#### **1. Who am I?**

This one, really, is the mother of all self-image questions. Who are you? What is it that defines you? If you were to die today, and the gravestone engraver was given all the material he needed to describe you on your gravestone, what would he write? What would you write about yourself if you were the engraver of your own gravestone?

There are no hard and fast rules when it comes to answering this one. You can choose to dig up your history back to 7 generations of your family and begin constructing an answer from that point if you want. Alex Haley had to dig deep into his history to truly define himself. While it was quite difficult at some point, the answers he was able to derive were so rich in substance that they enriched him and then spilled over to enrich the rest of the world.

Define who you are in your own way. Seek to describe yourself as clearly as you can. Feel free to use your environment in your bid to define who you are. Once you are able to answer this question, answering every other question about you becomes significantly easier, and you are able to carry yourself with full confidence when doing so.

## **2. How do I view myself? Positive or negative?**

This is yet another question that requires you to have a hard look into your life. You probably already have a general view of whether your life is positive or negative, but look deeply into your life nonetheless, and see if you can revise your opinion.

Is your life unrolling negatively or positively? Have you made sufficient progress to call yourself a success, or at least a relative success, in your own terms? A great point to start at is to ask yourself if you have met the goals you had in mind 5 years, 3 years ago, 2 years ago and finally a year ago, for your present life stage. Are you satisfied with your current station in life, going by those goals?

Please remember that your goals do not have to be only career-oriented- you could have had weight loss goals, sports-related goals, family/relationship related goals, travel-related goals, Etc. Also ask yourself if you are pleased with how you relate with other people around you, and most importantly if you express yourself to them in a way that leaves you feeling satisfied.

Sometimes, in order to answer this question satisfactorily, you have to examine things/points/factors/people in your life that you are happy or

unhappy and resentful about. Many times, you will discover that the happiness or unhappiness is really directed at yourself, and the external elements are just that, external elements. Depending on the scale of your emotions you will be able to answer this question with more conviction.

### **3. Who are your top 3 role models?**

This one is usually quite fun, especially if you have a knack for examining others' lives and drawing inspiration from them.

Who are your top 3 role models? Who are those people who have conducted their lives in a way that you believe would be ideal for you? These people could be successful career people. They could also be people who stay fit 360 days a year or people who have managed to carve out a lifestyle that you desire, however simple and un-fancy it may be.

Start by drawing up a list of 10, if you have a lot to choose from, and gradually cut down this number to three.

### **4. What are those qualities that you admire in them?**

Examine the qualities of your role models and determine what qualities draw you so powerfully to them. They could be people who project great warmth and calm even in the face of hostility, like Gandhi. They could have shown great patience and resistance to pain and suffering, like Mandela. They could display great work ethic and stamina that you have come to appreciate. Focus on the qualities that intrigue you about them the most and then list them down.

Remember that your greatest role models could be members of your family who provide a close example of what you desire to accomplish. Therefore, even as you look far and wide for solid role models, look close too, for the greatest answers sometimes lie close to home.

### **5. What are your top 3 strengths?**

Focus on your life, and determine what you are best at. You may need to take some time to answer this one, especially if you are a multi-talented individual, but this one should be relatively easy to answer.

You could be a really social person who is very good at striking up a conversation and lighting up a room. You could be very adept at speaking or

you could be great at analysis and research, Etc. These qualities do not have to be qualities that everybody recognizes in you. Sometimes; your best-kept secret could be your greatest asset. At the end of the day, there is no one person who knows you quite as well as yourself.

## **6. What are the top obstacles that you have overcome? How did you do so?**

You surely have obstacles that you have had to overcome, at some time or other. What are they and just how did you manage to overcome them? Feel free to reflect as far back in your life as you want. It could be that you had some really hard conundrums to circumvent when you were a child, at least on a childhood scale, and acknowledge that you held up nicely.

Walt Disney, of Disney fame, loved to say that he wrestled so much with challenges as a child that his adult life was relatively easy in comparison. He said that his days as a kid, doing the newspaper route with extra newspaper wrapped beneath his jacket to keep out the fierce winter cold, far outmatched his adult years in terms of hardship.

Perhaps, you have such a backstory. List down your biggest obstacles faced, and how you overcame them. Take as much time as you need to reflect.

## **7. What do you love doing? (In terms of career and passion)**

Your career, as you may already know by now, does not define you. You are so much more than your present career, even though you may be active in a field that you really like. But it helps to define what line you really want to operate in, as far as your career and passion go.

What is it that you love doing? It does not have to be an occupation that the whole of society lauds. You do not have to make such choices as ‘lawyer’, ‘doctor’, Etc. If you like to draw/paint, then be proud to mention this. If you love sports and intend to carve a career out of a sport, be confident and apply yourself similarly.

If you love working with cars, then this is what you should list. Remember that you cannot really lie to yourself; so list down what you really love doing, and not what your family and peers would love you to do.

## **8. What do you like about yourself?**

There may be a lot of things that you like about yourself... list all of them down. Do you like how you look? Are you impressed with your height? Does your style of dress fill you with confidence? Do you like that you think fast on your feet? Do you like your abstract, creative nature? Perhaps, you like how you relate with your entire family and the way you have built and nurtured relationships with them over the years.

List down every quality you love about yourself, and do not feel vain while at it; there is no vanity in recognizing things that you love about yourself. After all, it is most likely the case that you have had to work hard to develop these things.

### **9. What makes you lose track of time?**

No, we are not talking about what distracts you and takes your mind off of meaningful work. I am talking about a fierce hobby/passion/recreational activity that fulfills you to such a degree that whenever you indulge in it, you are in your own little world for a while. For some people, it is video games, while others derive that sort of intense preoccupation with more technical activities like coding, painting and golfing.

### **10. If money was abundant in your life what would you do?**

This question will help you discover who you are far better than most others will. Because by answering this question, you unearth your greatest desires. At the same time, you are able to see what your personality traits would be if allowed to manifest without being impeded. Would you splash the money on vehicles and homes? Would you save up most of it and guarantee security into old age? Would you channel a good amount of it toward charity? Would you seek to get back at those who have hurt you in the past? Seek to answer this question as concisely as possible.

### **11. What is that one thing that you continue doing even if you have all the riches in the world?**

There has to be something that you are doing today that you would continue doing if you managed to amass all the wealth in the world. What is this thing? Does it involve your career? Is it family oriented? Is it a hobby? A good

point to start at is to ask yourself what things fulfill you the most. You can then refine your way to one definitive answer.

## **12. What completes you as a person?**

For some people, family is what completes them. Some people are incomplete without their jobs and the exhilarating challenges that come with them. There are some people who do not feel complete without their wardrobes. There is no shameful answer. Ask yourself what completes you, and allows you to be at your best behavior at all times. Ask yourself what element in your life leaves the biggest void when it isn't there.

## **13. What are you complimented for usually?**

There will be that one thing that people compliment you for. You could be really good at speaking, art, making and reciting poetry, relating to people, sports Etc. Your answer should be unique to you. Think of that one thing that you get numerous compliments for- that one thing that draws attention to you, and then list it down.

Let us now move on to goals and what questions you need to ask yourself about your goals:

# **Goal Questions**

‘Clarity is power’ - Tony Robbins

It is important to have clear goals and objectives. You need to be clear about your goals, to truly arrive at your destination. You cannot afford to have unclear goals. Not only will you not be able to properly focus and put in the requisite work, but people who are not clear on what they want rarely achieve what they desire because they do not know even what that is.

It is really important to know where you are heading towards. It’s like you have an amazing private jet fitted with all those little tweaks that make it exceptional but ultimately have no clear plan for its use. You are never sure where to go with it. Ultimately, as enviable and phenomenal this jet may be, it will only end up being a money drain. Have in mind that this very machine would be wondrous and extremely fast and efficient if you had clear destinations for it. Think of your body and brain as the private jet, and your life goals as the destinations.

**Here are questions that will help bring about clarity to your goals and objectives:**

## **14. What fulfills me as an individual?**

What career fulfills you as a person? What is your passion? There is that special choice of career that you have been passionate about for as long as you can remember. When you are working at it, it is as if you are not working but rather having intense, goal-oriented fun. This one should be clear and easy to mark out unless you are a typical multi-talented individual. If this describes you, you may need to sit for a while and strain out your options through a mental sieve so that you have one clear, outstanding one, or make room for two or more choices.

Of course, it helps to have the main choice, and maybe have a 2<sup>nd</sup> or 3<sup>rd</sup> choice, but with the bulk of your attention going to your main choice.

## **15. What skills do I have to achieve this goal?**

If you are passionate about something, then you may have worked on a few of its facets already, seeing as you have a genuine passion for it. In addition, you may already naturally possess qualities that equip you wonderfully for your career choice/goal. For example, you may be good at business

transactions and salesmanship; traits which will undoubtedly help you if your goal is to be a super successful businessperson.

You may possess very well-coordinated hands that will serve you well if your goal is to be an artist. It could be that you have great stamina, which will aid you in truly making your mark as an athlete. Examine the qualities and skills you bring to the table and see which ones support your goal.

### **16. Why else would I need to achieve this goal?**

This is also known as seeking a 2<sup>nd</sup> supporting reason for accomplishing a goal, which will back up and boost your original reason/set of reasons. For example, it could be that you want to achieve your goal so that you can afford a mortgage, pay off school debts, etc. However, it could be that your parents or siblings are ailing, or could use your help. Seek out a 2<sup>nd</sup> supportive reason- even a 3<sup>rd</sup> - and list it down. It could provide an extra dimension to your goals, as well as extra motivation to achieve them.

### **17. When do I want to achieve this?**

They say that a goal cannot really qualify as one if it is not defined by a timeframe. It is vital that you know exactly when you want to accomplish your goal. When do you want to hit your goals? How many weeks/months/years should it take? Make sure that you define your goal with a proper timeframe. The specificity will add even more fuel to your fire, and fill you with the conviction that indeed, you can truly live your dreams.

### **18. What would happen if I achieve this goal?**

There are multiple scenarios that could unravel once you do achieve your goal. Of course, the most obvious one is a sense of fulfillment and accomplishment. Accomplishing your goal could mean that you never had to work a regular day job again, or that you were finally able to clear off debt that you had for years.

Accomplishing your goal could make the difference in how you view yourself; it could transform you from a loser to a winner in your eyes. List every possible thing that is likely to happen once you achieve your goal; list as many as you can. This will help you construct a clear, concise picture of the future, and what it could hold in store for you.

### **19. How would your surroundings change when you achieve this goal?**

By surroundings, I mean environment, and by environment, I do not just mean the physical features that surround you, I also mean the people around you, the circumstances that have governed you all this time, family, workmates Etc.

What happens when you achieve your goals? What changes? How does your success influence your environment? It could be that achieving your goal compels you to change location, or jobs, to accommodate the developments in your life.

While the external elements really do not mean as much as the internal ones, it helps to consider them so that you can be better prepared for the future.

## **20. What would you see, hear and feel once you achieve this goal?**

This is related to the previous question- what feedbacks will your surroundings give to you and your senses? You may also consider what you will personally feel, hear and see and base all of it exclusively on your perspective. Evaluate these things- when the time comes and you meet your goal, you will be pleasantly surprised when you feel the exact same experiences you listed down.

## **21. How would you remind yourself to stay on track during the journey?**

Here is something you should know; you will come across multiple distractions on your path to your goal. You will require reminding yourself constantly to buckle down and get back to work. You will need to be vigilant at this, especially since the human brain is wired to seek short-term rewards first and long-term goals secondarily. Figure out a reminder plan; formulate a set of reminders that will keep you plugged in so that you do not get derailed.

With that out of the way, the next thing you need to determine is your beliefs and values.

# **Belief and Value Questions**

“The only limits you have are the limits you believe” - Wayne Dyer

Each one of us is different; each one of us is unique. We all have traits that define us and separate us from everybody else. We have our own good and bad traits. We also possess certain beliefs and values which we are not aware of. Some beliefs might be helpful while some might be destructive. Still, these beliefs define you- they make up your core and determine what your psyche is like. This is why it is important to go about life without tripping over yourself apologizing at every turn.

This book is not trying to convince you to be a jerk; rather, you need to look at yourself as a unique being with a unique set of beliefs, traits, and desires. They do not make you a good or bad person- they only make you a person.

Anybody who tries to place hard and fast rules about how you should be and live your life is really just being quite frankly, ridiculous. You should aim to live life on your terms; aim to live life without any limits.

If people want to limit their lives by clinging onto beliefs that are self-defeating, they should do so by all means but they shouldn't try to impose their limits onto you, and you shouldn't let them anyway. After all, not only is life short, you only have one life to live. Reconcile yourself to the fact that you will indeed die one day; therefore, why not live as full a life as possible?

Let us look at some questions, which if you answer truthfully, you will understand your beliefs and values.

## **Questions you need to ask yourself**

### **22. What do you stand for?**

What is it that you stand for? Basically, what do you believe in? There are so many potential answers to this question. You can examine your religious beliefs and give an answer based on it. You can look to such societal and economical constructs as socialism and capitalism and determine where your allegiances lie. You can look to such ideals as privacy, or a lack of it and see where you fit, etc.

Basically, you have a code that you live by, made up of beliefs that you abide by. You are unique in that while you may possess similarities with other people, it is almost impossible to come across somebody who possesses a completely similar set of beliefs to yours.

Determine what you believe in and write it down. Ensure that you explore as many categories as you want to so that you can have a picture that is as clear and defined as possible.

### **23. What irritates you the most?**

There are things that definitely rub you the wrong way, and surely there are a few that you can list out loud without having to do too much thinking. Do you abhor your private business being made public for all and sundry to bear witness? Do you hate noisy people? Perhaps, the unlikely things are the ones that irritate you the most, such as extreme concern from well-meaning people. It could be that you absolutely hate the sound of slamming doors, and you have known times when you were unable to focus for hours because somebody slammed one too hard.

Draw up a list of the things that irritate you the most, and then whittle down everything until you have a list of the top 5 most irritating things/elements/behaviors.

### **24. What are you ready to fight for?**

They say that a person who is ready to fight for a few things that he/she finds ideal is a person who has found a set of things that will fulfill their soul. Surely, you have something/some things that you are willing to fight for. You have some beliefs that you are willing to stand up for in case you feel they are being belittled or unfairly criticized. Make up a small, yet concise list of these beliefs or ideals.

### **25. What does a successful person mean to you?**

It will help you to answer this question from multiple angles. What does a successful person look like to you, physically? How does he or she carry him/herself? How do they dress? Move on to the character traits; how do they generally respond to their environment? How do they respond to people, situations and their immediate environment? When faced with problems,

what is their standard reaction? How much net worth does a successful person have, by your metric? What is the successful person's influence over his/her family, and how does he/she manage their familial affairs?

Seek to answer this question by looking at every facet you can come up with so that the mental image you conjure is as clear and powerful as possible.

## **26. What is the difference between the present you and the successful you?**

Answering the previous question should help you tremendously here. You already have a clear image of what a successful person looks like. It is now time to see how you compare to that image. If the successful person has a trim physique, how does your own body compare? How does your wardrobe compare? How does your relationship with your family members compare? How does your bank account compare?

Examine every facet that you explored in your quest to determine what a successful person is to you, and compare your equivalent honestly. This way, you will know where you truly stand, and what you need to do to improve.

## **27. What is holding me back to take actions?**

What factors are holding you back? Is your physical environment holding you back? Is your partner partly responsible for your stagnation? Perhaps members of your family are blocking your progress?

Seek to have definitive answers to this one. For most of us, it is the fear of the unknown that blocks us; fear of embarrassment, ridicule, and failure as well. As somebody once said, once you know; then you know, and nobody can take that away from you.

## **28. What do you need to change mentally?**

This question is linked to the previous one. Once you determine the mental aspects that are blocking you from succeeding, then it becomes easy to mark out the mental elements that you need to work on.

Ultimately, you know yourself best; therefore, determine what needs to be changed mentally so that you can actually target it and make the necessary changes.

## **29. How would you do them?**

The next step is to determine how you would go about making these mental changes. Let us go back to our anxiety example; you could opt for a mix of meditation, and exercise. You could even opt to binge on motivational speeches and videos. If you have deep-seated anger issues that have gotten in the way of progress, you could opt for therapy sessions with a psychologist, or even just discuss the underlying experiences that brought your anger about with a close, trusted friend.

This is a very important step; you could know exactly what the problem is, but you are only halfway home if you cannot figure out how to confront and destroy the problem.

## **30. What habits do you need to change?**

The best definition of what a habit is that- *a habit is a set of behaviors that are directly inspired by your beliefs. These beliefs ultimately translate to actions which are governed by the behaviors that these underlying beliefs compel*.

Basically, your habits, rather than have their core exist externally, on such elements as monetary or relationship success, they have an internal core and are constructed around your beliefs.

You are already familiar with your good and bad habits but if you are unsure about any one of them, look at your set of beliefs and look to see what habits they might inspire. Nevertheless, pinpoint the negative habits, such as procrastination, and look to eliminate them from your day to day life.

## **31. How would you change the habits you need to change?**

Breaking a bad habit can be extraordinarily tough. But in truth, habit-breaking is often problematic because so many people go about it the wrong way. Rather than merely focus on what habits and routines to stop following, have a ready substitute for each habit you are looking to eliminate.

For example, if you want to break your habit of sleeping late, rather than simply say you want to sleep early, why not have a habit such as ‘I will be in bed by 9.30 pm, and I will leave the laptop and Smartphone on my desk?’

Also, it is vital that you understand what the habit you are looking to break ‘means’. For instance, what does laziness mean to you? Your definition of being lazy could be working 8 hour days, instead of your preferred 14 hours. Be specific.

### **32. What is your favorite animal? And why?**

This looks like an out of place question but it has its uses. If your favorite animal is the lynx, then thinking of it will help you envision its sleek, assertive nature, and then superimpose the image in your head onto your own life.

Some successful people have admitted to drawing up vivid imagery of their favorite animal, or spirit animal, before tackling challenging jobs or addressing huge crowds. This could work for you as well.

### **33. If you should describe yourself in a single word, what would that be?**

The idea is to confine the description to one word. You could be assertive, calm, quiet, brooding, aggressive, tough, introverted... the list is endless. Examine your life thoroughly and determine what word describes you best. It may also help to determine the word you would like to describe yourself in the future so that you know what to work toward.

## **Unstuck Questions**

There may be some past memories which hold you back from achieving your goal. Due to society, we tend to take information which is blocking us from achieving our goals too seriously, and too much to heart. This ends up hurting us and our progress. These questions will help you unplug from this hamster wheel. Answer them as simply as you can, and feel free to derive answers from the previous questions in this chapter

What is stopping me?

Where do my thoughts ponder most of the time?

"I should always \_\_\_\_\_"

"I should never \_\_\_\_\_"

It is best that you come up with terse, pithy one-line answers for these unstuck. This will greatly simplify your vision, and you will have a clearly defined target to aim for.

The next section will focus on opportunities questions that you need to answer so that you can take advantage of opportunities around.

Hey, If you are enjoying this book, don't forget to leave a review on amazon by [clicking here](#).

# **Opportunities Questions**

No matter your current stage in life, you have opportunities. What most of us fail to understand, is that we are flooded with opportunities. No matter where you are in life; no matter how bleak everything seems, if you have the means to access this book, no matter how undemanding they are, then you have more than enough opportunities around you to capitalize on and make a difference.

It helps to perform a thorough internal investigation, so that you can fully understand yourself, and where you are. When you are familiar with this, then you will most certainly know where you are coming from. When you know where you are coming from, it is a lot easier to determine exactly where you are going, and how you can capitalize on any opportunities in your way. This is why it is so important to ask yourself the questions in this book- they help you understand yourself better, which allows you to understand the environment, and the opportunities within it, better.

## **Eliminating excuses to be able to seize opportunities**

Excuses are your enemy, no matter how much better they make your temporary situation. Especially if you live in a 1<sup>st</sup> world country like the US, it boggles the mind as to how you can excuse yourself for not meeting your goals and dreams.

You may not have much money, but it is generally easy to take care of your basic needs. In fact, the biggest challenge most people face is being able to properly manage their time.

If you look deep into any excuses you insist on clinging onto, you will quickly find that most of them are flimsy. The first step is admitting that you have perhaps not been good enough; that you have perhaps been wasteful and a bit of a slacker. Once this is out of the way, you will have a clean canvas on which to paint a new life picture.

**Let's answer these questions to get insights into the opportunities that we have currently-**

### **34. What could you do to change this situation?**

Take a look at your current situation in life. What is it that you could do to change it? If you are broke, what are some of the short term and long-term

fixes that you could implement to make your financials look up? Perhaps you can pick up a 2<sup>nd</sup> job? Maybe you should commit to logging in extra hours at work, and taking advantage of the extra time? Could you perhaps get an extra degree to help you climb up the ladder faster in the future?

Really, you can come up with as many potential solutions to your current situation. All you need to do is ponder broadly and exercise patience when writing down your solutions. Eventually, the ideas will come. List down as many of them as possible, and then pare them down so that you are only left with the most applicable solutions to work with.

### **35. What resources do you have currently to achieve your goals?**

What elements do you have in your life that will help you get to your goals? You may need to think outside the box to mark them out. Your environment could be your biggest resource- it could be quiet, serene and full of like-minded people with similar goals to yours. It could be that your family is a great resource, pitching in when necessary to help you achieve your goals. Perhaps, you have connections with people in your line of work that will help you get to your destination. Your local library could be a phenomenal resource, with its stacks of books and research papers. Everything can be a resource; it just has to be effective enough in helping you move forward.

### **36. What else could you do to reach this goal?**

There are a couple of ways to go about answering this question. First, you could ask yourself how you could stack up available resources to help you get to your goal. For instance, if your environment is not something you can call a resource with any conviction, you can move to a new neighborhood or town that offers more opportunities. If your friends are the opposite of resourceful, you could consider your relationships and make more useful friends. You could work an extra job to get more money, so you can take the necessary risks to achieve your goals. The other way you can answer this question is by looking inward and asking yourself what needs to change. If you are only working 6 hours a day, perhaps bumping this up to 10 hours will help you do more. If you go to bed with your tablet and computer, so that you almost always end up sleeping late and waking up late, you could consider leaving them in your desk and being in bed by 9.00 pm.

### **37. Whom can you get help from?**

They say that no man is an island. Think of people who can help you get forward. Your family members could be excellent for this. Perhaps, you have friends who could be useful. Maybe you know someone with experience in your field that you could be a protégé to. Think hard, and then approach the names you come up with, with assertiveness and confidence. You will quickly realize that most people are eager to help and impart advice since they benefit from it as well.

### **38. Which options do you think would be the effective one?**

As I said, you ought to draw up as many options for each question posed as possible. But it is hard to apply all of them, and at some point, redundancy begins to set in any way. Go through all the questions posed in this chapter with a fine toothcomb and begin by trimming down everything to a list of 5 top/most effective ones.

### **39. What do you think is required to speed up this process?**

Often times, this primarily points to the sacrifices that you have to make. Really, making sacrifices is the greatest way to move forward. Nikola Tesla, perhaps the most intelligent man to live and Earth's greatest innovator, made a huge sacrifice in giving up his patent rights so that his AC concept of electricity could go through faster, and a power plant could be set up. Look at the areas you can make sacrifices in; sometimes it is as easy as sleeping fewer hours, and list them down.

If you don't take action, you will not change and your life will remain the same. The following chapter will focus on asking questions with regard to taking action and answering these questions will enable you to take the requisite action to achieve your goals .

## **Action Questions**

**Ideas are shit, Execution matters - Gary Vee**

Of course, ideas aren't really 'shit'. What Gary Vee means is that you could come up with all the ideas in the world, and they could be some of the

greatest ideas that were ever drawn up, but without executing them, they are mostly useless. Ideas only get you through halfway; you need to execute them to really succeed.

Have you witnessed a person who appears to be perfectly set up for life, even with a lack of money; they are brilliant thinkers, eloquent in nature, well put together and capable of coming up with great ideas and analysis, but they can never seem to rise above their stage in life and exploit their advantages?

If you look deeply, you might discover that their greatest problem is that they can never seem to execute their brilliant ideas. Perhaps, they lack the requisite confidence and aggression to actually apply their ideas and see some fruits. Perhaps, their fear of failure is so crippling that they would rather eliminate all risk of failure by doing nothing than take a chance at success by executing their ideas.

It is not the one who holds new ideas that wins, but the one who executes them. Many people fall into the pit of over-thinking and analyzing but never take the most important step that is action. It is necessary to have clarity for sure, but knowledge would pay its price once you begin to take actions.

**Here are some questions that you need to ask yourself, that will help you make the necessary steps to transition to action:**

#### **40. What do I want to achieve in 6 months?**

Some people will tell you to start with a 10-year plan and then work your way down. But so many things could change within 10 years. You will grow older, and your view on life could change drastically somewhere in the middle. The best point to start at is the 6-month point. Look at it this way; 6 months is actually quite a long time. 6 months is around 24 weeks; 24 weeks is 180 days. If you focus properly for 180 days, then you could get a lot done in 180 days. Ask yourself what you want to have achieved in that span of time and write it down in bold.

#### **41. What do I want to achieve in 3 months?**

The next step to take is to split the 6-month block in half. What is it that you want to achieve in 3 months? 3 months will mean 90 days- what would you like to have achieved in 90 days? Of course, your 3- month goal should be relative to your 6-month goal.

However, as you may already know by now, drawing up your 3-month goal will not necessarily mean halving your 6-month goal. It is not always quite as simple as that, as some goals tend to progress in compound form.

Examine your 6-month goal thoroughly and then figure out how much work needs to be done within the 3-month period. It could even be that you ought to have completed all the work in 3 months, and focus on refining, editing, and marketing in the 3 months that follow. You know the nature of your goal best; break it down and come up with a viable 3-month goal.

#### **42. What do I want to achieve in 1 month?**

The next step is to decide where you want to be in 1 month. How much of your 6-month goal should you have down in 1 month? Again, like we said, it really isn't as simple as performing simple multiplication and division to come up with your mini goal. Examine your 3-month goal and then figure out how much each month ought to contribute to it. Focus on this month; focus on the resources at your disposal, time available, helpful models in place, etc. Take every element you can draw up into consideration, and then look to see if you can come up with a viable 1-month plan.

#### **43. What do I want to achieve this week?**

Next up, you need to figure out what you need to accomplish this week. And by the way, please be realistic. Given that you are just starting out, you may need to focus more on shaking off the cobwebs and getting up to speed with your scheduling.

If you are used to working for 6 hours, and you have decided to bump this up to 10 hours, best believe that you will not adapt seamlessly. You will struggle in the first couple of weeks, but everything will become easier.

It is advisable that you begin by setting a low target for your first week and keep scaling up over time. Use your first week to ‘feel out’ your new schedule, mindset, etc. Use it as training week. In fact, you can use the 1<sup>st</sup> month as training time. This way, you will avoid having to make abrupt stops every few weeks as you struggle to figure something new out and adjust to it.

#### **44. What are the resources that I need to stay on track?**

We covered the resources at your disposal in the previous chapter. You now have to figure out the resources that you NEED in order to stay as distraction-free as possible. Perhaps, you absolutely need to change your location. Perhaps, you need to set up an exclusive working space at home and install soundproofing. Maybe you require a small loan to help you make the next step. Examine your goal and then figure out the resources that you need. Write them down and then figure out how to access them

#### **45. What would keep me from taking actions? And how do I deal with it?**

Distractions will always come up. By the way, this will happen as sure as the sun rises and sets; you will get distracted multiple times, and each distraction will potentially deliver a hit to the prospect of accomplishing your goal. It will help to prepare beforehand for these distractions. List every potential distraction you can think of, and then formulate plans on how to curb each one of them. This way, when these distractions roll around, you will be prepared to handle them quickly and efficiently.

# Habit Questions

*Success is really nothing more than the **progressive realization** of a worthy ideal. This means that any person who knows what they are doing and where they are going is a **success** . - Earl Nightingale*

Look at Earl Nightingale's quote above- he does not say that success is **the utter realization** of a worthy ideal, but he says it is the **progressive realization** of a worthy ideal.

Basically, unlike what most people believe, being successful does not necessarily mean coming out of the other side having accomplished every goal, though this is important as well. If you are constantly hitting milestones, no matter how small they are, it is alright to consider yourself a success. This is because, rather than success being confined to an outcome...

## **Success is actually a habit, more than anything else**

Success is the progressive realization of a worthy ideal. It is impossible to make progressive steps without having a set of habits in place to prop it up. It is habits which decide the quality of the person and by extension, the quality of the person's life. It could be any part of life; if you are consistent in reading books daily it is obvious that you would be more knowledgeable than most of the people in your group. If you make it a habit to exercise and maintain a healthy diet, your body generally would tone up and show the relevant results. So a man, or woman, is nothing but his or her habits.

Forming new habits will require you to exercise self-discipline

Funnily enough... self-discipline is all about habits, and habit-forming. Self-discipline is that process of building specific habits over a period of time, which will assist you in obtaining a desirable outcome, a goal or an objective. In other words, we could say that self-discipline is all about taking small-sized, steady actions which will help to form habits, which subsequently help you reach your objectives and goals.

Self-discipline really is a process of steady, repetitive revision, regulation, correction and elimination of behavior, as opposed to simply hammering away at routines and actions, without having your mindset as your focal point of action:

When we talk about steady, repetitive revision, regulation, correction, and elimination of behavior, this is necessary to adapt to the changing conditions and circumstances in your environment. And you better believe it; your conditions will shift and change constantly, thereby requiring you to adapt to them and change your routines and patterns as well.

**Habit-related questions that you should ask yourself so as to make your ‘progressive realization of an ideal’ possible:**

#### **46. What new habits should I follow to achieve this goal? List them**

This is the first step, as far as habit-forming goes. What new habits do you need to take up? The ‘what’ is almost always linked to the ‘why’, especially where habit-forming is concerned. Once you identify the habit that you would like to take up, ask yourself why it is necessary for you to take it up. If you can answer this comprehensively, then the habit is indeed necessary to build. However, there is another dimension to habit-forming.

To effectively build new habits, it is necessary to destroy some old ones. If you want to develop the habit of promptness and respect for time, then you need to break the habits of procrastination and slothfulness.

You have to break these negative habits so that you stand a better chance of building new positive habits. If you want to build a habit of waking up at the crack of dawn and working through the morning, then you need to break the habit of sleeping late. If you want to build a habit of working in 25-minute periods without any distraction, you have to work on breaking your habit of checking your phone for social media updates every few minutes.

#### **47. What would remind you to stick with the plan?**

There are so many options here, that you are spoilt for choice. A reminder can be as simple as a timetable tacked at the corner of your desk; it could be as simple as your list of goals displayed somewhere that is easily viewable from your workstation.

Basically, it is necessary to have something motivational in place to remind you to stick to your plan and keep working even when you don’t want to. Have you seen boxers and martial arts fighters carrying photographs of family members who mean the world to them, and add to their motivation, to the ring? This allows them to add to their psychological edge- even when

they are in trouble; battered, hurt and exhausted, these ‘photographs’ help prop them up and keep them going even when they want to quit.

You have also seen CEOs and other leaders display photos of their family on their desk. Perhaps, you need a photo or two to keep you going. Really, a reminder could be anything. Figure out what works for you and then use it.

# **Accountability Questions**

The most effective people often have accountability partners to keep them on the ‘straight and narrow.’ An accountability partner does just what the name suggests; he/she helps in keeping you accountable.

Having an accountability partner will motivate you to move forward. He or she is basically a person who will push you when we feel down or low. This is the reason people have coaches who question them every week. Even the best coaches have their own personal coaches to progress.

Speaking of coaches, an accountability partner will be something of a coach to you. He/she will give you some encouragement when you need it. An accountability partner also reinforces the importance of every structure you have put in place to help you achieve your goal; he/she will make sure the timetable you draw up is followed to the letter; he/she will ensure that the workload that you have set apart for each day is met, Etc.

It is advisable to have an accountability buddy during the journey. There are some who succeed without one anyway, but an accountability partner makes it so much easier to be responsible and driven, and the added bonus of knowing that somebody else is invested in your dreams, to some level, also counts for something:

**Here are the questions you need to ask yourself when you are screening potential accountability partners:**

## **48. Whom will you associate with?**

Basically, this points to multiple elements. What character traits should your accountability partner exhibit? You want a partner who shares some of your own character traits or projects a set of traits that you are working towards adopting.

Does the potential accountability partner have a track record of meeting his goals and smashing them? Look; an accountability partner who is a slacker in his or her own life will only transfer that slacker mentality onto your routine, which will only mean you end up worse off than you would have without an accountability partner.

Is the accountability partner a good person with a humane side to him/her? You may think this is a silly question to ask when screening for an accountability partner, but if you settle for a psychopath, no matter how effective and hardworking he/she is, how will they be able to invest their time and emotion in you and your goals when they do not have much of either left to spare for anyone else but themselves?

Examine the character and track record of your potential accountability partner so that once you make a choice, you will end up with a person who will offer the best support system.

#### **49. Whose help is required for you?**

This is yet another vital question you need to ask and answer. Whose help do you really need? This is what I mean by this question. Depending on who you are, and what your nature is, you may need a cheerleader in your corner, a vocal motivator, a quiet overseer who mostly stays behind the scenes while you do your thing, a person to hold your hand and help you overcome challenges and fear, a family member whom you share a deep emotional bond with, Etc. Only you know what works for you.

The first step to take, when seeking a definitive answer to this question, is to ask yourself what you need in terms of a support system. What is your greatest distraction? What element has held you back the most from succeeding? For instance, if your answer is procrastination, then you will need somebody who makes it very difficult to procrastinate such as a vocal motivator who checks in on you every so often to see how much progress you have made.

#### **50. Whom will you call when you feel down or low?**

You will certainly feel down at some point. You see, your brain is designed in such a way that it prioritizes short-term rewards over long-term ones. Thus, after repeatedly forcing yourself to work toward a long-term goal whose fruits you will not see immediately, you may notice that psyching yourself up for some intense work is often an uphill task, and you may feel some dread every time you prepare for a working session. In times such as these, you will need somebody you can call who will assure you that indeed,

your goals and dreams are worth the effort you are putting in, regardless of the lack of immediate results.

There are times when external factors will get you feeling down. You could experience a crushing loss, or some things could demotivate you badly. But really, you have to shake all that off and get back to work if you are going to realize your dreams. It will help to have somebody to call or maybe just somebody to have a 5-minute coffee sit-down with. Just as a note, this person does not have to be the same person who you are accountable to, it can be somebody else.

### **51. Who is your coach?**

Who is your coach? What would your coach do for you? Who is he/she? Does he/she have what it takes to cover all the facets of your pursuit? Does he/she have what it takes to get you to do what you need to do to achieve your goals? Can he or she hold you by the hand until you achieve your goals?

Answer the above questions and find a suitable person.

## **Celebration Questions**

At the end, it is about happiness. It is always about happiness. We set goals and targets just so we feel accomplished, successful and worthy. And there is no problem with any of this. This may include yourself and your surroundings as well. How would you like to celebrate this victory? How would you like to reward yourself? Setting celebration goals beforehand helps us to move forward with ease.

**Here are some celebration questions to ask-**

### **52. What were your biggest achievements this year?**

Remember when we covered the goal-setting questions? One-month goals should add up to form 3-month goals, which in turn add up to form 6-month goals; 6-month goals will add up to yearly goals, etc.

Have you managed to stay consistent with your mini-goals? If you have, then this particular question should be easy enough to answer. Acknowledge what your biggest achievements have been, the past year, and write them down. There is a sense of pride one feels when they are able to say with conviction that they completed something of some magnitude. Wear your accomplishments as a badge of honor- God knows you worked hard for them, as opposed to going the slacker route that most people opt for.

### **53. How would you celebrate once you achieve this goal?**

You know what kind of person you are, and how you like your celebrations to look like. Perhaps, you are the introverted kind who likes to throw a party and have your friends and family share in your happiness. Perhaps, you are comfortable opening a bottle of cognac and enjoying it alone when you are in the mood to celebrate. One of the best ways to put a stamp to your celebratory endeavors is to reward yourself by spending a bit of money on you. Perhaps, you have desired a particular motorbike model, a branded purse, a set of new golf sticks, etc. Spoil yourself for a bit; you deserve it.

### **54. What are the milestone celebrations?**

Milestones simply mean mini-goals. A monthly mini-goal represents a milestone, as does a 6-month mini-goal. It is important that you have some celebrations planned out for every milestone that you meet. You may ask; why not put off celebrating until I have gone the whole hog? But remember, this book defines success as the progressive realization of a worthy ideal. It does not say that success is the complete realization of a worthy ideal. Thus, every milestone you blast represents success. A mini-celebration should be in order.

### **55. Whom would you share this victory with once you have achieved?**

It is important that you have someone dear to you join in your celebrations. This gives the whole event more magnitude. It adds substance and relevance to the event and confirms to you that indeed, your efforts were worthy, and your success, no matter how small, is nothing to scoff at.

There is also the small matter of feeling even more motivated to succeed once you involve another party, who proceeds to become invested in your success, at least to some degree. You can invite as many people as you want. You can simply call up your best friend, godfather, etc. You know what works for you.

## Conclusion

Every question included in this book is geared toward helping you know **you** better, and be able to push yourself forward with more efficiency and grit. In case it wasn't obvious, this book pushes the very accurate message that you are indeed special and that you are unique and different from anybody else out there. You have unique tastes, mannerisms, goals and objectives; a unique background, a way of doing things and so much more.

If only you held yourself with the value that you deserve, and applied the requisite work, there is no way success would evade you. Take a hard look at every individual question, and try to answer as concisely as possible, and as this book has already recommended, make sure to write down each answer.

Soon enough, you will begin to see the fruits of your self-examination so that even your wildest dreams become normal things that you quickly get used to.

We have come to the end of the book. Thank you for reading and congratulations on reading until the end.

If you found the book valuable, can you recommend it to others? One way to do that is to post a review on Amazon.

[Click here](#) to leave a review for this book on Amazon!

Thank you and good luck!

success, efficiency, happiness, anxiety, exhaustion, worry, mistakes, relationships, technology, time, distractions, the past, feelings, neglect, addiction, worry, anxiety, exhaustion, reputation, spouse, agita-

# LIFE IS SHORT

## And So Is this Book

Brief thoughts on making the most of your life

Peter Atkins

ccess, efficiency, happiness, goals, focus, priorities, technology, responsibility  
nxiety, exhaustion, worry, mistakes, neglect, anxiety, inconveniences, reputation, spouse, agi-  
tation, success, criticism, relationships, technology, time, appearances, managing, wasted time, wo-  
rried, time, accountability, priorities, distractions, the past, feelings, neglect, addiction, worry, anx-  
iety, children, change, acceptance, the past, feelings, efficiency, future, critic-  
opiness, spouse, hard work, staying active, mental health, technology, time, conne-

# LIFE IS SHORT

## And So Is this Book

Brief thoughts on making the most of your life

Peter Atkins

Copyright 2011 by Peter Atkins. All rights reserved.

To Sam and Lillie - who have made my short life wonderful.

# introduction

Life is short. You can, if you work hard and are lucky, get more of almost anything, but you can't get more time. Time only goes one way. The average American has a lifespan of less than 30,000 days. So how you choose to live matters.

That's the topic of this book. I don't pretend to have all the answers. I'm still learning every day, and many of the good ideas here I've picked up from other people either directly or by reading. But this is what's worked for me.

Like life, this book is short. Many books I read could communicate their ideas in fewer pages. So I've tried to be brief in line with the wise person who noted: "*If I'd had more time I would have written a shorter letter*".

I don't think brevity implies lack of content. The concepts here have improved the quality of my life, and I hope they're useful to you as well.

Using these concepts, I have created a life I love. My job doesn't feel like work. I love and respect the people with whom I spend time. And I'm also passionate about my life outside work. I've learned how to create a balance that makes me happy between work and other interests, including my family, friends and exercise. Sadly I think that's rare. And yet, while I know I'm lucky, most people can work towards those goals in their own lives.

My interest in making the most of my life began when I was just starting college, but when I was in my mid-thirties a boss I admired died of cancer. He was young. He had a great wife; he had three young children; he had a fantastic career -- he had everything in life. He just didn't have enough time. So, while I'd often thought about how to get the most out of life, the death of someone so young and vital increased my sense of urgency to act on it.

One of the things I've always wanted to do was to work for myself. As a result, I left an exciting job at Microsoft in 2001 amidst the Internet bust to found the investing firm I now run. It was hard to do, both financially and emotionally. When I left Microsoft, many people - friends, family, and even some of the press - thought I was deluding myself to start a fund focused on Internet-related companies during a market crash. A press quote from the time said: *Call him a little crazy. Call him a little nuts.* I'd never seen that type of coverage before. And, in a sense, the press was right; the business wasn't easy to start. Fortunately, from a vantage point of ten years down the road, it's worked out quite well.

A key part of my job is reading and thinking about a broad variety of topics. So writing this book was relatively easy. It's even easier to read. But, like many things in life, actually executing each day on these concepts is extremely difficult. With thanks to Thomas Edison, life is 1% inspiration and 99% perspiration. Even so, I hope you have fun perspiring.

Peter Atkins  
Seattle, WA  
December, 2010

# **CONTENTS**

1. Create space.
2. Try not to worry.
3. Don't do *really* dumb things.
4. Build character and make friends.
5. Care for yourself and others.
6. Laugh.
7. Do what you love.
8. Embrace change.
9. Learn from experience.
10. Have dreams and work towards them.
11. Epilogue.
12. Afterword - the world beyond us.
13. Acknowledgements.



## **create space**

*Life moves pretty fast. If you don't stop to look around once in a while you could miss it.*

*- From the movie, Ferris Bueller's Day Off*

We all approach life in different ways. Some ways allow more time to think, to be creative, to do what's important, and to spend time with friends. I'll give you an example.

A friend of mine used to be the CEO of a well-known Internet company. He once told me he found it funny that the busiest people on his team were always the people to whom he could give more work, while the ones who accomplished less had little time for anything (often including their existing responsibilities).

I've found this is an important observation. It's often the most successful people I know who are most efficient with their time and who always seem to have time to think and to do more. The trick is people who are most productive tend to say no to things that are unimportant to them and focus on what they believe matters. When you think about it, how could it be any other way?

Of course, activity by itself doesn't equal accomplishment, and certainly not success -- being busy just means being busy. I know many people who work super hard to fill up the spaces in their lives, so they won't have to think. A wise colleague calls this "numbing out". They may accomplish their goals, but they're unlikely to be fulfilled or do truly creative work. I know other people who fill their free time with meaningless activities. They're also busy, but they neither achieve much, nor are they satisfied.

In contrast, I once had a smart boss who told me if I wanted to do my best work, I needed to do fewer things, and really focus on what mattered. That was great advice. Many people confuse *want to* with *have to*. In other words, just because someone else wants you to do something doesn't mean you have to do it. You can't get more time, so how you spend the time you have is critical. Focusing on what matters means saying no to things that don't matter. Otherwise, your life becomes cluttered with distractions.

Technology presents both potential distractions and also great opportunities to use your time better. Technology is a tool. Used properly, it can help you but, like any other tool, it can be mismanaged. If, for example, you spend most of your day responding to email, or text messages, or checking out your friends on social networks, you won't get much done.

A better approach is to decide what you want to do and what is most important. Make lists. Then use technology to assist you, versus allowing it to control you. To execute on this concept requires discipline and practice, but anyone can get better at it, and make real progress if they want to.

One way I like to use technology to save time is, where appropriate, to eliminate meetings and use email instead. I should emphasize 'where appropriate'. Email does a terrible job of conveying subtle emotional content, so meetings are more appropriate for team building, for negotiating, for personal conversations, and for any other situation where it's important to look someone in the eye. But for some things, email is better.

Mobile devices provide a fantastic way to stay connected and on top of work, wherever you may be. If you have any

down time, you can read books or articles, check email, or browse the web from virtually anywhere.

Distractions have increased for reasons beyond new technologies. According to the Bureau of Labor Statistics, about 60% of U.S. families are two-income households, compared with only about one-third in the mid 60's (the statistics are directionally similar in much of the Western world). We're busier and, consequently, are tempted to do lots of things at once.

A number of people I know claim to be great multi-taskers. The brain, however, doesn't work that way; instead it focuses on one activity at a time. If you switch back and forth between multiple tasks, your brain works more slowly than it would if you focused on each activity for a period of time. Albert Einstein said: *It's not that I'm so smart, it's just that I stay with problems longer.* Most of us do the opposite -- with predictable results.

To allow yourself time to think, there are many non-technological tricks to managing information. All of them require you to make choices to focus your energy. I like to set aside blocks of time for specific activities - even to read or chat.

That being said, there are combinations of activities which work together and can make you more productive. For example, I frequently ride an indoor bicycle while reading, since the indoor bicycle takes no mental attention, and it allows me to get exercise at the same time. (Don't try to do the same thing, though, on an outdoor bike!)

Another way to free up time, if you have the option, is to live close to work. For many people, the amount of time spent commuting is huge, and it tends to be quite stressful

and, frequently, not super productive. There are usually good reasons people want to live far from work; it's often significantly cheaper, and the schools may be better.

But, if you think about the value of your time, it might not make sense. You might be able to afford a smaller home closer to your job rather than a bigger one with a long commute. And, if you do that, you might have significantly less stress on a daily basis. In fact, when I lived in Manhattan, frequently the most relaxing part of my day was walking to and from my office. It didn't seem like a sacrifice to have a tiny apartment on the third floor of a building without an elevator.

The ultimate reduction in commuting time is working from home - something that is becoming increasingly possible for many people, given the evolution of technology, and the desire of companies to get the most out of their employees while limiting real estate costs. If you have a job which accommodates it, are self-motivated, and have the space and quiet required to work well from home, it can make life considerably more pleasant, and can create more discretionary time. A handful of my colleagues work from home. They all love it -- none would choose to work in an office again.

Making space in your life by using time efficiently also helps nurture creativity. I find it interesting that people who tend to be the most creative have three things in common:

They're incredibly well prepared in their fields -- they become masters of their domains by practicing for many years, day after day.

They spend time deeply focused on solving a key problem or key set of problems, no matter

the obstacles.

They allow themselves to step away from the problem(s) on which they're focused, so that insights can come to them in activities such as walking, or looking out on a beautiful scene.

To get great insights absolutely requires hard work, but it also requires space. This is the case because the human mind is not a linear machine. If you don't put in the required effort, you won't be capable of generating good ideas; you won't understand the subject matter. But if you don't give yourself space from the problems on which you are working, you likely will be so worn down you won't generate creative insights. You need both.

In taking walks these days, I try to notice the beauty around me; it helps me think and relax. In fact, I regularly take pictures with my cell phone camera (some are included here) as a reminder to stop and look. It's a simple thing (and my pictures won't win any prizes) but it works.

So to make the most of your life, say no to things that don't matter, work hard at what you love, and occasionally take time away from your core focus to rest so that your mind can be quiet for great insights to come.



Looking out to the Olympic Mountains, Washington.

## **try not to worry**

*If you can't sleep, then get up and do something instead of lying there worrying. It's the worry that gets you, not the lack of sleep.*

*-Dale Carnegie*

Worrying, I've found, wastes energy and wastes time; it limits what you can accomplish. I try not to obsess on the past, but to learn from it. I try not to worry about the future, but to prepare for it. And while it's difficult sometimes, I try to take pleasure in the moment, even when bad things happen.

An inspirational woman I know has cancer, yet she finds the beauty in every day and every moment. I don't know many people who are more positive, or go through life with as much curiosity or energy as she does. The last time I saw her was at a dinner party -- she was more engaged than anyone else that evening, constantly asking questions about new technology, and how I thought it would change the world. I also have several friends with Multiple Sclerosis, and they live more restricted (and more painful) lives than most of us, but each seems excited every time we meet. They're clearly trying to get the most out of their limited time left on earth.

The lesson to me is that you can focus on something going well, or something beautiful, or something interesting -- even amidst terrible times.

I try to put things into two buckets: one I can do something about and one I can't. The things I can't do anything about, I try to ignore. There's no use, for example, being jealous of

other people's success or good luck; it won't make me any happier. Nor is there any upside in worrying about a bad situation in which I find myself. There is, however, a lot to be gained from considering how I can move to a better place.

I've also noticed it helps to accept the world as it is -- not in the sense that you can't change things (although that is sometimes the case), but in the sense that you need to see reality clearly before you can take effective action. As a professor of mine once said: if you think the table you are sitting at will fly, you have a problem.

Accept that luck and bad luck aren't evenly or fairly distributed, and you can't do anything about that. I have many talented friends in the technology industry who've been paid over the years primarily in stock options. Some have made a great deal of money this way, and frequently they were just lucky to have joined a given company at a certain time. They weren't necessarily more talented than others. They didn't work harder, or contribute more than people who started later than they did. They frequently didn't even have a strong conviction in advance that they'd make a lot of money (although they knew there was a chance they might). They were, relative to their peers, lucky.

There are some things in life you can't change (such as your parents, your height, or the personalities of other adults). For the problems you can impact and you want to alter, think about what you want to accomplish, and try to do that in a pragmatic way. You don't have to change everything overnight. In fact, thinking you can, or should, is likely to lead to failure, or to feeling overwhelmed -- and as a result perhaps doing nothing.

My experience the last ten years illustrates this point. If I'd tried to build my investing business to scale in a short time

frame, or worried when stock prices declined, I would have failed. I started investing immediately before September 11th. While prices of Internet stocks then were low relative to their business value, prices dropped significantly for another year and a half during the Internet bust before recovering to sensible levels. I had no idea that would happen. It didn't feel pleasant. My family lost faith in me, and most of my friends thought I was a bit nuts to even invest in the sector. It was only because I stayed focused on understanding the businesses in which I'd invested, and was willing to stick with my convictions over a matter of years, that my ideas worked out well. Over time, other people gained faith in my investing abilities, but it didn't happen overnight. It wasn't easy. And nothing I might have done early on would have changed that.

Lastly, when you make mistakes along the way, as I have at many points in my life, accept them as well. I've tried to learn from my mistakes. They're experience - and they're the sort of experience you won't soon forget.

As Winston Churchill said: *Success is not final, failure is not fatal: it is the courage to continue that counts.*



Sunset from the air; somewhere over western Canada.

## **don't do *really* dumb things**

*All I want to know is where I'm going to die so I'll never go there.*

- Charlie Munger

You can't follow Charlie Munger's advice literally. But, as a wise colleague of mine says, sometimes the most important thing to do is to not do anything *really* dumb. I've found this type of inactivity is undervalued in our culture.

Many investors overlook avoiding dumb mistakes. Warren Buffett suggests people approach investing the same way Ted Williams looked at batting: only swing at the pitches in the center of your strike zone. Since there are no called strikes in investing, you should let the others go by. This sounds easy to do, and you'd think most investors would behave this way, but they don't. When many people buy stocks, they tend to think more about the potential upside than what they might lose if things don't go well. By pivoting that thinking and avoiding really dumb ideas -- in investing, in business, and in life -- you'll approach problems from a wholly different perspective.

I've used this same mental model to try to avoid too much debt, drinking too much, staying away from people who are bad influences, eating poorly, and not exercising.

I should probably make the distinction here between *really* dumb things, and routine mistakes made in the course of your life. The latter, as I've noted, are certainly painful, but inescapable and useful learning. What do I mean, then, by

*really* dumb things? There are two classes: unrecoverable errors and denial.

Unrecoverable errors can screw up your future - like committing a crime and going to prison, or limiting your options by not trying to get the best education available, or making decisions which likely will lead to major health problems or financial destruction. As an extreme example, I know someone who, as a child, accidentally shot his sibling. The sibling never fully recovered and the accidental-shooter never overcame his guilt. As a result, his life has been ruined.

There are many things that are not nearly as dramatic, but can have a similarly negative long-term impact. What you choose to do each day matters. Habits form when we're young, and solidify before we know it. So forming the right habits early is critical, whether that means eating well, exercising, saving money or being honest. As a wise investor I know likes to say, people become "more so" over time.

The second class of dumb thing – denial – is common. Most of us ignore reality in some facet of our lives. It's often easier to believe things will somehow solve themselves, whether we want a lousy job to work out, or we're so desperate to hire someone for a much-needed role we sacrifice on quality, or we overlook obvious issues in someone we're dating (and assume they'll get better over time...or we can help fix them).

These are all examples of wishful thinking. If you notice serious problems in the early stages of a job, or in the hiring process, they're only likely to become magnified as you get to know the situation, or your new colleague better. Ditto in dating. Small problems early on generally don't just resolve

themselves with time. And it's impossible to change other adults' personalities, no matter what you may wish.

A well known joke illustrates the point: The biggest mistake men make when they think about getting married is they assume women won't change; the biggest mistake women make is they assume they can change men.

The same warning about wishful thinking is true with exercise and pain. If you start feeling pain while exercising, it's the body's way of telling you to stop. If you battle through it, as many of us do, frequently you'll make the injury worse.

So how can you avoid really dumb things? I try to rely on my gut instincts. Whenever I feel that something might have a really bad outcome, I pay attention to that feeling. Feelings aren't always correct (we fear many things we have little reason to be concerned about in the modern world), but feelings can flag problems that may be difficult to articulate.

Proceeding when there are obvious issues is a dumb thing to do. Even if it's inconvenient or painful, I've learned, I'm better off doing nothing when the only available choice has glaring issues.



Snowshoeing in Whistler, BC.



## **build character and make friends**

*Character is like a tree, and reputation like its shadow. The shadow is what we think of it; the tree is the real thing.*

*- Abraham Lincoln*

Character, I've found, is one of the most important things in life. Reputations can be manipulated in the short term, but people tend to get the reputations they deserve over time. Reputations are your personal brand. They're influential in how well you do in both your professional and personal lives.

There are four basic principles that have worked well for me:

Do what you think is right.

Don't follow other people blindly.

Be honest and keep your word.

Admit your mistakes.

If you live your life authentically, keep your word, admit mistakes, and admit what you don't know, you'll find people will trust you more over time, and you'll become wiser too.

When I entered college, I thought most people would adopt similar principles, but I've found that a lot of people succumb to peer pressure and other external forces.

I've met lots of smart people who work very hard. I've met substantially fewer who are also authentic and have integrity. I try to spend my time with the second group. And,

generally, I've found that those people are happy and have more real friends.

\* \* \* \* \*

Inevitably, we take on some of the habits of people with whom we're closest. The people with whom we associate can have a huge impact on the development of our personalities, particularly when we're young. In that light, if you have children, try to be sure their peer groups are healthy ones. Their peers likely will have more influence on the development of your kids' personalities than you will. If that sounds absurd, look at how immigrants' kids develop in a non-immigrant community; they nearly always seem to speak, act and have the values of their peers, and not their immigrant parents. My son, for instance, has a friend whose parents recently emigrated from Japan and moved to Canada. My son's friend doesn't like Japanese food; his favorite things to eat include steak and hamburger; and he acts and speaks much more like his classmates and friends than he does his Japanese parents.

In your own life, think about the values and habits you want to have, and then ensure you choose your friends, colleagues, mentors and bosses carefully. My friends and mentors have made a huge difference in my life, both professionally and personally. For example, I was able to succeed as an investor in the early years because a super smart mentor was willing to share his knowledge with me, and encouraged me to have faith in my convictions. I'm eternally grateful. Similarly, in my personal life, when I spend time with people I respect, like, and care about, I usually feel great.

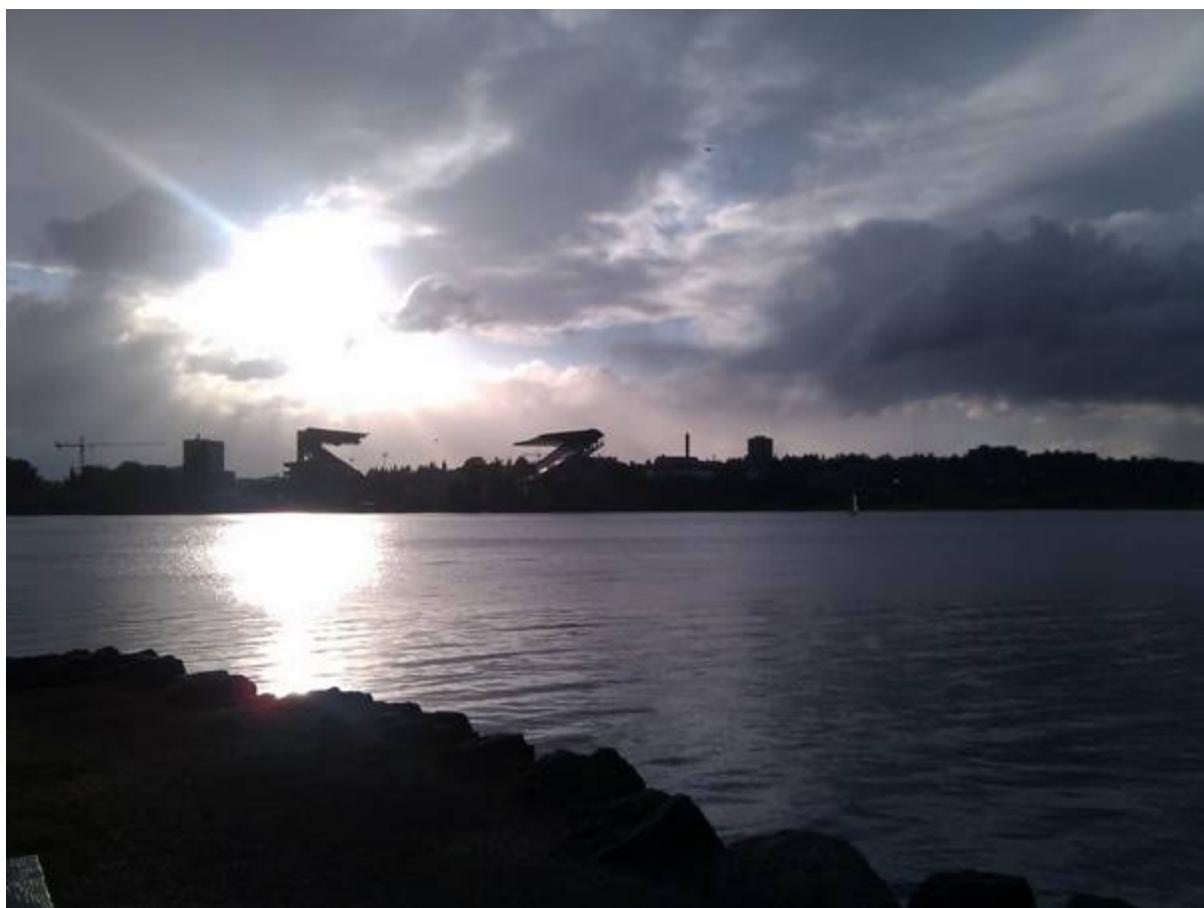
To build trusting friendships, I've learned, it's critical to be true to my passions, and express how I feel and what I want.

If I weren't open and honest, I wonder what sort of friends I'd have?

This matters. Real friends - people you trust, respect, laugh with, and can rely on - are a vitally important part of life. No matter how much wealth or fame you accumulate, if you don't have true friends it's unlikely you'll be happy. Sadly I know too many people who have achieved their material goals, but have no friends. As the expression goes: greed is a hole you can never fill (though there are definitely a lot of people who try).

Warren Buffett refers to Rose Blumkin, a woman who escaped the Nazis before immigrating to America and founding Nebraska Furniture Mart, as having the ultimate standard for friendship. Ms. Blumkin apparently said she had a hard time making friends. She would ask herself: if the Nazis were to return, would a particular person hide her?

Now that's a super-high standard, but you can imagine how much richer and easier your life would be with even a handful of true friends like that.



View of Husky Stadium, University of Washington.

## **care for yourself and others**

*Lack of activity destroys the good condition of every human being, while movement and methodical physical exercise save it and preserve it.*

*- Plato*

Our bodies were designed by evolution to thrive on the African savanna. Twenty thousand years ago, people didn't sit in forests or caves staring at computer screens, talking on telephones, or watching television. We were made to move, and our brains were made to think while in motion.

So if you want to feel good, be as productive as possible, live longer, reduce stress, be more creative, and be happier then you need to exercise regularly. When I was at Microsoft, I used to run for about eight minutes every morning before heading to the office. That's not nearly enough, and I slowly got out of shape. I now take an hour at lunch to bike, play tennis, run, or even walk. Over the last ten years, I've lost about twenty pounds and I'm more alert and creative. The extra time invested in exercise has been worth it, even if only measured from a professional standpoint.

Our bodies also weren't designed to eat junk food all day. Thousands of years ago, getting calories was tough; we like sweets and fats now because it was tremendous work getting them then, and we never knew when our next meal would come. While our genetic desires for sweet and fatty foods haven't changed, modern Western civilization, with its easy and rapid access to super markets, processed - and generally inexpensive - food, has removed the natural barriers that stop us from eating what we want. I've always been a fairly healthy eater (although I love desserts!), but one small trick I've adopted is to try to eat dinner early. I've

found that just doing that helps keep me at a healthy weight. And, when I eat dinner a bit later, I try to take a walk afterwards.

I recognize that's uncommon. The result of less exercise and more food is not pleasant. As a society, we're getting fat. We're creating many health issues (and costs), which we'll have to deal with down the road.

Another critical element of taking care of yourself is getting a good amount of sleep on a regular basis. I try to organize my schedule to ensure I sleep well since I've learned I perform best when I'm well rested. For instance, when I travel to different time zones I alter my schedule days ahead of time so it's more closely aligned with where I'm going. (I've found that ear plugs are also wonderful tools for hotel rooms if you don't know it will be quiet.) If you can manage to sleep well no matter where you are, you'll find you have more energy and are able to think more clearly.

Stay active. People are like sharks: if we don't move constantly, we'll die. This is true both literally and metaphorically. For example, there's some evidence suggesting that older people who keep their minds active have a much lower chance of getting Alzheimer's disease. People who 'retire' and mostly eat and lie on the couch, aren't likely to live very long -- or be very happy.

Taking care of yourself extends beyond your body to your mental health. Many people don't feel good about themselves psychologically. This may start in childhood when their parents may not give them enough care and attention (so they don't feel lovable); or they may get too much, too easily from their parents (so they end up feeling undeserving). Or their parents may be overly critical; nothing is ever good enough (so they end up constantly

trying to please other people, or feeling inadequate, or both).

Regardless, it's important as an adult, no matter what type of parents you had, that you take responsibility for your life. It's only by loving, celebrating, and appreciating what makes you unique that you can fully enjoy your life, and truly love others. If you don't love yourself, the results aren't pleasant. For instance, a number of people I know spend money in unhealthy ways, sometimes running up large amounts of debt by buying things they believe will make them feel better. Sadly, but predictably, it doesn't work. The pleasant feeling of owning something new soon fades, and then they're onto buying the next thing. The debt potentially incurred by this sort of activity not only causes financial difficulties, but may also lead to health issues.

Given the increase in two income families over the last thirty years, you might think that people would be better off. That's not the case. People in the U.S., and much of the Western world, tend to spend more of what they earn than they did a generation ago. They may do this to keep up with their friends, or what they think is expected of them in our society, but that's not a treadmill you want to be on.

People also compensate for not feeling good about themselves by over-eating, drinking too much, over-working, and becoming reliant on constant or unhealthy sex to numb their pain. All of these are addictions. Taking care of yourself means finding a balance that works for you, then having the discipline to maintain that balance. (If you want help, there are many people, including some good therapists, who can be a great resource to discuss issues that are important to you.)

\* \* \* \* \*

*Grief can take care of itself, but to get the full value of a joy, you must have somebody to divide it with.*

-- Mark Twain

There are innumerable, serious problems in the world, and there are huge numbers of people who'd love your help. You've doubtless heard that message many times before, particularly around the holidays.

But if you need motivation to help others, I can tell you from personal experience: you will directly benefit. Few things make you feel better about yourself. I get great joy out of helping at my kids' school, from helping friends with their business problems, and from doing a good job investing. If I do my job well, my friends and clients will be able to send their kids to college, to retire without financial worries, and to do things that are important to them.

You don't need to look far to help other people. For example, taking the interests of children seriously, encouraging and supporting them, as well as setting high standards, can make a big difference in their lives.

Almost anyone can be a father or a mother, but being a good parent takes hard work, focus, and a great deal of caring. Despite the obvious sacrifices of time and resources, I've found being a parent has been the most satisfying and enriching experience I've ever had. Most parents I know would say similar things.

There are many ways to make a difference in the world – you can help your extended family, help friends, help your community, or help people you don't even know. You can help one on one, or in small groups, or, if you have the

ability or resources, on a larger scale. So long as it works for you, it doesn't matter.

When you're in your 80s, and looking back on your life, I have little doubt you'll feel better if you have chosen to give something back. Our time on earth is limited, but you can extend your influence by helping those who will outlive you.



Bois de Boulogne, Paris.



## **laugh**

*With the fearful strain that is on me night and day, if I did not laugh I should die.*

*- Abraham Lincoln*

While your life will hopefully end better than Lincoln's, it won't always go your way - guaranteed. Within the constraints of your genetic wiring, it's up to you how you deal with that.

You may not have the parents or the siblings you'd have chosen. You may not look the way you'd have picked. The people you love may not always love you back. You may not live where you'd like. You may not have the job you want, or get the promotion you believe you deserve. If you get married, it may not work out the way you thought it would. If you have children, they won't always do what you'd like, and they may disappoint you sometimes.

I've found you can choose to let all the things that go wrong in life depress you. Or, you can accept that things will go wrong, try to laugh, and then look at what you can do. There's a Japanese proverb that gets right to the point: *We're fools whether we dance or not -- so we might as well dance.*

I remember an important business meeting I had about fifteen years ago at Microsoft. It was clear that the problem we faced was unpleasant, and wasn't going away. After a few minutes of intense discussion, the most senior person in the room laughed, and said: "I guess we're screwed!" It shocked me, but that frankness and dry humor immediately stopped the discussion, and we moved on to discussing things we could impact.

A sense of humor is also useful when you make mistakes. I still remember an experience I had during college when I worked as an intern for the MacNeil/Lehrer Report (a PBS television news show). One of my duties was to greet guests at the door. One day I went downstairs to meet Thomas Kean, then Governor of New Jersey. As I got to the guard desk in the lobby, a man walked up and told the guard his name was Tom Kean, and that he was there to go to the MacNeil/Lehrer Report. I introduced myself, and proceeded to take him to the green room to be made up. He kept telling me to stop calling him "Governor" and call him "Tom". He also said he wanted to go upstairs to meet a reporter. I told him we didn't have much time, so he could call the reporter from the green room. When we got there, seated in the makeup chair, he called the reporter and said: "Would you please tell this guy that I'm your boyfriend, Tom Kean, and not the Governor of New Jersey!" I was embarrassed, immediately apologized, and ran back to the lobby to meet Governor Thomas Kean of New Jersey, who stood flanked by two huge state troopers. I remember laughing at myself as I told Governor Kean the story on the elevator back up to the green room.

It's sobering to note that whether you're able to laugh when things go badly may be an inborn trait. A famous study was done using two groups of people: paraplegics and lottery winners. The study looked at these two groups' happiness before their life-changing events, immediately following them, and then also a bit later. The immediate effect was predictable: people who became paraplegics got depressed, and people who won the lottery were elated. But after a relatively short period of time, both groups returned to their original levels of happiness -- paraplegics who'd been happy before their injuries became happy paraplegics; lottery

winners who'd been unhappy and bitter before their windfalls became unhappy, bitter lottery winners.

I know several personal stories, including friends who lost a child in a terrible accident (the most horrible thing I can imagine), that illustrate the same principle: some people can laugh even amidst terrible times. The payoff is the physical act of laughing actually improves your mood.

Assuming your basic life needs are being met, you can choose to be happy if you want -- even when you make mistakes, or are in the middle of some pretty awful circumstances. If, however, you're the sort of person who chooses to be unhappy, or filled with anxiety, chances are you'll probably succeed with that as well.

In thinking about this, I keep Mark Twain in mind: *The fear of death follows from the fear of life. A man who lives fully is prepared to die at any time.*



Sunset at the edge of the Glass Mountain Range, West Texas.



## **do what you love**

*There are but three events in a man's life: birth, life and death. He is not conscious of being born, he dies in pain, and he forgets to live.*

- Jean de la Bruyere

How many movies have you seen where the hero or heroine quits a job they hate to pursue their life dreams? These movies wouldn't be made, and they wouldn't resonate with so many people, if they didn't contain an important desire that most people deny themselves.

A lot of apparently 'successful' people believe they should delay enjoying life until later. First they work incredibly hard to get into the 'right' schools; then they work even harder to get a coveted job; and then they work harder still for years to get to a certain position, or make a certain amount of money. The net of this whole adventure is that frequently it's not until late in life, when a person's health may be going, and a lot of their life is behind them, that they stop to think about what they want. And, by then, there may not be much they can do about it. They can't recover the time. And many people don't even stop to think.

Oliver Wendell Holmes noted: *Many people die with their music still in them. Why is this so? Too often it is because they are always getting ready to live. Before they know it, time runs out.*

When I was growing up, someone told me to live as if I was going to die in ten years and had no immediate financial needs. That's great advice. If you can do that, you'll be happier and more successful.

To figure out what you want to do, you need to know yourself. If you lie to yourself about who you are, or hide your identity from others, it will inevitably create stress, and it's unlikely you'll be either productive or happy. Part of knowing yourself means acknowledging what you genuinely want. If you focus on what other people expect of you, you may impress your friends, family and colleagues, but it's unlikely you'll be satisfied with yourself over the long term.

You need to understand your values and your priorities. For example, some people value income more than others, while other people place greater importance on the sense of meaning they find in a job.

Although what makes you passionate generally doesn't change over time, what you want to do sometimes does. When I was young, I didn't know what I wanted to do. I always liked to read, but not necessarily the books that were assigned by my teachers. When I was about 18, I decided I wanted to be a journalist. I always loved learning, and I thought being a journalist would be a great way to stay informed about the world. After working as a journalist in college, I found I liked many aspects of the job, but I didn't think it was the perfect fit for me. I tried other careers through my twenties and thirties, searching for something that felt right. I started a small business (which eventually folded for lack of funding). I went back to business school. Then I worked for two big corporations -- in two very different industries -- Time Inc. and Microsoft. I succeeded at some jobs, and I failed in aspects of others. I enjoyed a few jobs a great deal, and was lucky to make some life-long friends along the way.

It wasn't until I was in my late 30's, when I started to work for myself investing, that I finally found a career which drew on all of my natural curiosity, had few aspects to it that I

didn't enjoy, and basically didn't feel like work. Fortunately, everything I'd done earlier in my career wasn't wasted. In fact, many of the experiences I'd had (and particularly my failures) became useful learning.

While it's obviously better to start doing what you love early in life, many people don't. Tom Clancy, the author of numerous exciting and commercially successful books, including The Hunt for Red October, became a writer when he was in his 30's, after a career in the insurance business. John Grisham, the author of many great legal stories, was an attorney and a local politician before his first book, A Time to Kill, was published when he was about 33. Ronald Reagan wasn't elected to public office until he was 55; earlier in life he'd been an actor and a union official. And, though few have heard of Alfred Wallis, merchant and fisherman, art lovers know that Alfred Wallis the painter emerged in his late 60's, after his wife died. So it's quite possible to reinvent your career even late in life.

All of these people successfully evolved their careers toward doing something they loved. But why is that important?

There are three primary reasons:

We spend huge amounts of our lives working; if you work from the time you're 20 until you're 65, five days a week, (and a great many of us work far more than that) then you will work for at least half your adult life.

We also live in a super competitive world. It's likely the only way you'll stand out at what you do is if you work very hard for long periods of time. It's said that to become an expert in a given activity requires about 10,000 hours of

practice. At 40 hours a week (doing nothing else, which is extremely unlikely) it takes five years of solid work to master a subject.

And I've found the only way people have the stamina to outwork others, year after year, is when they love what they do.

Sadly most people don't have jobs they truly love. Instead, they often work at unsatisfying jobs - sometimes because they have no choice, but sometimes to impress others. But three-window offices, fancy titles, awards, and more *stuff* don't bring happiness. Some people never get this.

I was recently chatting with a guy I met who'd been quite successful. I said I'd been in New York on 9/11, and had heard through a friend he was supposed to have been at the top of the World Trade Center that day, but that he'd fortunately cancelled last minute.

He corrected me: "Actually, I was supposed to be *the keynote speaker* at an important event at the World Trade Center on 9/11."

I was stunned: He'd almost died in a spectacular catastrophe that impacted millions of people, and yet, years later, in telling the story he tried to impress me with the status of his job! I told him I thought he was just lucky to be alive.

There's a lesson here. For people who have a choice between jobs, there are frequently two broad options.

Option 1 is doing what you love every day, but not earning as much money as you might

otherwise, and/or not having as much prestige in the eyes of your acquaintances.

Option 2 is doing a job you hate or find boring, but either the job itself, or the money you can make from the job, impresses other folks.

To me, the choice is clear. What I find a bit shocking is that many people choose option 2, and stick with it over the course of their careers. Many other people enter fields they love, but over time forget what they love about their work, and prioritize the external recognition they receive from it. While there's nothing wrong with being well-paid, and we all love to receive praise for good work, prioritizing external rewards over the work itself is a failing strategy.

It's just anecdotal data, but everyone I know who works primarily to impress other people is unhappy or unfulfilled, regardless of how externally 'successful' they may seem. Almost everyone I know well who works passionately at a job for its own sake is happy, and most have been successful.

So the question is: How do you determine what you passionately want to do? I'll share my own experience. Before I left Microsoft, I took out a piece of paper, and listed those moments in my life I loved most. I tried to identify patterns. With that information, and a bit of research about various career options, I picked something which I thought would allow me to do what made me most happy. I also paid close attention, using the same method, to things I didn't like to do, and worked hard to eliminate those things from my life.

You can use this system at any point in your career, but you may have to serve as an apprentice for several years early

on doing less than fun things in order to learn the ropes. That's just part of the journey - assuming you work with people you respect.

I developed a litmus test for job satisfaction that might resonate with you. When I was in a job I hated, I noticed on Sunday nights, or returning from vacations, I actually felt sick. Today, because my work and personal life are highly integrated, I work over the weekends -- but I feel just as excited Sunday night as I do on Friday afternoon.

Ideally, you want a job you'd do even if you weren't paid to do it. That's not an economic reality for most of us, but it's the right goal to shoot for. If you can get paid to do what you perceive as play, you have a great job.

Finally, focus on your present situation and your future goals. People like to strive to achieve something new. If you are a mountain climber, as a good friend of mine is, you always look for the next peak.

Those who live in the past tend to be unhappy. No matter how significant your past accomplishments may be, they won't keep you satisfied. A former classmate's greatest days were at school nearly 30 years ago. He went to a wonderful and prestigious school, and was a bit of a star there. These days, he tries to attend as many reunions as he can. But you can't live life backwards, and he's unfulfilled in his current life.

Freud said: "*Love and work are the cornerstones of our humanness*". While it may sound simple, if you have close friendships and love your work, the odds are quite high that you'll be happy most of the time.



Paris, France.

## **embrace change**

*It is not necessary to change. Survival is not mandatory.*  
*-W. Edwards Deming*

Change will happen whether you like it or not. In fact, given technology's evolution and globalization, there's little doubt that the rate of change is accelerating. This can be disconcerting; we tend to hate change. We prefer to know what will happen.

However, if you fight change you'll usually lose -- and you'll get worn down fighting it.

I recall meeting with some folks in the newspaper and yellow pages industries in the mid-90's. I told them the Internet would reshape their world, but they were making good money on their print business, and had been doing that for many years. In fact most of them had monopolies where they could pretty much charge whatever they wanted. So, overall, they basically ignored the Internet (they did little things here and there, but nothing fundamental). It didn't impact their near term earnings.

Five years later, nothing had happened to those businesses. After ten years, the Internet started encroaching on their profits. And then, very quickly, the Internet tidal wave decimated them. To be clear: a small number of these companies may still adapt and survive, but had they viewed what was happening in the world with open eyes and started making meaningful changes to their businesses in the mid 90's, I'd bet a lot of money some of them would be in a dramatically different place today.

This pattern of ignoring change is not new. Alexander Graham Bell said: “*When one door closes, another door opens; but we so often look so long and so regretfully upon the closed door, that we do not see the ones which open for us.*”

The same is true in personal relationships. If you fight change, it simply won’t work. People fall out of love, they age, their needs and desires change. If you embrace inevitable change, you’ll be ahead of the pack. If a relationship isn’t working, don’t just give up. But if you have tried hard to fix it over time and can’t do anything about it, then it’s important to recognize you may need to make a change in your life.

The lesson I’ve learned is this: Since change is inevitable, the key is learning how to manage it. If you deal with issues immediately and don’t let them fester, they won’t become bigger and, ultimately, unmanageable. Problems are much easier to deal with when they’re still small than if you’ve let them grow over time.

At some points in your life, you may try to drive change. In those instances, I’ve found patience is a huge virtue. Change comes slowly. It’s a hard thing to accept, and people may resist it actively or passively. In fact, in some fields (such as Internet adoption), change often doesn’t come until people leave their jobs and are replaced by a new generation. This principle holds true well beyond the technology sector.



Upper West Side of Manhattan and the Jacqueline Kennedy Onassis Reservoir.

## **learn from experience**

*The definition of insanity is doing the same thing over and over again and expecting different results.*

- Albert Einstein

While I've met many people who focus on being smart and working hard, I know few people who regularly focus on learning from their own experience and the experience of others. I've noticed that if you are one of those few who try to learn every day, it makes a huge difference over long periods of time.

Many people act like the guy in the story who went to the movies with his friend.

The guy says to his friend: "I bet the cowboy falls off his horse at the end of the movie and dies."

His friend takes the bet.

The cowboy indeed falls off his horse and dies.

The guy says to his friend: "I don't understand why you bet me. We saw the movie last week!"

The friend says: "Well, I didn't think he'd be dumb enough to do it again."

It's a funny story -- and it seems ridiculous. And yet, I've seen many people over the years do essentially the same thing. They ignore clear lessons from their experience or the experience of others.

If you want to learn from experience, I've found the following useful:

Be curious. Kids naturally are curious and they are able to learn and progress at very rapid rates. I've tried to maintain my natural curiosity as I've gotten older and I've found my life is more interesting as a result.

Read widely. There's so much wisdom written down and it's easier (not to mention less painful) to learn from others' mistakes. No one domain or field has a lock on wisdom. I've been astonished how much you can learn if you read widely across a variety of fields. I read as much as I can.

Find mentors. If you can identify people who have more experience than you and who excel at what they do, it's incredible to have the opportunity to learn from them. People love to teach others. If you're highly motivated, and don't ask for anything other than wisdom you can learn a great deal. Mentors have made a big difference in my life.

Observe. A good friend of mine says people have two eyes, two ears, and only one mouth for a reason. There's certainly a lot to be gained from watching and listening. When I travel, I love listening to people who have different life experiences than I have. I learn so much from them.

Data and patterns matter a great deal. There's much to be learned from analyzing the world. In investing, and in life more broadly, I've found it's important to understand things in terms of systems with various inputs and layers of potential effects. I loved statistics in school and I've found that it (along with psychology) may be the most under-taught academic subject, with the greatest potential gain to society from more people understanding it.

That being said, not everything that's important can be counted, and not everything that can be counted counts. As Mark Twain is alleged to have said: *History does not repeat itself, but it does rhyme.* In other words, just because something happened once doesn't necessarily mean it will happen again in the same way. Otherwise, historians would be among the wealthiest people on earth.

So to understand the world, you need to pay attention to more than simply memorizing a series of events, or existing patterns. Judgment and wisdom matter a great deal. And both require experience and, really, failure. Unfortunately, few of us learn much from our successes.

Even if you make wise decisions throughout your life, you'll inevitably make mistakes. In part, this is because life is not like a math problem with one perfect solution. A lot of decisions are inherently probabilistic and the best you can do much of the time is make a decision that's likely to turn out in your favor. In fact, the harder and more innovative things you try to accomplish, the more likely you are to fail. That's just the reality.

So when decisions, ideas or new projects don't work out, try to learn, and be open-minded. Also, see whether you can sort out whether the idea was flawed, or whether it was solid but the outcome suffered from bad luck.

It's tempting to ascribe things to poor luck that were the result of your dumb decisions. The opposite is also true: sometimes you can get wonderful outcomes from terrible decisions. Although it's incredibly hard to do, it's also useful to see if you can identify mistakes you've made even when things work out as well as, or better than, you expect.

To learn from your experience and the experience of others it's important to try to be dispassionate in looking at the world and analyzing it. You need to be willing to try things you think make sense, and then to admit your mistakes, to throw away your beloved theories, and to learn from other people. This process requires a degree of humility that's frequently lacking in the world, particularly among people who have been successful.

As the 19th century humorist Josh Billings noted: *It ain't what we don't know that gives us trouble, it's what we know that just ain't so.*



Lake Washington, looking back toward Seattle.

## **have dreams and work towards them**

*I'm a great believer in luck, and I find the harder I work, the more I have of it.*

- Thomas Jefferson

Success in my experience requires the following elements:

A clear, stretch goal. If the goal is too easy, it won't feel like an achievement; if it's unrealistic, you'll never do the work.

Love for what you're doing.

Very hard work, often over a long period of time.

A sense of realism about the world, and your own limitations. As we used to say at Microsoft: you can't boil the ocean. Nor can you make people come back from the dead.

Flexibility and perseverance -- you'll need to adapt to the curve balls life will throw at you.

...And, often, a bit of luck.

People don't tend to achieve things in great leaps forward. Rather, we progress one step at a time, usually with small insights here or there. Whether you're a scientist who builds on the great work of others, or a writer whose work springs from the wisdom of writers before you, or an Internet entrepreneur whose innovations succeed only because of a certain infrastructure... all of this is possible only because of small progressions from a massive foundation of wisdom

and experience stretching into the distant past. We're all standing, as Isaac Newton noted, on the shoulders of giants.

Similarly, to make changes in your life, focus on taking small steps in the right direction. Whether you want to change your health, your job, or your relationship, you can't do it overnight. And you can't become *great* at anything without a lot of repeated practice.

Be sure you're comfortable with taking small steps, then build on them. The initial change will be small, and in the near term the difference may be imperceptible, but as time goes on you'll end up in a totally different place than where you started.

Having run a marathon many years ago (slowly!), I think long distance running is an excellent way to think about big, challenging goals. If you're out of shape and try to run a marathon immediately, you'll not only fail, but you'll probably seriously injure yourself. If, however, you take small steps, if you slowly start walking, then running short distances, then building to greater distances... over time, it's likely you'll find you can run a marathon.

The same method works for just about anything in life. Faced with a big challenge, you might get overwhelmed, or panic. You might even be afraid of succeeding. As a result, you might not even try. But you can overcome these mental traps by taking small-steps and practicing regularly.

It also helps to *imagine* your success. The mind is an amazing thing. If you focus your brain on success and you practice seriously, you'll slowly build the deep confidence you need to persevere in life. You'll be ready for the obstacles the world throws at you -- or at least you'll expect to encounter them. And, rather than panicking or freezing

next time you face a challenge, you'll continue to work toward your goals. Over many years, this type of approach tends to build lasting progress and, ultimately, success.

You need to set the bar high enough that achieving your goals will mean something to you in the long term. And you should ensure that your goals are at least broadly realistic. But you also should try to get on a train going in the right direction.

The Internet provides some great examples of the benefits of having the wind at your back:

If you want to be a journalist, you're likely to be far more successful over the next twenty years if you focus on new media versus trying to become a print specialist. You're also likely to do better designing graphics for the web than you would for magazines, and you're likely to be more successful selling ads for Internet properties and mobile applications than you would for newspapers and TV.

The skills and interests required to succeed in these endeavors are similar, but, if the field you enter is growing, your odds of success will be higher.

I know people who have chosen both paths. Even the most talented and hard-working folks I've observed are constrained by shrinking fields. So while you should pick something you love first, why not try to do that in an environment that will help you succeed?

Simple things can cause complicated outcomes, both good and bad. Persistent curiosity, combined with sustained focus on reasonable goals, will change your life over time. If you love what you do and work very hard, persevere, and take small steps, you likely will be in a dramatically different place ten years from now.

The same is true in your personal life. Picking the right partner - someone you respect, and with whom you can communicate, laugh and collaborate well - can make a huge difference in the quality of your life. However, like a career, long term relationship success requires perseverance and flexibility. People live happily ever after only in the movies.

No matter what your individual goals, hopes and dreams are, I hope you start immediately on your journey and keep going.

Life is short!

As Benjamin Franklin wrote: "*You may delay, but time will not*".



Whidbey Island, WA.

## **Epilogue: if this book were even shorter, here's what it might say**

*Everything should be made as simple as possible, but not simpler.*

*- Albert Einstein*

There are certain themes that run throughout the book. It may be useful for some readers to discuss them here.

*Know yourself.* To be happy, you need to pay attention to who you are, what you want, and how you feel, versus staying busy just doing 'stuff,' or doing what other people want or expect you to do. This requires both self awareness and introspection: if you pay attention to how you feel, what you like and what you want (as well as what makes you feel sad, angry, fearful and confused), the world is likely to look quite different. Many people are afraid of being introspective because they feel vulnerable. But without a willingness to open up, you won't understand yourself and you can't ultimately be truly happy.

*Act on that knowledge.* Simply understanding how you feel and what you want is vital, but insufficient. Progress depends on action. If your goal is to help other people, but you never do anything about it, you'll be unsatisfied. The same is true if you want to start a business, write a book, invent some new device, learn to play an instrument, get better at a sport, or be a good parent. Remember: take small steps. They work. Big steps often don't. Over time, small steps add up, and you end up in a different place.

*Observe.* It's incredibly hard to have a dispassionate view of the world, even if you try your hardest. Humans are emotional animals, and we all come at the world with our

own point of view based on our experience. It's impossible in many ways to get outside that frame of reference, although with diverse experience, a lot of reading, honest self-reflection on your failures, and some thinking, it's possible to stretch our perspective. Data and patterns matter, and you should pay close attention to them. But they're not enough to deeply understand the world, since history doesn't repeat itself exactly. Judgment and wisdom matter a great deal. To acquire them, and to be creative, it's important to slow down enough at times to notice what is going on around you.

*Focus.* Focus is important because time is limited and you can't do everything, let alone do everything well.

*Persevere.* Life doesn't come easily most of the time to most of us. Even if you have no major issues in your life, eventually you will. The way to succeed amidst obstacles is to not give up. Perseverance matters. I don't know anyone who has succeeded over time in any field or significant endeavor without it.

*Manage change.* Change happens whether you like it or not, both in our personal lives and in our world more broadly. With technology and globalization, the rate of change in society is accelerating. Being able to accept and manage change is an essential skill.

*Make friends.* Without true friends, most of us wouldn't enjoy our lives. To be happy, it's vitally important to be connected to other human beings whom you care about and who, in turn, care about you.

*Care.* If you don't take good care of yourself physically and psychologically, you won't be able to enjoy your life. And if

you don't care about others, you at least will be missing one of the great joys of being alive.

*Judgment matters.* This is not a recipe book. Many of these ideas conflict with others. For example, you can't both create space to let your mind wander and intensely focus at the same time. You need to use your judgment to figure out what's right for you at a given time in your life.

*Laugh.* We're all going to be dead anyway some day. So while you should try your hardest to make the most of your life, when something funny happens, when you make a mistake, or even (and perhaps especially) when bad things happen, it's easier if you can laugh about yourself and the world.



Hiking near Geneva, Switzerland.

## **afterword - the world beyond us**

*Money is better than poverty, if only for financial reasons.*  
- Woody Allen

This is a book about how to get the most out of life. But I don't want you to think I'm some sort of wild eyed optimist who only sees the positive in the world.

We all have problems. People get sick. We die. We get rejected from schools and we lose jobs. We fail at things we try to do. People disappoint us. Relationships and marriages fall apart. Some of us have financial troubles which can spread into other areas of our lives. And, on extremely rare occasions (which are far less likely to happen to you than you'd think reading the news), we're impacted by random acts of violence and terrorism. None of these things are fun; many are painful; and some can be debilitating.

Still, if you're reading this, it's likely you are lucky.

There aren't many statistics in this book, but it might be useful to put the world into a bit of context.

At least 80 percent of the world's population lives on less than \$10 per day (or less than \$3,650 per year). I don't know about you, but I could not imagine doing that.

About one in four people in the world lack electricity; and one in six people in the world don't have access to clean drinking water, nor can they read, or write, or sign their names. By way of contrast, I don't even think about getting water out of the tap or taking a shower.

Most of the world is not focused on a second car, or what certain Hollywood actors did in their personal lives. They would be grateful for a good meal.

Life is imperfect everywhere. There are real problems in the developed world, many of which you can read about regularly in the press.

The combination of record high levels of unemployment and government debt is a massive problem for citizens and governments from the U.S., to the E.U. to Japan. If you don't have a job, and you both want and are able to work, life is hard.

Environmental challenges are also growing as more of the world becomes industrialized. The U.S. is not leading in addressing this challenge today, but what happens in places like China and India -- with their nearly 2.5 billion people between them -- may matter a lot more.

Weapons of mass destruction could, in the hands of fanatics, severely impair civilized life on earth. The odds of an event happening are quite low, but the consequences of such an event could be catastrophic.

Education is another field that requires focus, as many people in our societies aren't getting access to the sort of educational opportunities that will allow them to compete in the world today, let alone the world in which our children will live in twenty years.

The income gap between the stars of the global, technology driven economy and average workers is growing in a way which could lead to societal instability over time.

Solving or even adequately addressing these issues is not easy. Solutions in a few areas may be unclear, and in other areas the solutions are apparent but they require pragmatic actions that will cause short term sacrifice.

Moreover, most families have two parents working outside the home in increasingly challenging jobs, with the result that many people have more demands on their time than ever before. And of course many households have single parent families and they, too, have increased pressures.

That being said, we in the developed world live dramatically better than even kings did hundreds of years ago. Technology and innovation are rapidly reshaping life in many ways. Both forces have made the world a more competitive place; in many fields today, the competition for your job is not simply coming from down the block or across the country, but from around the world or from automation. Few areas of the global economy will be sheltered from these forces, and in fact it's likely that the pace of change will only accelerate in our lifetimes.

There are risks to new technologies, including a potential loss of privacy and various forms of abuse and fraud. However, the same forces are also making our lives more efficient, more personal and, frequently, easier in many ways than they were even twenty years ago.

Job opportunities now exist in the U.S., in Europe and in places like Asia for people who have never had them; the rate of innovation is rising everywhere, and inventions

developed in other places will help us all live better too. In addition, global markets are now larger for both individuals with world class talent and U.S. and Western based corporations.

On a more personal level, it's much easier to buy things efficiently, to learn, to rapidly find answers to questions you may have, to stay informed, entertained, and stay in touch with your friends, no matter where they may live.

There's promise on the horizon of major advances in understanding the human brain and genetics which would significantly improve the quality of life for people everywhere. And it seems likely in our lifetimes that we will develop more efficient, greener energy sources which will help power our civilization for many years.

Importantly, we're free in much of the developed world -- something which has not been true for most of recorded history for most people.

While our lives are challenging and our world has many issues, some of which are quite serious, problems aren't new to our times, and there are also many great opportunities. Absent humans blowing each other up or some sort of biological catastrophe, life is likely to be much better for our children than it was for us.

# **acknowledgements**

Many of my teachers, bosses, colleagues and friends have taught me so much and encouraged me along the way. I deeply appreciate it.

I'm lucky. I was born in the U.S. to a family that valued education and I was equipped with the genetic material to do well in an information intensive world. I came of age in the time of the Internet. I've been surrounded throughout my life by smart and wise people who frequently have given me meaningful amounts of their time, and from whom I've learned a great deal. I've had multiple second chances, something possible in the U.S., but less so in other parts of the world. Had any of those things not been true, I wouldn't be in a position to have the time to learn, to think and to write.

I've had some great mentors. In particular I would like to thank my friend, Bob Goldfarb, for encouraging me to become a full time investor amidst the Internet bust and for his tremendous help and support since then. I would also like to thank my friend, Greg Alexander, from whom I've learned a great deal, and who has served as an informal partner for vigorous discussion and debate on a wide variety of topics. James Pan helped me understand the joys of running a small investing partnership and has been a source of inspiration and wisdom as well.

I'm grateful to various friends and colleagues, including April Roseman, Rebecca Rubin, Catherine Roche and Steve

Moore, for encouraging me to write a book. It wasn't easy, but it was fun.

My friends Lillie Stewart and Jamie Monberg both had unusually good insights and helpful suggestions. They're smart people, who work unbelievably hard and accomplish amazing things, and still take the time to care about their friends. I appreciate it.

Eric Perret, who is a first rate writer, did a masterful job in helping me edit the book. I'm sure the book is not up to Eric's standards, but that's my fault, not his.

Juli Douglas, who is talented in ways I will never be, did the beautiful cover art. Juli always does unbelievable work.

Paige Prill, who has a great book in her some day, was instrumental in helping me think about marketing possibilities and in giving me good editorial feedback on the book itself.

Dean King, an accomplished professional writer, whose books I've greatly enjoyed over the years, provided an interesting perspective on both writing and publishing.

My brother, John Atkins, who is a wonderful writer, a former editor and an experienced and talented business person offered cogent and direct advice, as he always does.

My former boss and friend, Matt Kursh, applied his incredible energy, creativity and great sense of humor to all of his suggestions.

And I'm indebted to the many friends, colleagues and family who took the time to read drafts, and/or encouraged me, and, in many cases, asked good questions and offered

comprehensive, insightful feedback and interesting ideas: Gabi, Steve A., Sandy A., Heidi, Lillie A., Sam A., April, David, Jamie, Mike, Pia, Sean, Tom, Nina, Brent, Alex, Jane, Evan, Harrison, Marilyn, Flo and Jo Ann.

If I've forgotten anyone - and I may have - I want to thank you as well. Any errors that you find are mine.

I also want to make one broader acknowledgement: sadly, many people in the world aren't in the position to be able to act on the advice in this book. You need to have water, food, shelter, and safety before anything I say here matters. I'm sensitive to these issues and I know I'm lucky not to be impacted by them.



## **about the author**



Peter Atkins is the managing director of Permian Partners, an investment fund he founded in 2001 amidst the Internet bust. Permian approaches buying stock the same way it would evaluate the purchase of an entire business.

Prior to Permian, Peter was a General Manager at Microsoft, where over the course of six years he helped to start, manage and, later, invest in various early consumer Internet businesses, including Sidewalk.com. Earlier in his career, Peter worked at Time Inc. in New York City.

Peter has a BA degree from Skidmore College, an MBA degree from Cornell University and did graduate work at Harvard University.

---

55

# QUESTIONS TO ASK YOURSELF

(Across 8 dimensions  
for a new you!)



MANOJ  
CHENTHAMARAKSHAN

# **55 Questions, Across 8 Dimensions For A New You!**

# **Introduction**

I want to thank you and congratulate you for downloading the book, “ 55 Questions, Across 8 Dimensions For A New You!”

Do you know that questioning yourself is one of the powerful ways to unlock some hidden things about yourself that you never knew? By asking the right questions, you will unravel interesting versions of yourself. In this book, I have specially crafted coaching questions used by life coaches to unveil the answers from you.

I would recommend you to use a partner to question each other to get better results. It is all fine to go it alone, but you will make far more progress if you involve another person in the process. This is because we tend to answer in depth when someone else asks the question. We tend to think deeply so that the answers we provide are concise and complete. You may think that you are bringing clarity to the other person but the truth is you are bringing clarity to yourself.

Before we can dive into the meat of this book, here are a few coaching tips:

Make sure the other person is in a comfortable place and is ready to be completely involved in the conversation; make sure to put the phones in silent mode and to achieve the best results, make sure you write the answers in a piece of paper. Not only will the latter ensure your answers are written down in an organized, well-structured manner, but you will be able to keep the piece of paper around for future reference.

Thanks again for downloading this book. I hope you enjoy it!

## **© Copyright 2018 - All rights reserved.**

This document is geared towards providing exact and reliable information in regards to the topic and issue covered. The publication is sold with the idea that the publisher is not required to render accounting, officially permitted, or otherwise, qualified services. If advice is necessary, legal or professional, a practiced individual in the profession should be ordered.

- From a Declaration of Principles which was accepted and approved equally by a Committee of the American Bar Association and a Committee of Publishers and Associations.

In no way is it legal to reproduce, duplicate, or transmit any part of this document in either electronic means or in printed format. Recording of this publication is strictly prohibited and any storage of this document is not allowed unless with written permission from the publisher. All rights reserved.

The information provided herein is stated to be truthful and consistent, in that any liability, in terms of inattention or otherwise, by any usage or abuse of any policies, processes, or directions contained within is the solitary and utter responsibility of the recipient reader. Under no circumstances will any legal responsibility or blame be held against the publisher for any reparation, damages, or monetary loss due to the information herein, either directly or indirectly.

Respective authors own all copyrights not held by the publisher.

The information herein is offered for informational purposes solely, and is universal as so. The presentation of the information is without contract or any type of guarantee assurance.

The trademarks that are used are without any consent, and the publication of the trademark is without permission or backing by the trademark owner. All trademarks and brands within this book are for clarifying purposes only and are the owned by the owners themselves, not affiliated with this document.

# **Table of Contents**

Introduction

Self-Discovery / Self-Image

Goal Questions

Belief and Value Questions

Opportunities Questions

Action Questions

Habit Questions

Accountability Questions

Celebration Questions

Conclusion

## **S elf-Discovery / Self-Image**

It is only fitting that we start by covering, and exhausting, self-image. After all, you could have perfect expression in every other area of your life but if your self-image is unsatisfactory to you, you will never be completely at peace with yourself and to properly reconcile with your abilities and uniqueness. Therefore, you need to first fix any self-image issues you may have and everything else becomes remarkably simple to tackle.

### **So how do you view yourself?**

It is important to mention that how you view yourself matters more than how others view you. You need to be completely in touch with yourself to achieve anything great. Some people might attend seminars or workshops, read numerous books, have enough knowledge but still lack wisdom! The reason is that they didn't change the existing self-image which is not supporting them to achieve their goals. These people spend years and years running around, trying to gather knowledge from every source they can access, but they never succeed in plugging the hole in their soul.

What these people do not understand is that trying to change the outside world rather than focusing on themselves, is like trying to change the image in the mirror rather than themselves. It is an exercise in folly, and really the only way to get results from this kind of thing is to blatantly lie to yourself... which we all know is not possible. Eventually, you will walk back to the mirror and see the same image you convinced yourself to have changed staring back at you. If you want a solution, you have to follow a more permanent route.

Do you want to know how you view yourself? Do you want to know who you are, at least as for now? Look at the areas of your life, such as your relationships, your career Etc. Get a proper feel of who you are by asking questions and answering them honestly in these areas of your life. Afterward, you will have the arsenal you need to make the requisite changes, and become a better you.

**Here are questions you need to ask yourself, in your examination of your self-image-**

#### **1. Who am I?**

This one, really, is the mother of all self-image questions. Who are you? What is it that defines you? If you were to die today, and the gravestone engraver was given all the material he needed to describe you on your gravestone, what would he write? What would you write about yourself if you were the engraver of your own gravestone?

There are no hard and fast rules when it comes to answering this one. You can choose to dig up your history back to 7 generations of your family and begin constructing an answer from that point if you want. Alex Haley had to dig deep into his history to truly define himself. While it was quite difficult at some point, the answers he was able to derive were so rich in substance that they enriched him and then spilled over to enrich the rest of the world.

Define who you are in your own way. Seek to describe yourself as clearly as you can. Feel free to use your environment in your bid to define who you are. Once you are able to answer this question, answering every other question about you becomes significantly easier, and you are able to carry yourself with full confidence when doing so.

## **2. How do I view myself? Positive or negative?**

This is yet another question that requires you to have a hard look into your life. You probably already have a general view of whether your life is positive or negative, but look deeply into your life nonetheless, and see if you can revise your opinion.

Is your life unrolling negatively or positively? Have you made sufficient progress to call yourself a success, or at least a relative success, in your own terms? A great point to start at is to ask yourself if you have met the goals you had in mind 5 years, 3 years ago, 2 years ago and finally a year ago, for your present life stage. Are you satisfied with your current station in life, going by those goals?

Please remember that your goals do not have to be only career-oriented- you could have had weight loss goals, sports-related goals, family/relationship related goals, travel-related goals, Etc. Also ask yourself if you are pleased with how you relate with other people around you, and most importantly if you express yourself to them in a way that leaves you feeling satisfied.

Sometimes, in order to answer this question satisfactorily, you have to examine things/points/factors/people in your life that you are happy or

unhappy and resentful about. Many times, you will discover that the happiness or unhappiness is really directed at yourself, and the external elements are just that, external elements. Depending on the scale of your emotions you will be able to answer this question with more conviction.

### **3. Who are your top 3 role models?**

This one is usually quite fun, especially if you have a knack for examining others' lives and drawing inspiration from them.

Who are your top 3 role models? Who are those people who have conducted their lives in a way that you believe would be ideal for you? These people could be successful career people. They could also be people who stay fit 360 days a year or people who have managed to carve out a lifestyle that you desire, however simple and un-fancy it may be.

Start by drawing up a list of 10, if you have a lot to choose from, and gradually cut down this number to three.

### **4. What are those qualities that you admire in them?**

Examine the qualities of your role models and determine what qualities draw you so powerfully to them. They could be people who project great warmth and calm even in the face of hostility, like Gandhi. They could have shown great patience and resistance to pain and suffering, like Mandela. They could display great work ethic and stamina that you have come to appreciate. Focus on the qualities that intrigue you about them the most and then list them down.

Remember that your greatest role models could be members of your family who provide a close example of what you desire to accomplish. Therefore, even as you look far and wide for solid role models, look close too, for the greatest answers sometimes lie close to home.

### **5. What are your top 3 strengths?**

Focus on your life, and determine what you are best at. You may need to take some time to answer this one, especially if you are a multi-talented individual, but this one should be relatively easy to answer.

You could be a really social person who is very good at striking up a conversation and lighting up a room. You could be very adept at speaking or

you could be great at analysis and research, Etc. These qualities do not have to be qualities that everybody recognizes in you. Sometimes; your best-kept secret could be your greatest asset. At the end of the day, there is no one person who knows you quite as well as yourself.

## **6. What are the top obstacles that you have overcome? How did you do so?**

You surely have obstacles that you have had to overcome, at some time or other. What are they and just how did you manage to overcome them? Feel free to reflect as far back in your life as you want. It could be that you had some really hard conundrums to circumvent when you were a child, at least on a childhood scale, and acknowledge that you held up nicely.

Walt Disney, of Disney fame, loved to say that he wrestled so much with challenges as a child that his adult life was relatively easy in comparison. He said that his days as a kid, doing the newspaper route with extra newspaper wrapped beneath his jacket to keep out the fierce winter cold, far outmatched his adult years in terms of hardship.

Perhaps, you have such a backstory. List down your biggest obstacles faced, and how you overcame them. Take as much time as you need to reflect.

## **7. What do you love doing? (In terms of career and passion)**

Your career, as you may already know by now, does not define you. You are so much more than your present career, even though you may be active in a field that you really like. But it helps to define what line you really want to operate in, as far as your career and passion go.

What is it that you love doing? It does not have to be an occupation that the whole of society lauds. You do not have to make such choices as ‘lawyer’, ‘doctor’, Etc. If you like to draw/paint, then be proud to mention this. If you love sports and intend to carve a career out of a sport, be confident and apply yourself similarly.

If you love working with cars, then this is what you should list. Remember that you cannot really lie to yourself; so list down what you really love doing, and not what your family and peers would love you to do.

## **8. What do you like about yourself?**

There may be a lot of things that you like about yourself... list all of them down. Do you like how you look? Are you impressed with your height? Does your style of dress fill you with confidence? Do you like that you think fast on your feet? Do you like your abstract, creative nature? Perhaps, you like how you relate with your entire family and the way you have built and nurtured relationships with them over the years.

List down every quality you love about yourself, and do not feel vain while at it; there is no vanity in recognizing things that you love about yourself. After all, it is most likely the case that you have had to work hard to develop these things.

### **9. What makes you lose track of time?**

No, we are not talking about what distracts you and takes your mind off of meaningful work. I am talking about a fierce hobby/passion/recreational activity that fulfills you to such a degree that whenever you indulge in it, you are in your own little world for a while. For some people, it is video games, while others derive that sort of intense preoccupation with more technical activities like coding, painting and golfing.

### **10. If money was abundant in your life what would you do?**

This question will help you discover who you are far better than most others will. Because by answering this question, you unearth your greatest desires. At the same time, you are able to see what your personality traits would be if allowed to manifest without being impeded. Would you splash the money on vehicles and homes? Would you save up most of it and guarantee security into old age? Would you channel a good amount of it toward charity? Would you seek to get back at those who have hurt you in the past? Seek to answer this question as concisely as possible.

### **11. What is that one thing that you continue doing even if you have all the riches in the world?**

There has to be something that you are doing today that you would continue doing if you managed to amass all the wealth in the world. What is this thing? Does it involve your career? Is it family oriented? Is it a hobby? A good

point to start at is to ask yourself what things fulfill you the most. You can then refine your way to one definitive answer.

## **12. What completes you as a person?**

For some people, family is what completes them. Some people are incomplete without their jobs and the exhilarating challenges that come with them. There are some people who do not feel complete without their wardrobes. There is no shameful answer. Ask yourself what completes you, and allows you to be at your best behavior at all times. Ask yourself what element in your life leaves the biggest void when it isn't there.

## **13. What are you complimented for usually?**

There will be that one thing that people compliment you for. You could be really good at speaking, art, making and reciting poetry, relating to people, sports Etc. Your answer should be unique to you. Think of that one thing that you get numerous compliments for- that one thing that draws attention to you, and then list it down.

Let us now move on to goals and what questions you need to ask yourself about your goals:

# **Goal Questions**

‘Clarity is power’ - Tony Robbins

It is important to have clear goals and objectives. You need to be clear about your goals, to truly arrive at your destination. You cannot afford to have unclear goals. Not only will you not be able to properly focus and put in the requisite work, but people who are not clear on what they want rarely achieve what they desire because they do not know even what that is.

It is really important to know where you are heading towards. It’s like you have an amazing private jet fitted with all those little tweaks that make it exceptional but ultimately have no clear plan for its use. You are never sure where to go with it. Ultimately, as enviable and phenomenal this jet may be, it will only end up being a money drain. Have in mind that this very machine would be wondrous and extremely fast and efficient if you had clear destinations for it. Think of your body and brain as the private jet, and your life goals as the destinations.

**Here are questions that will help bring about clarity to your goals and objectives:**

## **14. What fulfills me as an individual?**

What career fulfills you as a person? What is your passion? There is that special choice of career that you have been passionate about for as long as you can remember. When you are working at it, it is as if you are not working but rather having intense, goal-oriented fun. This one should be clear and easy to mark out unless you are a typical multi-talented individual. If this describes you, you may need to sit for a while and strain out your options through a mental sieve so that you have one clear, outstanding one, or make room for two or more choices.

Of course, it helps to have the main choice, and maybe have a 2<sup>nd</sup> or 3<sup>rd</sup> choice, but with the bulk of your attention going to your main choice.

## **15. What skills do I have to achieve this goal?**

If you are passionate about something, then you may have worked on a few of its facets already, seeing as you have a genuine passion for it. In addition, you may already naturally possess qualities that equip you wonderfully for your career choice/goal. For example, you may be good at business

transactions and salesmanship; traits which will undoubtedly help you if your goal is to be a super successful businessperson.

You may possess very well-coordinated hands that will serve you well if your goal is to be an artist. It could be that you have great stamina, which will aid you in truly making your mark as an athlete. Examine the qualities and skills you bring to the table and see which ones support your goal.

## **16. Why else would I need to achieve this goal?**

This is also known as seeking a 2<sup>nd</sup> supporting reason for accomplishing a goal, which will back up and boost your original reason/set of reasons. For example, it could be that you want to achieve your goal so that you can afford a mortgage, pay off school debts, etc. However, it could be that your parents or siblings are ailing, or could use your help. Seek out a 2<sup>nd</sup> supportive reason- even a 3<sup>rd</sup> - and list it down. It could provide an extra dimension to your goals, as well as extra motivation to achieve them.

## **17. When do I want to achieve this?**

They say that a goal cannot really qualify as one if it is not defined by a timeframe. It is vital that you know exactly when you want to accomplish your goal. When do you want to hit your goals? How many weeks/months/years should it take? Make sure that you define your goal with a proper timeframe. The specificity will add even more fuel to your fire, and fill you with the conviction that indeed, you can truly live your dreams.

## **18. What would happen if I achieve this goal?**

There are multiple scenarios that could unravel once you do achieve your goal. Of course, the most obvious one is a sense of fulfillment and accomplishment. Accomplishing your goal could mean that you never had to work a regular day job again, or that you were finally able to clear off debt that you had for years.

Accomplishing your goal could make the difference in how you view yourself; it could transform you from a loser to a winner in your eyes. List every possible thing that is likely to happen once you achieve your goal; list as many as you can. This will help you construct a clear, concise picture of the future, and what it could hold in store for you.

## **19. How would your surroundings change when you achieve this goal?**

By surroundings, I mean environment, and by environment, I do not just mean the physical features that surround you, I also mean the people around you, the circumstances that have governed you all this time, family, workmates Etc.

What happens when you achieve your goals? What changes? How does your success influence your environment? It could be that achieving your goal compels you to change location, or jobs, to accommodate the developments in your life.

While the external elements really do not mean as much as the internal ones, it helps to consider them so that you can be better prepared for the future.

## **20. What would you see, hear and feel once you achieve this goal?**

This is related to the previous question- what feedbacks will your surroundings give to you and your senses? You may also consider what you will personally feel, hear and see and base all of it exclusively on your perspective. Evaluate these things- when the time comes and you meet your goal, you will be pleasantly surprised when you feel the exact same experiences you listed down.

## **21. How would you remind yourself to stay on track during the journey?**

Here is something you should know; you will come across multiple distractions on your path to your goal. You will require reminding yourself constantly to buckle down and get back to work. You will need to be vigilant at this, especially since the human brain is wired to seek short-term rewards first and long-term goals secondarily. Figure out a reminder plan; formulate a set of reminders that will keep you plugged in so that you do not get derailed.

With that out of the way, the next thing you need to determine is your beliefs and values.

# **Belief and Value Questions**

“The only limits you have are the limits you believe” - Wayne Dyer

Each one of us is different; each one of us is unique. We all have traits that define us and separate us from everybody else. We have our own good and bad traits. We also possess certain beliefs and values which we are not aware of. Some beliefs might be helpful while some might be destructive. Still, these beliefs define you- they make up your core and determine what your psyche is like. This is why it is important to go about life without tripping over yourself apologizing at every turn.

This book is not trying to convince you to be a jerk; rather, you need to look at yourself as a unique being with a unique set of beliefs, traits, and desires. They do not make you a good or bad person- they only make you a person.

Anybody who tries to place hard and fast rules about how you should be and live your life is really just being quite frankly, ridiculous. You should aim to live life on your terms; aim to live life without any limits.

If people want to limit their lives by clinging onto beliefs that are self-defeating, they should do so by all means but they shouldn't try to impose their limits onto you, and you shouldn't let them anyway. After all, not only is life short, you only have one life to live. Reconcile yourself to the fact that you will indeed die one day; therefore, why not live as full a life as possible?

Let us look at some questions, which if you answer truthfully, you will understand your beliefs and values.

## **Questions you need to ask yourself**

### **22. What do you stand for?**

What is it that you stand for? Basically, what do you believe in? There are so many potential answers to this question. You can examine your religious beliefs and give an answer based on it. You can look to such societal and economical constructs as socialism and capitalism and determine where your allegiances lie. You can look to such ideals as privacy, or a lack of it and see where you fit, etc.

Basically, you have a code that you live by, made up of beliefs that you abide by. You are unique in that while you may possess similarities with other people, it is almost impossible to come across somebody who possesses a completely similar set of beliefs to yours.

Determine what you believe in and write it down. Ensure that you explore as many categories as you want to so that you can have a picture that is as clear and defined as possible.

### **23. What irritates you the most?**

There are things that definitely rub you the wrong way, and surely there are a few that you can list out loud without having to do too much thinking. Do you abhor your private business being made public for all and sundry to bear witness? Do you hate noisy people? Perhaps, the unlikely things are the ones that irritate you the most, such as extreme concern from well-meaning people. It could be that you absolutely hate the sound of slamming doors, and you have known times when you were unable to focus for hours because somebody slammed one too hard.

Draw up a list of the things that irritate you the most, and then whittle down everything until you have a list of the top 5 most irritating things/elements/behaviors.

### **24. What are you ready to fight for?**

They say that a person who is ready to fight for a few things that he/she finds ideal is a person who has found a set of things that will fulfill their soul. Surely, you have something/some things that you are willing to fight for. You have some beliefs that you are willing to stand up for in case you feel they are being belittled or unfairly criticized. Make up a small, yet concise list of these beliefs or ideals.

### **25. What does a successful person mean to you?**

It will help you to answer this question from multiple angles. What does a successful person look like to you, physically? How does he or she carry him/herself? How do they dress? Move on to the character traits; how do they generally respond to their environment? How do they respond to people, situations and their immediate environment? When faced with problems,

what is their standard reaction? How much net worth does a successful person have, by your metric? What is the successful person's influence over his/her family, and how does he/she manage their familial affairs?

Seek to answer this question by looking at every facet you can come up with so that the mental image you conjure is as clear and powerful as possible.

## **26. What is the difference between the present you and the successful you?**

Answering the previous question should help you tremendously here. You already have a clear image of what a successful person looks like. It is now time to see how you compare to that image. If the successful person has a trim physique, how does your own body compare? How does your wardrobe compare? How does your relationship with your family members compare? How does your bank account compare?

Examine every facet that you explored in your quest to determine what a successful person is to you, and compare your equivalent honestly. This way, you will know where you truly stand, and what you need to do to improve.

## **27. What is holding me back to take actions?**

What factors are holding you back? Is your physical environment holding you back? Is your partner partly responsible for your stagnation? Perhaps members of your family are blocking your progress?

Seek to have definitive answers to this one. For most of us, it is the fear of the unknown that blocks us; fear of embarrassment, ridicule, and failure as well. As somebody once said, once you know; then you know, and nobody can take that away from you.

## **28. What do you need to change mentally?**

This question is linked to the previous one. Once you determine the mental aspects that are blocking you from succeeding, then it becomes easy to mark out the mental elements that you need to work on.

Ultimately, you know yourself best; therefore, determine what needs to be changed mentally so that you can actually target it and make the necessary changes.

## **29. How would you do them?**

The next step is to determine how you would go about making these mental changes. Let us go back to our anxiety example; you could opt for a mix of meditation, and exercise. You could even opt to binge on motivational speeches and videos. If you have deep-seated anger issues that have gotten in the way of progress, you could opt for therapy sessions with a psychologist, or even just discuss the underlying experiences that brought your anger about with a close, trusted friend.

This is a very important step; you could know exactly what the problem is, but you are only halfway home if you cannot figure out how to confront and destroy the problem.

## **30. What habits do you need to change?**

The best definition of what a habit is that- *a habit is a set of behaviors that are directly inspired by your beliefs. These beliefs ultimately translate to actions which are governed by the behaviors that these underlying beliefs compel*.

Basically, your habits, rather than have their core exist externally, on such elements as monetary or relationship success, they have an internal core and are constructed around your beliefs.

You are already familiar with your good and bad habits but if you are unsure about any one of them, look at your set of beliefs and look to see what habits they might inspire. Nevertheless, pinpoint the negative habits, such as procrastination, and look to eliminate them from your day to day life.

## **31. How would you change the habits you need to change?**

Breaking a bad habit can be extraordinarily tough. But in truth, habit-breaking is often problematic because so many people go about it the wrong way. Rather than merely focus on what habits and routines to stop following, have a ready substitute for each habit you are looking to eliminate.

For example, if you want to break your habit of sleeping late, rather than simply say you want to sleep early, why not have a habit such as ‘I will be in bed by 9.30 pm, and I will leave the laptop and Smartphone on my desk?’

Also, it is vital that you understand what the habit you are looking to break ‘means’. For instance, what does laziness mean to you? Your definition of being lazy could be working 8 hour days, instead of your preferred 14 hours. Be specific.

### **32. What is your favorite animal? And why?**

This looks like an out of place question but it has its uses. If your favorite animal is the lynx, then thinking of it will help you envision its sleek, assertive nature, and then superimpose the image in your head onto your own life.

Some successful people have admitted to drawing up vivid imagery of their favorite animal, or spirit animal, before tackling challenging jobs or addressing huge crowds. This could work for you as well.

### **33. If you should describe yourself in a single word, what would that be?**

The idea is to confine the description to one word. You could be assertive, calm, quiet, brooding, aggressive, tough, introverted... the list is endless. Examine your life thoroughly and determine what word describes you best. It may also help to determine the word you would like to describe yourself in the future so that you know what to work toward.

## **Unstuck Questions**

There may be some past memories which hold you back from achieving your goal. Due to society, we tend to take information which is blocking us from achieving our goals too seriously, and too much to heart. This ends up hurting us and our progress. These questions will help you unplug from this hamster wheel. Answer them as simply as you can, and feel free to derive answers from the previous questions in this chapter

What is stopping me?

Where do my thoughts ponder most of the time?

"I should always \_\_\_\_\_"

"I should never \_\_\_\_\_"

It is best that you come up with terse, pithy one-line answers for these unstuck. This will greatly simplify your vision, and you will have a clearly defined target to aim for.

The next section will focus on opportunities questions that you need to answer so that you can take advantage of opportunities around.

Hey, If you are enjoying this book, don't forget to leave a review on amazon by [clicking here](#).

# **Opportunities Questions**

No matter your current stage in life, you have opportunities. What most of us fail to understand, is that we are flooded with opportunities. No matter where you are in life; no matter how bleak everything seems, if you have the means to access this book, no matter how undemanding they are, then you have more than enough opportunities around you to capitalize on and make a difference.

It helps to perform a thorough internal investigation, so that you can fully understand yourself, and where you are. When you are familiar with this, then you will most certainly know where you are coming from. When you know where you are coming from, it is a lot easier to determine exactly where you are going, and how you can capitalize on any opportunities in your way. This is why it is so important to ask yourself the questions in this book- they help you understand yourself better, which allows you to understand the environment, and the opportunities within it, better.

## **Eliminating excuses to be able to seize opportunities**

Excuses are your enemy, no matter how much better they make your temporary situation. Especially if you live in a 1<sup>st</sup> world country like the US, it boggles the mind as to how you can excuse yourself for not meeting your goals and dreams.

You may not have much money, but it is generally easy to take care of your basic needs. In fact, the biggest challenge most people face is being able to properly manage their time.

If you look deep into any excuses you insist on clinging onto, you will quickly find that most of them are flimsy. The first step is admitting that you have perhaps not been good enough; that you have perhaps been wasteful and a bit of a slacker. Once this is out of the way, you will have a clean canvas on which to paint a new life picture.

**Let's answer these questions to get insights into the opportunities that we have currently-**

### **34. What could you do to change this situation?**

Take a look at your current situation in life. What is it that you could do to change it? If you are broke, what are some of the short term and long-term

fixes that you could implement to make your financials look up? Perhaps you can pick up a 2<sup>nd</sup> job? Maybe you should commit to logging in extra hours at work, and taking advantage of the extra time? Could you perhaps get an extra degree to help you climb up the ladder faster in the future?

Really, you can come up with as many potential solutions to your current situation. All you need to do is ponder broadly and exercise patience when writing down your solutions. Eventually, the ideas will come. List down as many of them as possible, and then pare them down so that you are only left with the most applicable solutions to work with.

### **35. What resources do you have currently to achieve your goals?**

What elements do you have in your life that will help you get to your goals? You may need to think outside the box to mark them out. Your environment could be your biggest resource- it could be quiet, serene and full of like-minded people with similar goals to yours. It could be that your family is a great resource, pitching in when necessary to help you achieve your goals. Perhaps, you have connections with people in your line of work that will help you get to your destination. Your local library could be a phenomenal resource, with its stacks of books and research papers. Everything can be a resource; it just has to be effective enough in helping you move forward.

### **36. What else could you do to reach this goal?**

There are a couple of ways to go about answering this question. First, you could ask yourself how you could stack up available resources to help you get to your goal. For instance, if your environment is not something you can call a resource with any conviction, you can move to a new neighborhood or town that offers more opportunities. If your friends are the opposite of resourceful, you could consider your relationships and make more useful friends. You could work an extra job to get more money, so you can take the necessary risks to achieve your goals. The other way you can answer this question is by looking inward and asking yourself what needs to change. If you are only working 6 hours a day, perhaps bumping this up to 10 hours will help you do more. If you go to bed with your tablet and computer, so that you almost always end up sleeping late and waking up late, you could consider leaving them in your desk and being in bed by 9.00 pm.

### **37. Whom can you get help from?**

They say that no man is an island. Think of people who can help you get forward. Your family members could be excellent for this. Perhaps, you have friends who could be useful. Maybe you know someone with experience in your field that you could be a protégé to. Think hard, and then approach the names you come up with, with assertiveness and confidence. You will quickly realize that most people are eager to help and impart advice since they benefit from it as well.

### **38. Which options do you think would be the effective one?**

As I said, you ought to draw up as many options for each question posed as possible. But it is hard to apply all of them, and at some point, redundancy begins to set in any way. Go through all the questions posed in this chapter with a fine toothcomb and begin by trimming down everything to a list of 5 top/most effective ones.

### **39. What do you think is required to speed up this process?**

Often times, this primarily points to the sacrifices that you have to make. Really, making sacrifices is the greatest way to move forward. Nikola Tesla, perhaps the most intelligent man to live and Earth's greatest innovator, made a huge sacrifice in giving up his patent rights so that his AC concept of electricity could go through faster, and a power plant could be set up. Look at the areas you can make sacrifices in; sometimes it is as easy as sleeping fewer hours, and list them down.

If you don't take action, you will not change and your life will remain the same. The following chapter will focus on asking questions with regard to taking action and answering these questions will enable you to take the requisite action to achieve your goals .

## **Action Questions**

**Ideas are shit, Execution matters - Gary Vee**

Of course, ideas aren't really 'shit'. What Gary Vee means is that you could come up with all the ideas in the world, and they could be some of the

greatest ideas that were ever drawn up, but without executing them, they are mostly useless. Ideas only get you through halfway; you need to execute them to really succeed.

Have you witnessed a person who appears to be perfectly set up for life, even with a lack of money; they are brilliant thinkers, eloquent in nature, well put together and capable of coming up with great ideas and analysis, but they can never seem to rise above their stage in life and exploit their advantages?

If you look deeply, you might discover that their greatest problem is that they can never seem to execute their brilliant ideas. Perhaps, they lack the requisite confidence and aggression to actually apply their ideas and see some fruits. Perhaps, their fear of failure is so crippling that they would rather eliminate all risk of failure by doing nothing than take a chance at success by executing their ideas.

It is not the one who holds new ideas that wins, but the one who executes them. Many people fall into the pit of over-thinking and analyzing but never take the most important step that is action. It is necessary to have clarity for sure, but knowledge would pay its price once you begin to take actions.

**Here are some questions that you need to ask yourself, that will help you make the necessary steps to transition to action:**

#### **40. What do I want to achieve in 6 months?**

Some people will tell you to start with a 10-year plan and then work your way down. But so many things could change within 10 years. You will grow older, and your view on life could change drastically somewhere in the middle. The best point to start at is the 6-month point. Look at it this way; 6 months is actually quite a long time. 6 months is around 24 weeks; 24 weeks is 180 days. If you focus properly for 180 days, then you could get a lot done in 180 days. Ask yourself what you want to have achieved in that span of time and write it down in bold.

#### **41. What do I want to achieve in 3 months?**

The next step to take is to split the 6-month block in half. What is it that you want to achieve in 3 months? 3 months will mean 90 days- what would you like to have achieved in 90 days? Of course, your 3- month goal should be relative to your 6-month goal.

However, as you may already know by now, drawing up your 3-month goal will not necessarily mean halving your 6-month goal. It is not always quite as simple as that, as some goals tend to progress in compound form.

Examine your 6-month goal thoroughly and then figure out how much work needs to be done within the 3-month period. It could even be that you ought to have completed all the work in 3 months, and focus on refining, editing, and marketing in the 3 months that follow. You know the nature of your goal best; break it down and come up with a viable 3-month goal.

#### **42. What do I want to achieve in 1 month?**

The next step is to decide where you want to be in 1 month. How much of your 6-month goal should you have down in 1 month? Again, like we said, it really isn't as simple as performing simple multiplication and division to come up with your mini goal. Examine your 3-month goal and then figure out how much each month ought to contribute to it. Focus on this month; focus on the resources at your disposal, time available, helpful models in place, etc. Take every element you can draw up into consideration, and then look to see if you can come up with a viable 1-month plan.

#### **43. What do I want to achieve this week?**

Next up, you need to figure out what you need to accomplish this week. And by the way, please be realistic. Given that you are just starting out, you may need to focus more on shaking off the cobwebs and getting up to speed with your scheduling.

If you are used to working for 6 hours, and you have decided to bump this up to 10 hours, best believe that you will not adapt seamlessly. You will struggle in the first couple of weeks, but everything will become easier.

It is advisable that you begin by setting a low target for your first week and keep scaling up over time. Use your first week to ‘feel out’ your new schedule, mindset, etc. Use it as training week. In fact, you can use the 1<sup>st</sup> month as training time. This way, you will avoid having to make abrupt stops every few weeks as you struggle to figure something new out and adjust to it.

#### **44. What are the resources that I need to stay on track?**

We covered the resources at your disposal in the previous chapter. You now have to figure out the resources that you NEED in order to stay as distraction-free as possible. Perhaps, you absolutely need to change your location. Perhaps, you need to set up an exclusive working space at home and install soundproofing. Maybe you require a small loan to help you make the next step. Examine your goal and then figure out the resources that you need. Write them down and then figure out how to access them

#### **45. What would keep me from taking actions? And how do I deal with it?**

Distractions will always come up. By the way, this will happen as sure as the sun rises and sets; you will get distracted multiple times, and each distraction will potentially deliver a hit to the prospect of accomplishing your goal. It will help to prepare beforehand for these distractions. List every potential distraction you can think of, and then formulate plans on how to curb each one of them. This way, when these distractions roll around, you will be prepared to handle them quickly and efficiently.

# Habit Questions

*Success is really nothing more than the **progressive realization** of a worthy ideal. This means that any person who knows what they are doing and where they are going is a **success** . - Earl Nightingale*

Look at Earl Nightingale's quote above- he does not say that success is **the utter realization** of a worthy ideal, but he says it is the **progressive realization** of a worthy ideal.

Basically, unlike what most people believe, being successful does not necessarily mean coming out of the other side having accomplished every goal, though this is important as well. If you are constantly hitting milestones, no matter how small they are, it is alright to consider yourself a success. This is because, rather than success being confined to an outcome...

## **Success is actually a habit, more than anything else**

Success is the progressive realization of a worthy ideal. It is impossible to make progressive steps without having a set of habits in place to prop it up. It is habits which decide the quality of the person and by extension, the quality of the person's life. It could be any part of life; if you are consistent in reading books daily it is obvious that you would be more knowledgeable than most of the people in your group. If you make it a habit to exercise and maintain a healthy diet, your body generally would tone up and show the relevant results. So a man, or woman, is nothing but his or her habits.

Forming new habits will require you to exercise self-discipline

Funnily enough... self-discipline is all about habits, and habit-forming. Self-discipline is that process of building specific habits over a period of time, which will assist you in obtaining a desirable outcome, a goal or an objective. In other words, we could say that self-discipline is all about taking small-sized, steady actions which will help to form habits, which subsequently help you reach your objectives and goals.

Self-discipline really is a process of steady, repetitive revision, regulation, correction and elimination of behavior, as opposed to simply hammering away at routines and actions, without having your mindset as your focal point of action:

When we talk about steady, repetitive revision, regulation, correction, and elimination of behavior, this is necessary to adapt to the changing conditions and circumstances in your environment. And you better believe it; your conditions will shift and change constantly, thereby requiring you to adapt to them and change your routines and patterns as well.

**Habit-related questions that you should ask yourself so as to make your ‘progressive realization of an ideal’ possible:**

#### **46. What new habits should I follow to achieve this goal? List them**

This is the first step, as far as habit-forming goes. What new habits do you need to take up? The ‘what’ is almost always linked to the ‘why’, especially where habit-forming is concerned. Once you identify the habit that you would like to take up, ask yourself why it is necessary for you to take it up. If you can answer this comprehensively, then the habit is indeed necessary to build. However, there is another dimension to habit-forming.

To effectively build new habits, it is necessary to destroy some old ones. If you want to develop the habit of promptness and respect for time, then you need to break the habits of procrastination and slothfulness.

You have to break these negative habits so that you stand a better chance of building new positive habits. If you want to build a habit of waking up at the crack of dawn and working through the morning, then you need to break the habit of sleeping late. If you want to build a habit of working in 25-minute periods without any distraction, you have to work on breaking your habit of checking your phone for social media updates every few minutes.

#### **47. What would remind you to stick with the plan?**

There are so many options here, that you are spoilt for choice. A reminder can be as simple as a timetable tacked at the corner of your desk; it could be as simple as your list of goals displayed somewhere that is easily viewable from your workstation.

Basically, it is necessary to have something motivational in place to remind you to stick to your plan and keep working even when you don’t want to. Have you seen boxers and martial arts fighters carrying photographs of family members who mean the world to them, and add to their motivation, to the ring? This allows them to add to their psychological edge- even when

they are in trouble; battered, hurt and exhausted, these ‘photographs’ help prop them up and keep them going even when they want to quit.

You have also seen CEOs and other leaders display photos of their family on their desk. Perhaps, you need a photo or two to keep you going. Really, a reminder could be anything. Figure out what works for you and then use it.

# **Accountability Questions**

The most effective people often have accountability partners to keep them on the ‘straight and narrow.’ An accountability partner does just what the name suggests; he/she helps in keeping you accountable.

Having an accountability partner will motivate you to move forward. He or she is basically a person who will push you when we feel down or low. This is the reason people have coaches who question them every week. Even the best coaches have their own personal coaches to progress.

Speaking of coaches, an accountability partner will be something of a coach to you. He/she will give you some encouragement when you need it. An accountability partner also reinforces the importance of every structure you have put in place to help you achieve your goal; he/she will make sure the timetable you draw up is followed to the letter; he/she will ensure that the workload that you have set apart for each day is met, Etc.

It is advisable to have an accountability buddy during the journey. There are some who succeed without one anyway, but an accountability partner makes it so much easier to be responsible and driven, and the added bonus of knowing that somebody else is invested in your dreams, to some level, also counts for something:

**Here are the questions you need to ask yourself when you are screening potential accountability partners:**

## **48. Whom will you associate with?**

Basically, this points to multiple elements. What character traits should your accountability partner exhibit? You want a partner who shares some of your own character traits or projects a set of traits that you are working towards adopting.

Does the potential accountability partner have a track record of meeting his goals and smashing them? Look; an accountability partner who is a slacker in his or her own life will only transfer that slacker mentality onto your routine, which will only mean you end up worse off than you would have without an accountability partner.

Is the accountability partner a good person with a humane side to him/her? You may think this is a silly question to ask when screening for an accountability partner, but if you settle for a psychopath, no matter how effective and hardworking he/she is, how will they be able to invest their time and emotion in you and your goals when they do not have much of either left to spare for anyone else but themselves?

Examine the character and track record of your potential accountability partner so that once you make a choice, you will end up with a person who will offer the best support system.

#### **49. Whose help is required for you?**

This is yet another vital question you need to ask and answer. Whose help do you really need? This is what I mean by this question. Depending on who you are, and what your nature is, you may need a cheerleader in your corner, a vocal motivator, a quiet overseer who mostly stays behind the scenes while you do your thing, a person to hold your hand and help you overcome challenges and fear, a family member whom you share a deep emotional bond with, Etc. Only you know what works for you.

The first step to take, when seeking a definitive answer to this question, is to ask yourself what you need in terms of a support system. What is your greatest distraction? What element has held you back the most from succeeding? For instance, if your answer is procrastination, then you will need somebody who makes it very difficult to procrastinate such as a vocal motivator who checks in on you every so often to see how much progress you have made.

#### **50. Whom will you call when you feel down or low?**

You will certainly feel down at some point. You see, your brain is designed in such a way that it prioritizes short-term rewards over long-term ones. Thus, after repeatedly forcing yourself to work toward a long-term goal whose fruits you will not see immediately, you may notice that psyching yourself up for some intense work is often an uphill task, and you may feel some dread every time you prepare for a working session. In times such as these, you will need somebody you can call who will assure you that indeed,

your goals and dreams are worth the effort you are putting in, regardless of the lack of immediate results.

There are times when external factors will get you feeling down. You could experience a crushing loss, or some things could demotivate you badly. But really, you have to shake all that off and get back to work if you are going to realize your dreams. It will help to have somebody to call or maybe just somebody to have a 5-minute coffee sit-down with. Just as a note, this person does not have to be the same person who you are accountable to, it can be somebody else.

### **51. Who is your coach?**

Who is your coach? What would your coach do for you? Who is he/she? Does he/she have what it takes to cover all the facets of your pursuit? Does he/she have what it takes to get you to do what you need to do to achieve your goals? Can he or she hold you by the hand until you achieve your goals?

Answer the above questions and find a suitable person.

## **Celebration Questions**

At the end, it is about happiness. It is always about happiness. We set goals and targets just so we feel accomplished, successful and worthy. And there is no problem with any of this. This may include yourself and your surroundings as well. How would you like to celebrate this victory? How would you like to reward yourself? Setting celebration goals beforehand helps us to move forward with ease.

**Here are some celebration questions to ask-**

### **52. What were your biggest achievements this year?**

Remember when we covered the goal-setting questions? One-month goals should add up to form 3-month goals, which in turn add up to form 6-month goals; 6-month goals will add up to yearly goals, etc.

Have you managed to stay consistent with your mini-goals? If you have, then this particular question should be easy enough to answer. Acknowledge what your biggest achievements have been, the past year, and write them down. There is a sense of pride one feels when they are able to say with conviction that they completed something of some magnitude. Wear your accomplishments as a badge of honor- God knows you worked hard for them, as opposed to going the slacker route that most people opt for.

### **53. How would you celebrate once you achieve this goal?**

You know what kind of person you are, and how you like your celebrations to look like. Perhaps, you are the introverted kind who likes to throw a party and have your friends and family share in your happiness. Perhaps, you are comfortable opening a bottle of cognac and enjoying it alone when you are in the mood to celebrate. One of the best ways to put a stamp to your celebratory endeavors is to reward yourself by spending a bit of money on you. Perhaps, you have desired a particular motorbike model, a branded purse, a set of new golf sticks, etc. Spoil yourself for a bit; you deserve it.

### **54. What are the milestone celebrations?**

Milestones simply mean mini-goals. A monthly mini-goal represents a milestone, as does a 6-month mini-goal. It is important that you have some celebrations planned out for every milestone that you meet. You may ask; why not put off celebrating until I have gone the whole hog? But remember, this book defines success as the progressive realization of a worthy ideal. It does not say that success is the complete realization of a worthy ideal. Thus, every milestone you blast represents success. A mini-celebration should be in order.

### **55. Whom would you share this victory with once you have achieved?**

It is important that you have someone dear to you join in your celebrations. This gives the whole event more magnitude. It adds substance and relevance to the event and confirms to you that indeed, your efforts were worthy, and your success, no matter how small, is nothing to scoff at.

There is also the small matter of feeling even more motivated to succeed once you involve another party, who proceeds to become invested in your success, at least to some degree. You can invite as many people as you want. You can simply call up your best friend, godfather, etc. You know what works for you.

## Conclusion

Every question included in this book is geared toward helping you know ***you*** better, and be able to push yourself forward with more efficiency and grit. In case it wasn't obvious, this book pushes the very accurate message that you are indeed special and that you are unique and different from anybody else out there. You have unique tastes, mannerisms, goals and objectives; a unique background, a way of doing things and so much more.

If only you held yourself with the value that you deserve, and applied the requisite work, there is no way success would evade you. Take a hard look at every individual question, and try to answer as concisely as possible, and as this book has already recommended, make sure to write down each answer.

Soon enough, you will begin to see the fruits of your self-examination so that even your wildest dreams become normal things that you quickly get used to.

We have come to the end of the book. Thank you for reading and congratulations on reading until the end.

If you found the book valuable, can you recommend it to others? One way to do that is to post a review on Amazon.

[Click here](#) to leave a review for this book on Amazon!

Thank you and good luck!

success, efficiency, happiness, anxiety, exhaustion, worry, mistakes, relationships, technology, time, distractions, the past, feelings, neglect, addiction, worry, anxiety, exhaustion, reputation, spouse, agita-

# LIFE IS SHORT

## And So Is this Book

Brief thoughts on making the most of your life

Peter Atkins

ccess, efficiency, happiness, goals, focus, priorities, technology, responsibility  
nxiety, exhaustion, worry, mistakes, neglect, anxiety, inconveniences, reputation, spouse, agi-  
tation, success, criticism, relationships, technology, time, appearances, managing, wasted time, wo-  
rried, time, accountability, priorities, distractions, the past, feelings, neglect, addiction, worry, anxi-  
ety, children, change, acceptance, the past, feelings, efficiency, future, critic-  
opiness, spouse, hard work, staying active, mental health, technology, time, conne-

# LIFE IS SHORT

## And So Is this Book

Brief thoughts on making the most of your life

Peter Atkins

Copyright 2011 by Peter Atkins. All rights reserved.

To Sam and Lillie - who have made my short life wonderful.

# introduction

Life is short. You can, if you work hard and are lucky, get more of almost anything, but you can't get more time. Time only goes one way. The average American has a lifespan of less than 30,000 days. So how you choose to live matters.

That's the topic of this book. I don't pretend to have all the answers. I'm still learning every day, and many of the good ideas here I've picked up from other people either directly or by reading. But this is what's worked for me.

Like life, this book is short. Many books I read could communicate their ideas in fewer pages. So I've tried to be brief in line with the wise person who noted: "*If I'd had more time I would have written a shorter letter*".

I don't think brevity implies lack of content. The concepts here have improved the quality of my life, and I hope they're useful to you as well.

Using these concepts, I have created a life I love. My job doesn't feel like work. I love and respect the people with whom I spend time. And I'm also passionate about my life outside work. I've learned how to create a balance that makes me happy between work and other interests, including my family, friends and exercise. Sadly I think that's rare. And yet, while I know I'm lucky, most people can work towards those goals in their own lives.

My interest in making the most of my life began when I was just starting college, but when I was in my mid-thirties a boss I admired died of cancer. He was young. He had a great wife; he had three young children; he had a fantastic career -- he had everything in life. He just didn't have enough time. So, while I'd often thought about how to get the most out of life, the death of someone so young and vital increased my sense of urgency to act on it.

One of the things I've always wanted to do was to work for myself. As a result, I left an exciting job at Microsoft in 2001 amidst the Internet bust to found the investing firm I now run. It was hard to do, both financially and emotionally. When I left Microsoft, many people - friends, family, and even some of the press - thought I was deluding myself to start a fund focused on Internet-related companies during a market crash. A press quote from the time said: *Call him a little crazy. Call him a little nuts.* I'd never seen that type of coverage before. And, in a sense, the press was right; the business wasn't easy to start. Fortunately, from a vantage point of ten years down the road, it's worked out quite well.

A key part of my job is reading and thinking about a broad variety of topics. So writing this book was relatively easy. It's even easier to read. But, like many things in life, actually executing each day on these concepts is extremely difficult. With thanks to Thomas Edison, life is 1% inspiration and 99% perspiration. Even so, I hope you have fun perspiring.

Peter Atkins  
Seattle, WA  
December, 2010

# **CONTENTS**

1. Create space.
2. Try not to worry.
3. Don't do *really* dumb things.
4. Build character and make friends.
5. Care for yourself and others.
6. Laugh.
7. Do what you love.
8. Embrace change.
9. Learn from experience.
10. Have dreams and work towards them.
11. Epilogue.
12. Afterword - the world beyond us.
13. Acknowledgements.



## **create space**

*Life moves pretty fast. If you don't stop to look around once in a while you could miss it.*

*- From the movie, Ferris Bueller's Day Off*

We all approach life in different ways. Some ways allow more time to think, to be creative, to do what's important, and to spend time with friends. I'll give you an example.

A friend of mine used to be the CEO of a well-known Internet company. He once told me he found it funny that the busiest people on his team were always the people to whom he could give more work, while the ones who accomplished less had little time for anything (often including their existing responsibilities).

I've found this is an important observation. It's often the most successful people I know who are most efficient with their time and who always seem to have time to think and to do more. The trick is people who are most productive tend to say no to things that are unimportant to them and focus on what they believe matters. When you think about it, how could it be any other way?

Of course, activity by itself doesn't equal accomplishment, and certainly not success -- being busy just means being busy. I know many people who work super hard to fill up the spaces in their lives, so they won't have to think. A wise colleague calls this "numbing out". They may accomplish their goals, but they're unlikely to be fulfilled or do truly creative work. I know other people who fill their free time with meaningless activities. They're also busy, but they neither achieve much, nor are they satisfied.

In contrast, I once had a smart boss who told me if I wanted to do my best work, I needed to do fewer things, and really focus on what mattered. That was great advice. Many people confuse *want to* with *have to*. In other words, just because someone else wants you to do something doesn't mean you have to do it. You can't get more time, so how you spend the time you have is critical. Focusing on what matters means saying no to things that don't matter. Otherwise, your life becomes cluttered with distractions.

Technology presents both potential distractions and also great opportunities to use your time better. Technology is a tool. Used properly, it can help you but, like any other tool, it can be mismanaged. If, for example, you spend most of your day responding to email, or text messages, or checking out your friends on social networks, you won't get much done.

A better approach is to decide what you want to do and what is most important. Make lists. Then use technology to assist you, versus allowing it to control you. To execute on this concept requires discipline and practice, but anyone can get better at it, and make real progress if they want to.

One way I like to use technology to save time is, where appropriate, to eliminate meetings and use email instead. I should emphasize 'where appropriate'. Email does a terrible job of conveying subtle emotional content, so meetings are more appropriate for team building, for negotiating, for personal conversations, and for any other situation where it's important to look someone in the eye. But for some things, email is better.

Mobile devices provide a fantastic way to stay connected and on top of work, wherever you may be. If you have any

down time, you can read books or articles, check email, or browse the web from virtually anywhere.

Distractions have increased for reasons beyond new technologies. According to the Bureau of Labor Statistics, about 60% of U.S. families are two-income households, compared with only about one-third in the mid 60's (the statistics are directionally similar in much of the Western world). We're busier and, consequently, are tempted to do lots of things at once.

A number of people I know claim to be great multi-taskers. The brain, however, doesn't work that way; instead it focuses on one activity at a time. If you switch back and forth between multiple tasks, your brain works more slowly than it would if you focused on each activity for a period of time. Albert Einstein said: *It's not that I'm so smart, it's just that I stay with problems longer.* Most of us do the opposite -- with predictable results.

To allow yourself time to think, there are many non-technological tricks to managing information. All of them require you to make choices to focus your energy. I like to set aside blocks of time for specific activities - even to read or chat.

That being said, there are combinations of activities which work together and can make you more productive. For example, I frequently ride an indoor bicycle while reading, since the indoor bicycle takes no mental attention, and it allows me to get exercise at the same time. (Don't try to do the same thing, though, on an outdoor bike!)

Another way to free up time, if you have the option, is to live close to work. For many people, the amount of time spent commuting is huge, and it tends to be quite stressful

and, frequently, not super productive. There are usually good reasons people want to live far from work; it's often significantly cheaper, and the schools may be better.

But, if you think about the value of your time, it might not make sense. You might be able to afford a smaller home closer to your job rather than a bigger one with a long commute. And, if you do that, you might have significantly less stress on a daily basis. In fact, when I lived in Manhattan, frequently the most relaxing part of my day was walking to and from my office. It didn't seem like a sacrifice to have a tiny apartment on the third floor of a building without an elevator.

The ultimate reduction in commuting time is working from home - something that is becoming increasingly possible for many people, given the evolution of technology, and the desire of companies to get the most out of their employees while limiting real estate costs. If you have a job which accommodates it, are self-motivated, and have the space and quiet required to work well from home, it can make life considerably more pleasant, and can create more discretionary time. A handful of my colleagues work from home. They all love it -- none would choose to work in an office again.

Making space in your life by using time efficiently also helps nurture creativity. I find it interesting that people who tend to be the most creative have three things in common:

They're incredibly well prepared in their fields -- they become masters of their domains by practicing for many years, day after day.

They spend time deeply focused on solving a key problem or key set of problems, no matter

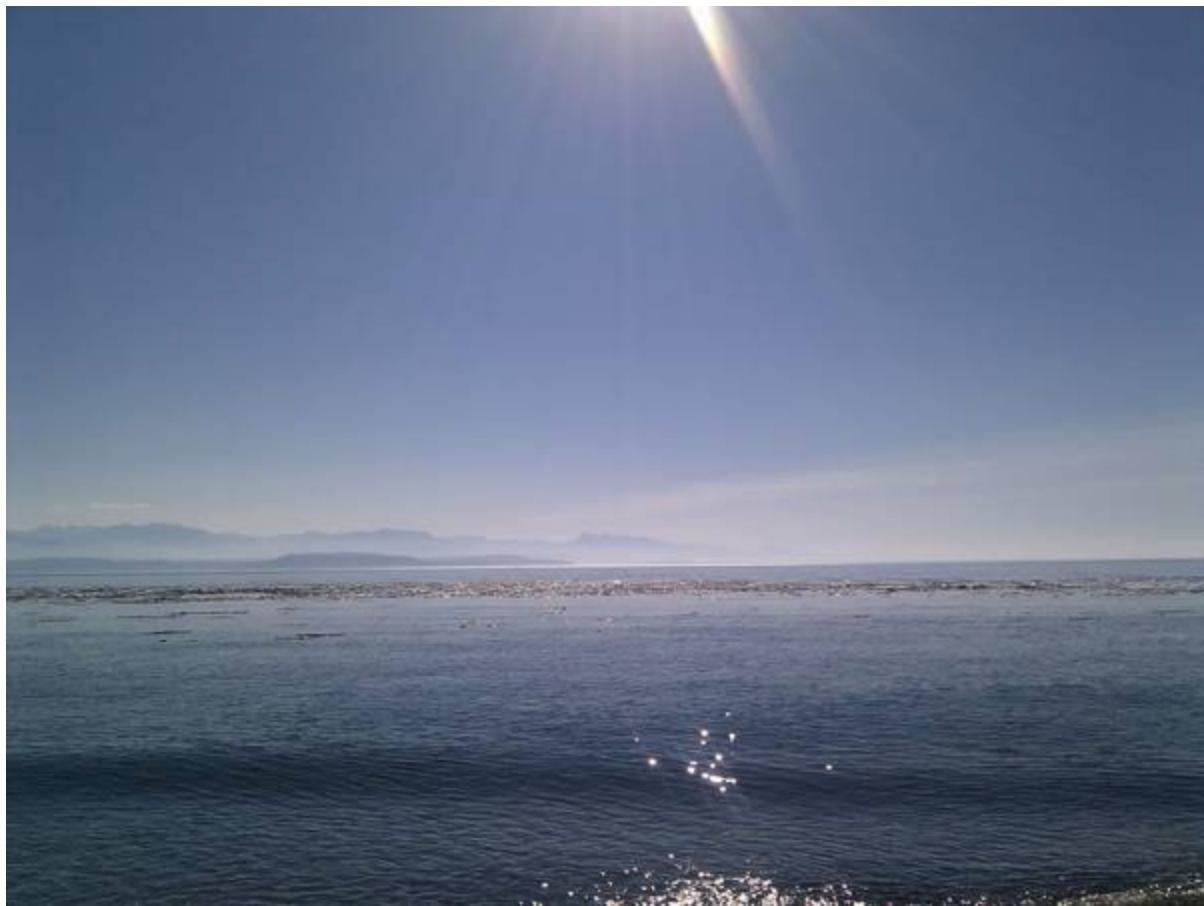
the obstacles.

They allow themselves to step away from the problem(s) on which they're focused, so that insights can come to them in activities such as walking, or looking out on a beautiful scene.

To get great insights absolutely requires hard work, but it also requires space. This is the case because the human mind is not a linear machine. If you don't put in the required effort, you won't be capable of generating good ideas; you won't understand the subject matter. But if you don't give yourself space from the problems on which you are working, you likely will be so worn down you won't generate creative insights. You need both.

In taking walks these days, I try to notice the beauty around me; it helps me think and relax. In fact, I regularly take pictures with my cell phone camera (some are included here) as a reminder to stop and look. It's a simple thing (and my pictures won't win any prizes) but it works.

So to make the most of your life, say no to things that don't matter, work hard at what you love, and occasionally take time away from your core focus to rest so that your mind can be quiet for great insights to come.



Looking out to the Olympic Mountains, Washington.

## **try not to worry**

*If you can't sleep, then get up and do something instead of lying there worrying. It's the worry that gets you, not the lack of sleep.*

*-Dale Carnegie*

Worrying, I've found, wastes energy and wastes time; it limits what you can accomplish. I try not to obsess on the past, but to learn from it. I try not to worry about the future, but to prepare for it. And while it's difficult sometimes, I try to take pleasure in the moment, even when bad things happen.

An inspirational woman I know has cancer, yet she finds the beauty in every day and every moment. I don't know many people who are more positive, or go through life with as much curiosity or energy as she does. The last time I saw her was at a dinner party -- she was more engaged than anyone else that evening, constantly asking questions about new technology, and how I thought it would change the world. I also have several friends with Multiple Sclerosis, and they live more restricted (and more painful) lives than most of us, but each seems excited every time we meet. They're clearly trying to get the most out of their limited time left on earth.

The lesson to me is that you can focus on something going well, or something beautiful, or something interesting -- even amidst terrible times.

I try to put things into two buckets: one I can do something about and one I can't. The things I can't do anything about, I try to ignore. There's no use, for example, being jealous of

other people's success or good luck; it won't make me any happier. Nor is there any upside in worrying about a bad situation in which I find myself. There is, however, a lot to be gained from considering how I can move to a better place.

I've also noticed it helps to accept the world as it is -- not in the sense that you can't change things (although that is sometimes the case), but in the sense that you need to see reality clearly before you can take effective action. As a professor of mine once said: if you think the table you are sitting at will fly, you have a problem.

Accept that luck and bad luck aren't evenly or fairly distributed, and you can't do anything about that. I have many talented friends in the technology industry who've been paid over the years primarily in stock options. Some have made a great deal of money this way, and frequently they were just lucky to have joined a given company at a certain time. They weren't necessarily more talented than others. They didn't work harder, or contribute more than people who started later than they did. They frequently didn't even have a strong conviction in advance that they'd make a lot of money (although they knew there was a chance they might). They were, relative to their peers, lucky.

There are some things in life you can't change (such as your parents, your height, or the personalities of other adults). For the problems you can impact and you want to alter, think about what you want to accomplish, and try to do that in a pragmatic way. You don't have to change everything overnight. In fact, thinking you can, or should, is likely to lead to failure, or to feeling overwhelmed -- and as a result perhaps doing nothing.

My experience the last ten years illustrates this point. If I'd tried to build my investing business to scale in a short time

frame, or worried when stock prices declined, I would have failed. I started investing immediately before September 11th. While prices of Internet stocks then were low relative to their business value, prices dropped significantly for another year and a half during the Internet bust before recovering to sensible levels. I had no idea that would happen. It didn't feel pleasant. My family lost faith in me, and most of my friends thought I was a bit nuts to even invest in the sector. It was only because I stayed focused on understanding the businesses in which I'd invested, and was willing to stick with my convictions over a matter of years, that my ideas worked out well. Over time, other people gained faith in my investing abilities, but it didn't happen overnight. It wasn't easy. And nothing I might have done early on would have changed that.

Lastly, when you make mistakes along the way, as I have at many points in my life, accept them as well. I've tried to learn from my mistakes. They're experience - and they're the sort of experience you won't soon forget.

As Winston Churchill said: *Success is not final, failure is not fatal: it is the courage to continue that counts.*



Sunset from the air; somewhere over western Canada.

## **don't do *really* dumb things**

*All I want to know is where I'm going to die so I'll never go there.*

- Charlie Munger

You can't follow Charlie Munger's advice literally. But, as a wise colleague of mine says, sometimes the most important thing to do is to not do anything *really* dumb. I've found this type of inactivity is undervalued in our culture.

Many investors overlook avoiding dumb mistakes. Warren Buffett suggests people approach investing the same way Ted Williams looked at batting: only swing at the pitches in the center of your strike zone. Since there are no called strikes in investing, you should let the others go by. This sounds easy to do, and you'd think most investors would behave this way, but they don't. When many people buy stocks, they tend to think more about the potential upside than what they might lose if things don't go well. By pivoting that thinking and avoiding really dumb ideas -- in investing, in business, and in life -- you'll approach problems from a wholly different perspective.

I've used this same mental model to try to avoid too much debt, drinking too much, staying away from people who are bad influences, eating poorly, and not exercising.

I should probably make the distinction here between *really* dumb things, and routine mistakes made in the course of your life. The latter, as I've noted, are certainly painful, but inescapable and useful learning. What do I mean, then, by

*really* dumb things? There are two classes: unrecoverable errors and denial.

Unrecoverable errors can screw up your future - like committing a crime and going to prison, or limiting your options by not trying to get the best education available, or making decisions which likely will lead to major health problems or financial destruction. As an extreme example, I know someone who, as a child, accidentally shot his sibling. The sibling never fully recovered and the accidental-shooter never overcame his guilt. As a result, his life has been ruined.

There are many things that are not nearly as dramatic, but can have a similarly negative long-term impact. What you choose to do each day matters. Habits form when we're young, and solidify before we know it. So forming the right habits early is critical, whether that means eating well, exercising, saving money or being honest. As a wise investor I know likes to say, people become "more so" over time.

The second class of dumb thing – denial – is common. Most of us ignore reality in some facet of our lives. It's often easier to believe things will somehow solve themselves, whether we want a lousy job to work out, or we're so desperate to hire someone for a much-needed role we sacrifice on quality, or we overlook obvious issues in someone we're dating (and assume they'll get better over time...or we can help fix them).

These are all examples of wishful thinking. If you notice serious problems in the early stages of a job, or in the hiring process, they're only likely to become magnified as you get to know the situation, or your new colleague better. Ditto in dating. Small problems early on generally don't just resolve

themselves with time. And it's impossible to change other adults' personalities, no matter what you may wish.

A well known joke illustrates the point: The biggest mistake men make when they think about getting married is they assume women won't change; the biggest mistake women make is they assume they can change men.

The same warning about wishful thinking is true with exercise and pain. If you start feeling pain while exercising, it's the body's way of telling you to stop. If you battle through it, as many of us do, frequently you'll make the injury worse.

So how can you avoid really dumb things? I try to rely on my gut instincts. Whenever I feel that something might have a really bad outcome, I pay attention to that feeling. Feelings aren't always correct (we fear many things we have little reason to be concerned about in the modern world), but feelings can flag problems that may be difficult to articulate.

Proceeding when there are obvious issues is a dumb thing to do. Even if it's inconvenient or painful, I've learned, I'm better off doing nothing when the only available choice has glaring issues.



Snowshoeing in Whistler, BC.



## **build character and make friends**

*Character is like a tree, and reputation like its shadow. The shadow is what we think of it; the tree is the real thing.*

- Abraham Lincoln

Character, I've found, is one of the most important things in life. Reputations can be manipulated in the short term, but people tend to get the reputations they deserve over time. Reputations are your personal brand. They're influential in how well you do in both your professional and personal lives.

There are four basic principles that have worked well for me:

Do what you think is right.

Don't follow other people blindly.

Be honest and keep your word.

Admit your mistakes.

If you live your life authentically, keep your word, admit mistakes, and admit what you don't know, you'll find people will trust you more over time, and you'll become wiser too.

When I entered college, I thought most people would adopt similar principles, but I've found that a lot of people succumb to peer pressure and other external forces.

I've met lots of smart people who work very hard. I've met substantially fewer who are also authentic and have integrity. I try to spend my time with the second group. And,

generally, I've found that those people are happy and have more real friends.

\* \* \* \* \*

Inevitably, we take on some of the habits of people with whom we're closest. The people with whom we associate can have a huge impact on the development of our personalities, particularly when we're young. In that light, if you have children, try to be sure their peer groups are healthy ones. Their peers likely will have more influence on the development of your kids' personalities than you will. If that sounds absurd, look at how immigrants' kids develop in a non-immigrant community; they nearly always seem to speak, act and have the values of their peers, and not their immigrant parents. My son, for instance, has a friend whose parents recently emigrated from Japan and moved to Canada. My son's friend doesn't like Japanese food; his favorite things to eat include steak and hamburger; and he acts and speaks much more like his classmates and friends than he does his Japanese parents.

In your own life, think about the values and habits you want to have, and then ensure you choose your friends, colleagues, mentors and bosses carefully. My friends and mentors have made a huge difference in my life, both professionally and personally. For example, I was able to succeed as an investor in the early years because a super smart mentor was willing to share his knowledge with me, and encouraged me to have faith in my convictions. I'm eternally grateful. Similarly, in my personal life, when I spend time with people I respect, like, and care about, I usually feel great.

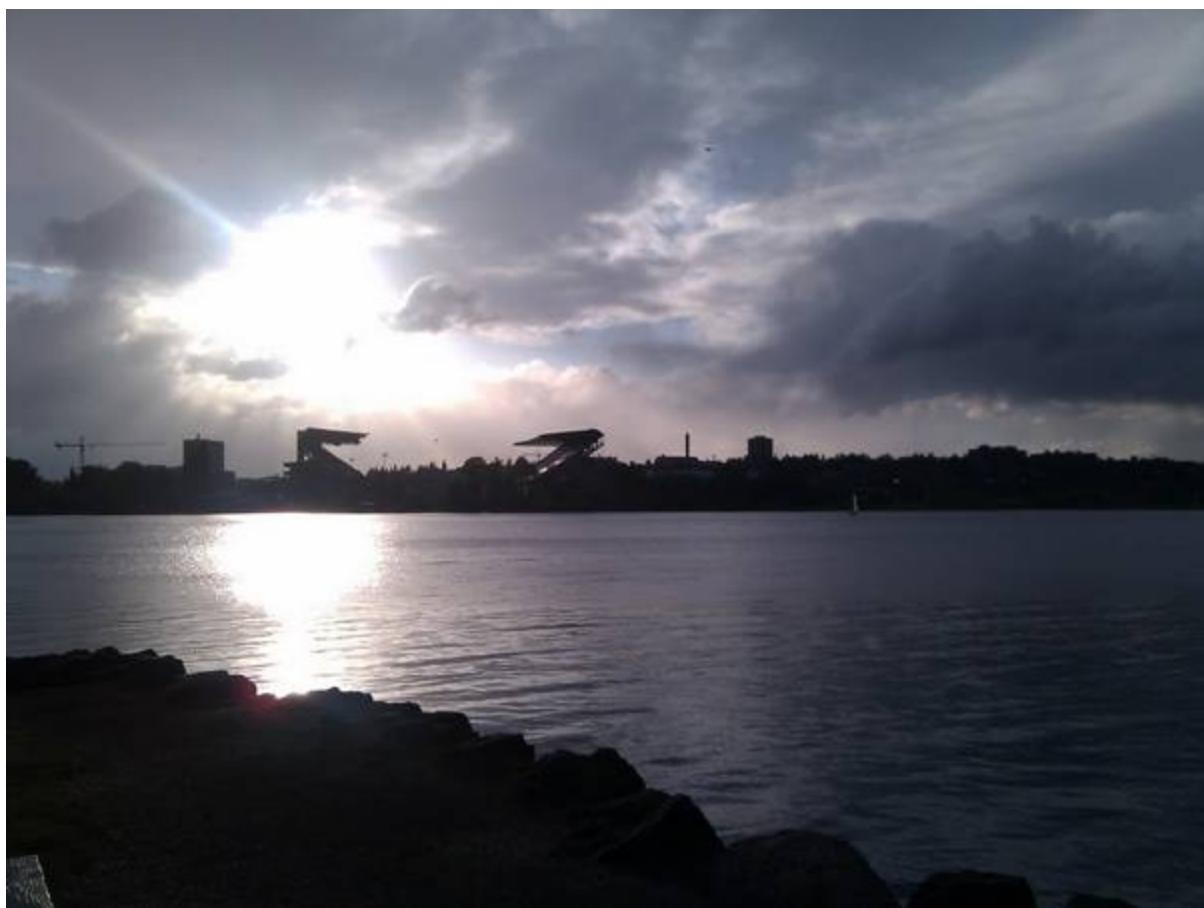
To build trusting friendships, I've learned, it's critical to be true to my passions, and express how I feel and what I want.

If I weren't open and honest, I wonder what sort of friends I'd have?

This matters. Real friends - people you trust, respect, laugh with, and can rely on - are a vitally important part of life. No matter how much wealth or fame you accumulate, if you don't have true friends it's unlikely you'll be happy. Sadly I know too many people who have achieved their material goals, but have no friends. As the expression goes: greed is a hole you can never fill (though there are definitely a lot of people who try).

Warren Buffett refers to Rose Blumkin, a woman who escaped the Nazis before immigrating to America and founding Nebraska Furniture Mart, as having the ultimate standard for friendship. Ms. Blumkin apparently said she had a hard time making friends. She would ask herself: if the Nazis were to return, would a particular person hide her?

Now that's a super-high standard, but you can imagine how much richer and easier your life would be with even a handful of true friends like that.



View of Husky Stadium, University of Washington.

## **care for yourself and others**

*Lack of activity destroys the good condition of every human being, while movement and methodical physical exercise save it and preserve it.*

*- Plato*

Our bodies were designed by evolution to thrive on the African savanna. Twenty thousand years ago, people didn't sit in forests or caves staring at computer screens, talking on telephones, or watching television. We were made to move, and our brains were made to think while in motion.

So if you want to feel good, be as productive as possible, live longer, reduce stress, be more creative, and be happier then you need to exercise regularly. When I was at Microsoft, I used to run for about eight minutes every morning before heading to the office. That's not nearly enough, and I slowly got out of shape. I now take an hour at lunch to bike, play tennis, run, or even walk. Over the last ten years, I've lost about twenty pounds and I'm more alert and creative. The extra time invested in exercise has been worth it, even if only measured from a professional standpoint.

Our bodies also weren't designed to eat junk food all day. Thousands of years ago, getting calories was tough; we like sweets and fats now because it was tremendous work getting them then, and we never knew when our next meal would come. While our genetic desires for sweet and fatty foods haven't changed, modern Western civilization, with its easy and rapid access to super markets, processed - and generally inexpensive - food, has removed the natural barriers that stop us from eating what we want. I've always been a fairly healthy eater (although I love desserts!), but one small trick I've adopted is to try to eat dinner early. I've

found that just doing that helps keep me at a healthy weight. And, when I eat dinner a bit later, I try to take a walk afterwards.

I recognize that's uncommon. The result of less exercise and more food is not pleasant. As a society, we're getting fat. We're creating many health issues (and costs), which we'll have to deal with down the road.

Another critical element of taking care of yourself is getting a good amount of sleep on a regular basis. I try to organize my schedule to ensure I sleep well since I've learned I perform best when I'm well rested. For instance, when I travel to different time zones I alter my schedule days ahead of time so it's more closely aligned with where I'm going. (I've found that ear plugs are also wonderful tools for hotel rooms if you don't know it will be quiet.) If you can manage to sleep well no matter where you are, you'll find you have more energy and are able to think more clearly.

Stay active. People are like sharks: if we don't move constantly, we'll die. This is true both literally and metaphorically. For example, there's some evidence suggesting that older people who keep their minds active have a much lower chance of getting Alzheimer's disease. People who 'retire' and mostly eat and lie on the couch, aren't likely to live very long -- or be very happy.

Taking care of yourself extends beyond your body to your mental health. Many people don't feel good about themselves psychologically. This may start in childhood when their parents may not give them enough care and attention (so they don't feel lovable); or they may get too much, too easily from their parents (so they end up feeling undeserving). Or their parents may be overly critical; nothing is ever good enough (so they end up constantly

trying to please other people, or feeling inadequate, or both).

Regardless, it's important as an adult, no matter what type of parents you had, that you take responsibility for your life. It's only by loving, celebrating, and appreciating what makes you unique that you can fully enjoy your life, and truly love others. If you don't love yourself, the results aren't pleasant. For instance, a number of people I know spend money in unhealthy ways, sometimes running up large amounts of debt by buying things they believe will make them feel better. Sadly, but predictably, it doesn't work. The pleasant feeling of owning something new soon fades, and then they're onto buying the next thing. The debt potentially incurred by this sort of activity not only causes financial difficulties, but may also lead to health issues.

Given the increase in two income families over the last thirty years, you might think that people would be better off. That's not the case. People in the U.S., and much of the Western world, tend to spend more of what they earn than they did a generation ago. They may do this to keep up with their friends, or what they think is expected of them in our society, but that's not a treadmill you want to be on.

People also compensate for not feeling good about themselves by over-eating, drinking too much, over-working, and becoming reliant on constant or unhealthy sex to numb their pain. All of these are addictions. Taking care of yourself means finding a balance that works for you, then having the discipline to maintain that balance. (If you want help, there are many people, including some good therapists, who can be a great resource to discuss issues that are important to you.)

\* \* \* \* \*

*Grief can take care of itself, but to get the full value of a joy, you must have somebody to divide it with.*

-- Mark Twain

There are innumerable, serious problems in the world, and there are huge numbers of people who'd love your help. You've doubtless heard that message many times before, particularly around the holidays.

But if you need motivation to help others, I can tell you from personal experience: you will directly benefit. Few things make you feel better about yourself. I get great joy out of helping at my kids' school, from helping friends with their business problems, and from doing a good job investing. If I do my job well, my friends and clients will be able to send their kids to college, to retire without financial worries, and to do things that are important to them.

You don't need to look far to help other people. For example, taking the interests of children seriously, encouraging and supporting them, as well as setting high standards, can make a big difference in their lives.

Almost anyone can be a father or a mother, but being a good parent takes hard work, focus, and a great deal of caring. Despite the obvious sacrifices of time and resources, I've found being a parent has been the most satisfying and enriching experience I've ever had. Most parents I know would say similar things.

There are many ways to make a difference in the world – you can help your extended family, help friends, help your community, or help people you don't even know. You can help one on one, or in small groups, or, if you have the

ability or resources, on a larger scale. So long as it works for you, it doesn't matter.

When you're in your 80s, and looking back on your life, I have little doubt you'll feel better if you have chosen to give something back. Our time on earth is limited, but you can extend your influence by helping those who will outlive you.



Bois de Boulogne, Paris.



## **laugh**

*With the fearful strain that is on me night and day, if I did not laugh I should die.*

*- Abraham Lincoln*

While your life will hopefully end better than Lincoln's, it won't always go your way - guaranteed. Within the constraints of your genetic wiring, it's up to you how you deal with that.

You may not have the parents or the siblings you'd have chosen. You may not look the way you'd have picked. The people you love may not always love you back. You may not live where you'd like. You may not have the job you want, or get the promotion you believe you deserve. If you get married, it may not work out the way you thought it would. If you have children, they won't always do what you'd like, and they may disappoint you sometimes.

I've found you can choose to let all the things that go wrong in life depress you. Or, you can accept that things will go wrong, try to laugh, and then look at what you can do. There's a Japanese proverb that gets right to the point: *We're fools whether we dance or not -- so we might as well dance.*

I remember an important business meeting I had about fifteen years ago at Microsoft. It was clear that the problem we faced was unpleasant, and wasn't going away. After a few minutes of intense discussion, the most senior person in the room laughed, and said: "I guess we're screwed!" It shocked me, but that frankness and dry humor immediately stopped the discussion, and we moved on to discussing things we could impact.

A sense of humor is also useful when you make mistakes. I still remember an experience I had during college when I worked as an intern for the MacNeil/Lehrer Report (a PBS television news show). One of my duties was to greet guests at the door. One day I went downstairs to meet Thomas Kean, then Governor of New Jersey. As I got to the guard desk in the lobby, a man walked up and told the guard his name was Tom Kean, and that he was there to go to the MacNeil/Lehrer Report. I introduced myself, and proceeded to take him to the green room to be made up. He kept telling me to stop calling him "Governor" and call him "Tom". He also said he wanted to go upstairs to meet a reporter. I told him we didn't have much time, so he could call the reporter from the green room. When we got there, seated in the makeup chair, he called the reporter and said: "Would you please tell this guy that I'm your boyfriend, Tom Kean, and not the Governor of New Jersey!" I was embarrassed, immediately apologized, and ran back to the lobby to meet Governor Thomas Kean of New Jersey, who stood flanked by two huge state troopers. I remember laughing at myself as I told Governor Kean the story on the elevator back up to the green room.

It's sobering to note that whether you're able to laugh when things go badly may be an inborn trait. A famous study was done using two groups of people: paraplegics and lottery winners. The study looked at these two groups' happiness before their life-changing events, immediately following them, and then also a bit later. The immediate effect was predictable: people who became paraplegics got depressed, and people who won the lottery were elated. But after a relatively short period of time, both groups returned to their original levels of happiness -- paraplegics who'd been happy before their injuries became happy paraplegics; lottery

winners who'd been unhappy and bitter before their windfalls became unhappy, bitter lottery winners.

I know several personal stories, including friends who lost a child in a terrible accident (the most horrible thing I can imagine), that illustrate the same principle: some people can laugh even amidst terrible times. The payoff is the physical act of laughing actually improves your mood.

Assuming your basic life needs are being met, you can choose to be happy if you want -- even when you make mistakes, or are in the middle of some pretty awful circumstances. If, however, you're the sort of person who chooses to be unhappy, or filled with anxiety, chances are you'll probably succeed with that as well.

In thinking about this, I keep Mark Twain in mind: *The fear of death follows from the fear of life. A man who lives fully is prepared to die at any time.*



Sunset at the edge of the Glass Mountain Range, West Texas.



## **do what you love**

*There are but three events in a man's life: birth, life and death. He is not conscious of being born, he dies in pain, and he forgets to live.*

- Jean de la Bruyere

How many movies have you seen where the hero or heroine quits a job they hate to pursue their life dreams? These movies wouldn't be made, and they wouldn't resonate with so many people, if they didn't contain an important desire that most people deny themselves.

A lot of apparently 'successful' people believe they should delay enjoying life until later. First they work incredibly hard to get into the 'right' schools; then they work even harder to get a coveted job; and then they work harder still for years to get to a certain position, or make a certain amount of money. The net of this whole adventure is that frequently it's not until late in life, when a person's health may be going, and a lot of their life is behind them, that they stop to think about what they want. And, by then, there may not be much they can do about it. They can't recover the time. And many people don't even stop to think.

Oliver Wendell Holmes noted: *Many people die with their music still in them. Why is this so? Too often it is because they are always getting ready to live. Before they know it, time runs out.*

When I was growing up, someone told me to live as if I was going to die in ten years and had no immediate financial needs. That's great advice. If you can do that, you'll be happier and more successful.

To figure out what you want to do, you need to know yourself. If you lie to yourself about who you are, or hide your identity from others, it will inevitably create stress, and it's unlikely you'll be either productive or happy. Part of knowing yourself means acknowledging what you genuinely want. If you focus on what other people expect of you, you may impress your friends, family and colleagues, but it's unlikely you'll be satisfied with yourself over the long term.

You need to understand your values and your priorities. For example, some people value income more than others, while other people place greater importance on the sense of meaning they find in a job.

Although what makes you passionate generally doesn't change over time, what you want to do sometimes does. When I was young, I didn't know what I wanted to do. I always liked to read, but not necessarily the books that were assigned by my teachers. When I was about 18, I decided I wanted to be a journalist. I always loved learning, and I thought being a journalist would be a great way to stay informed about the world. After working as a journalist in college, I found I liked many aspects of the job, but I didn't think it was the perfect fit for me. I tried other careers through my twenties and thirties, searching for something that felt right. I started a small business (which eventually folded for lack of funding). I went back to business school. Then I worked for two big corporations -- in two very different industries -- Time Inc. and Microsoft. I succeeded at some jobs, and I failed in aspects of others. I enjoyed a few jobs a great deal, and was lucky to make some life-long friends along the way.

It wasn't until I was in my late 30's, when I started to work for myself investing, that I finally found a career which drew on all of my natural curiosity, had few aspects to it that I

didn't enjoy, and basically didn't feel like work. Fortunately, everything I'd done earlier in my career wasn't wasted. In fact, many of the experiences I'd had (and particularly my failures) became useful learning.

While it's obviously better to start doing what you love early in life, many people don't. Tom Clancy, the author of numerous exciting and commercially successful books, including The Hunt for Red October, became a writer when he was in his 30's, after a career in the insurance business. John Grisham, the author of many great legal stories, was an attorney and a local politician before his first book, A Time to Kill, was published when he was about 33. Ronald Reagan wasn't elected to public office until he was 55; earlier in life he'd been an actor and a union official. And, though few have heard of Alfred Wallis, merchant and fisherman, art lovers know that Alfred Wallis the painter emerged in his late 60's, after his wife died. So it's quite possible to reinvent your career even late in life.

All of these people successfully evolved their careers toward doing something they loved. But why is that important?

There are three primary reasons:

We spend huge amounts of our lives working; if you work from the time you're 20 until you're 65, five days a week, (and a great many of us work far more than that) then you will work for at least half your adult life.

We also live in a super competitive world. It's likely the only way you'll stand out at what you do is if you work very hard for long periods of time. It's said that to become an expert in a given activity requires about 10,000 hours of

practice. At 40 hours a week (doing nothing else, which is extremely unlikely) it takes five years of solid work to master a subject.

And I've found the only way people have the stamina to outwork others, year after year, is when they love what they do.

Sadly most people don't have jobs they truly love. Instead, they often work at unsatisfying jobs - sometimes because they have no choice, but sometimes to impress others. But three-window offices, fancy titles, awards, and more *stuff* don't bring happiness. Some people never get this.

I was recently chatting with a guy I met who'd been quite successful. I said I'd been in New York on 9/11, and had heard through a friend he was supposed to have been at the top of the World Trade Center that day, but that he'd fortunately cancelled last minute.

He corrected me: "Actually, I was supposed to be *the keynote speaker* at an important event at the World Trade Center on 9/11."

I was stunned: He'd almost died in a spectacular catastrophe that impacted millions of people, and yet, years later, in telling the story he tried to impress me with the status of his job! I told him I thought he was just lucky to be alive.

There's a lesson here. For people who have a choice between jobs, there are frequently two broad options.

Option 1 is doing what you love every day, but not earning as much money as you might

otherwise, and/or not having as much prestige in the eyes of your acquaintances.

Option 2 is doing a job you hate or find boring, but either the job itself, or the money you can make from the job, impresses other folks.

To me, the choice is clear. What I find a bit shocking is that many people choose option 2, and stick with it over the course of their careers. Many other people enter fields they love, but over time forget what they love about their work, and prioritize the external recognition they receive from it. While there's nothing wrong with being well-paid, and we all love to receive praise for good work, prioritizing external rewards over the work itself is a failing strategy.

It's just anecdotal data, but everyone I know who works primarily to impress other people is unhappy or unfulfilled, regardless of how externally 'successful' they may seem. Almost everyone I know well who works passionately at a job for its own sake is happy, and most have been successful.

So the question is: How do you determine what you passionately want to do? I'll share my own experience. Before I left Microsoft, I took out a piece of paper, and listed those moments in my life I loved most. I tried to identify patterns. With that information, and a bit of research about various career options, I picked something which I thought would allow me to do what made me most happy. I also paid close attention, using the same method, to things I didn't like to do, and worked hard to eliminate those things from my life.

You can use this system at any point in your career, but you may have to serve as an apprentice for several years early

on doing less than fun things in order to learn the ropes. That's just part of the journey - assuming you work with people you respect.

I developed a litmus test for job satisfaction that might resonate with you. When I was in a job I hated, I noticed on Sunday nights, or returning from vacations, I actually felt sick. Today, because my work and personal life are highly integrated, I work over the weekends -- but I feel just as excited Sunday night as I do on Friday afternoon.

Ideally, you want a job you'd do even if you weren't paid to do it. That's not an economic reality for most of us, but it's the right goal to shoot for. If you can get paid to do what you perceive as play, you have a great job.

Finally, focus on your present situation and your future goals. People like to strive to achieve something new. If you are a mountain climber, as a good friend of mine is, you always look for the next peak.

Those who live in the past tend to be unhappy. No matter how significant your past accomplishments may be, they won't keep you satisfied. A former classmate's greatest days were at school nearly 30 years ago. He went to a wonderful and prestigious school, and was a bit of a star there. These days, he tries to attend as many reunions as he can. But you can't live life backwards, and he's unfulfilled in his current life.

Freud said: "*Love and work are the cornerstones of our humanness*". While it may sound simple, if you have close friendships and love your work, the odds are quite high that you'll be happy most of the time.



Paris, France.

## **embrace change**

*It is not necessary to change. Survival is not mandatory.*  
*-W. Edwards Deming*

Change will happen whether you like it or not. In fact, given technology's evolution and globalization, there's little doubt that the rate of change is accelerating. This can be disconcerting; we tend to hate change. We prefer to know what will happen.

However, if you fight change you'll usually lose -- and you'll get worn down fighting it.

I recall meeting with some folks in the newspaper and yellow pages industries in the mid-90's. I told them the Internet would reshape their world, but they were making good money on their print business, and had been doing that for many years. In fact most of them had monopolies where they could pretty much charge whatever they wanted. So, overall, they basically ignored the Internet (they did little things here and there, but nothing fundamental). It didn't impact their near term earnings.

Five years later, nothing had happened to those businesses. After ten years, the Internet started encroaching on their profits. And then, very quickly, the Internet tidal wave decimated them. To be clear: a small number of these companies may still adapt and survive, but had they viewed what was happening in the world with open eyes and started making meaningful changes to their businesses in the mid 90's, I'd bet a lot of money some of them would be in a dramatically different place today.

This pattern of ignoring change is not new. Alexander Graham Bell said: “*When one door closes, another door opens; but we so often look so long and so regretfully upon the closed door, that we do not see the ones which open for us.*”

The same is true in personal relationships. If you fight change, it simply won’t work. People fall out of love, they age, their needs and desires change. If you embrace inevitable change, you’ll be ahead of the pack. If a relationship isn’t working, don’t just give up. But if you have tried hard to fix it over time and can’t do anything about it, then it’s important to recognize you may need to make a change in your life.

The lesson I’ve learned is this: Since change is inevitable, the key is learning how to manage it. If you deal with issues immediately and don’t let them fester, they won’t become bigger and, ultimately, unmanageable. Problems are much easier to deal with when they’re still small than if you’ve let them grow over time.

At some points in your life, you may try to drive change. In those instances, I’ve found patience is a huge virtue. Change comes slowly. It’s a hard thing to accept, and people may resist it actively or passively. In fact, in some fields (such as Internet adoption), change often doesn’t come until people leave their jobs and are replaced by a new generation. This principle holds true well beyond the technology sector.



Upper West Side of Manhattan and the Jacqueline Kennedy Onassis Reservoir.

## **learn from experience**

*The definition of insanity is doing the same thing over and over again and expecting different results.*

- Albert Einstein

While I've met many people who focus on being smart and working hard, I know few people who regularly focus on learning from their own experience and the experience of others. I've noticed that if you are one of those few who try to learn every day, it makes a huge difference over long periods of time.

Many people act like the guy in the story who went to the movies with his friend.

The guy says to his friend: "I bet the cowboy falls off his horse at the end of the movie and dies."

His friend takes the bet.

The cowboy indeed falls off his horse and dies.

The guy says to his friend: "I don't understand why you bet me. We saw the movie last week!"

The friend says: "Well, I didn't think he'd be dumb enough to do it again."

It's a funny story -- and it seems ridiculous. And yet, I've seen many people over the years do essentially the same thing. They ignore clear lessons from their experience or the experience of others.

If you want to learn from experience, I've found the following useful:

Be curious. Kids naturally are curious and they are able to learn and progress at very rapid rates. I've tried to maintain my natural curiosity as I've gotten older and I've found my life is more interesting as a result.

Read widely. There's so much wisdom written down and it's easier (not to mention less painful) to learn from others' mistakes. No one domain or field has a lock on wisdom. I've been astonished how much you can learn if you read widely across a variety of fields. I read as much as I can.

Find mentors. If you can identify people who have more experience than you and who excel at what they do, it's incredible to have the opportunity to learn from them. People love to teach others. If you're highly motivated, and don't ask for anything other than wisdom you can learn a great deal. Mentors have made a big difference in my life.

Observe. A good friend of mine says people have two eyes, two ears, and only one mouth for a reason. There's certainly a lot to be gained from watching and listening. When I travel, I love listening to people who have different life experiences than I have. I learn so much from them.

Data and patterns matter a great deal. There's much to be learned from analyzing the world. In investing, and in life more broadly, I've found it's important to understand things in terms of systems with various inputs and layers of potential effects. I loved statistics in school and I've found that it (along with psychology) may be the most under-taught academic subject, with the greatest potential gain to society from more people understanding it.

That being said, not everything that's important can be counted, and not everything that can be counted counts. As Mark Twain is alleged to have said: *History does not repeat itself, but it does rhyme.* In other words, just because something happened once doesn't necessarily mean it will happen again in the same way. Otherwise, historians would be among the wealthiest people on earth.

So to understand the world, you need to pay attention to more than simply memorizing a series of events, or existing patterns. Judgment and wisdom matter a great deal. And both require experience and, really, failure. Unfortunately, few of us learn much from our successes.

Even if you make wise decisions throughout your life, you'll inevitably make mistakes. In part, this is because life is not like a math problem with one perfect solution. A lot of decisions are inherently probabilistic and the best you can do much of the time is make a decision that's likely to turn out in your favor. In fact, the harder and more innovative things you try to accomplish, the more likely you are to fail. That's just the reality.

So when decisions, ideas or new projects don't work out, try to learn, and be open-minded. Also, see whether you can sort out whether the idea was flawed, or whether it was solid but the outcome suffered from bad luck.

It's tempting to ascribe things to poor luck that were the result of your dumb decisions. The opposite is also true: sometimes you can get wonderful outcomes from terrible decisions. Although it's incredibly hard to do, it's also useful to see if you can identify mistakes you've made even when things work out as well as, or better than, you expect.

To learn from your experience and the experience of others it's important to try to be dispassionate in looking at the world and analyzing it. You need to be willing to try things you think make sense, and then to admit your mistakes, to throw away your beloved theories, and to learn from other people. This process requires a degree of humility that's frequently lacking in the world, particularly among people who have been successful.

As the 19th century humorist Josh Billings noted: *It ain't what we don't know that gives us trouble, it's what we know that just ain't so.*



Lake Washington, looking back toward Seattle.

## **have dreams and work towards them**

*I'm a great believer in luck, and I find the harder I work, the more I have of it.*

- Thomas Jefferson

Success in my experience requires the following elements:

A clear, stretch goal. If the goal is too easy, it won't feel like an achievement; if it's unrealistic, you'll never do the work.

Love for what you're doing.

Very hard work, often over a long period of time.

A sense of realism about the world, and your own limitations. As we used to say at Microsoft: you can't boil the ocean. Nor can you make people come back from the dead.

Flexibility and perseverance -- you'll need to adapt to the curve balls life will throw at you.

...And, often, a bit of luck.

People don't tend to achieve things in great leaps forward. Rather, we progress one step at a time, usually with small insights here or there. Whether you're a scientist who builds on the great work of others, or a writer whose work springs from the wisdom of writers before you, or an Internet entrepreneur whose innovations succeed only because of a certain infrastructure... all of this is possible only because of small progressions from a massive foundation of wisdom

and experience stretching into the distant past. We're all standing, as Isaac Newton noted, on the shoulders of giants.

Similarly, to make changes in your life, focus on taking small steps in the right direction. Whether you want to change your health, your job, or your relationship, you can't do it overnight. And you can't become *great* at anything without a lot of repeated practice.

Be sure you're comfortable with taking small steps, then build on them. The initial change will be small, and in the near term the difference may be imperceptible, but as time goes on you'll end up in a totally different place than where you started.

Having run a marathon many years ago (slowly!), I think long distance running is an excellent way to think about big, challenging goals. If you're out of shape and try to run a marathon immediately, you'll not only fail, but you'll probably seriously injure yourself. If, however, you take small steps, if you slowly start walking, then running short distances, then building to greater distances... over time, it's likely you'll find you can run a marathon.

The same method works for just about anything in life. Faced with a big challenge, you might get overwhelmed, or panic. You might even be afraid of succeeding. As a result, you might not even try. But you can overcome these mental traps by taking small-steps and practicing regularly.

It also helps to *imagine* your success. The mind is an amazing thing. If you focus your brain on success and you practice seriously, you'll slowly build the deep confidence you need to persevere in life. You'll be ready for the obstacles the world throws at you -- or at least you'll expect to encounter them. And, rather than panicking or freezing

next time you face a challenge, you'll continue to work toward your goals. Over many years, this type of approach tends to build lasting progress and, ultimately, success.

You need to set the bar high enough that achieving your goals will mean something to you in the long term. And you should ensure that your goals are at least broadly realistic. But you also should try to get on a train going in the right direction.

The Internet provides some great examples of the benefits of having the wind at your back:

If you want to be a journalist, you're likely to be far more successful over the next twenty years if you focus on new media versus trying to become a print specialist. You're also likely to do better designing graphics for the web than you would for magazines, and you're likely to be more successful selling ads for Internet properties and mobile applications than you would for newspapers and TV.

The skills and interests required to succeed in these endeavors are similar, but, if the field you enter is growing, your odds of success will be higher.

I know people who have chosen both paths. Even the most talented and hard-working folks I've observed are constrained by shrinking fields. So while you should pick something you love first, why not try to do that in an environment that will help you succeed?

Simple things can cause complicated outcomes, both good and bad. Persistent curiosity, combined with sustained focus on reasonable goals, will change your life over time. If you love what you do and work very hard, persevere, and take small steps, you likely will be in a dramatically different place ten years from now.

The same is true in your personal life. Picking the right partner - someone you respect, and with whom you can communicate, laugh and collaborate well - can make a huge difference in the quality of your life. However, like a career, long term relationship success requires perseverance and flexibility. People live happily ever after only in the movies.

No matter what your individual goals, hopes and dreams are, I hope you start immediately on your journey and keep going.

Life is short!

As Benjamin Franklin wrote: "*You may delay, but time will not*".



Whidbey Island, WA.

## **Epilogue: if this book were even shorter, here's what it might say**

*Everything should be made as simple as possible, but not simpler.*

*- Albert Einstein*

There are certain themes that run throughout the book. It may be useful for some readers to discuss them here.

*Know yourself.* To be happy, you need to pay attention to who you are, what you want, and how you feel, versus staying busy just doing 'stuff,' or doing what other people want or expect you to do. This requires both self awareness and introspection: if you pay attention to how you feel, what you like and what you want (as well as what makes you feel sad, angry, fearful and confused), the world is likely to look quite different. Many people are afraid of being introspective because they feel vulnerable. But without a willingness to open up, you won't understand yourself and you can't ultimately be truly happy.

*Act on that knowledge.* Simply understanding how you feel and what you want is vital, but insufficient. Progress depends on action. If your goal is to help other people, but you never do anything about it, you'll be unsatisfied. The same is true if you want to start a business, write a book, invent some new device, learn to play an instrument, get better at a sport, or be a good parent. Remember: take small steps. They work. Big steps often don't. Over time, small steps add up, and you end up in a different place.

*Observe.* It's incredibly hard to have a dispassionate view of the world, even if you try your hardest. Humans are emotional animals, and we all come at the world with our

own point of view based on our experience. It's impossible in many ways to get outside that frame of reference, although with diverse experience, a lot of reading, honest self-reflection on your failures, and some thinking, it's possible to stretch our perspective. Data and patterns matter, and you should pay close attention to them. But they're not enough to deeply understand the world, since history doesn't repeat itself exactly. Judgment and wisdom matter a great deal. To acquire them, and to be creative, it's important to slow down enough at times to notice what is going on around you.

*Focus.* Focus is important because time is limited and you can't do everything, let alone do everything well.

*Persevere.* Life doesn't come easily most of the time to most of us. Even if you have no major issues in your life, eventually you will. The way to succeed amidst obstacles is to not give up. Perseverance matters. I don't know anyone who has succeeded over time in any field or significant endeavor without it.

*Manage change.* Change happens whether you like it or not, both in our personal lives and in our world more broadly. With technology and globalization, the rate of change in society is accelerating. Being able to accept and manage change is an essential skill.

*Make friends.* Without true friends, most of us wouldn't enjoy our lives. To be happy, it's vitally important to be connected to other human beings whom you care about and who, in turn, care about you.

*Care.* If you don't take good care of yourself physically and psychologically, you won't be able to enjoy your life. And if

you don't care about others, you at least will be missing one of the great joys of being alive.

*Judgment matters.* This is not a recipe book. Many of these ideas conflict with others. For example, you can't both create space to let your mind wander and intensely focus at the same time. You need to use your judgment to figure out what's right for you at a given time in your life.

*Laugh.* We're all going to be dead anyway some day. So while you should try your hardest to make the most of your life, when something funny happens, when you make a mistake, or even (and perhaps especially) when bad things happen, it's easier if you can laugh about yourself and the world.



Hiking near Geneva, Switzerland.

## **afterword - the world beyond us**

*Money is better than poverty, if only for financial reasons.*  
- Woody Allen

This is a book about how to get the most out of life. But I don't want you to think I'm some sort of wild eyed optimist who only sees the positive in the world.

We all have problems. People get sick. We die. We get rejected from schools and we lose jobs. We fail at things we try to do. People disappoint us. Relationships and marriages fall apart. Some of us have financial troubles which can spread into other areas of our lives. And, on extremely rare occasions (which are far less likely to happen to you than you'd think reading the news), we're impacted by random acts of violence and terrorism. None of these things are fun; many are painful; and some can be debilitating.

Still, if you're reading this, it's likely you are lucky.

There aren't many statistics in this book, but it might be useful to put the world into a bit of context.

At least 80 percent of the world's population lives on less than \$10 per day (or less than \$3,650 per year). I don't know about you, but I could not imagine doing that.

About one in four people in the world lack electricity; and one in six people in the world don't have access to clean drinking water, nor can they read, or write, or sign their names. By way of contrast, I don't even think about getting water out of the tap or taking a shower.

Most of the world is not focused on a second car, or what certain Hollywood actors did in their personal lives. They would be grateful for a good meal.

Life is imperfect everywhere. There are real problems in the developed world, many of which you can read about regularly in the press.

The combination of record high levels of unemployment and government debt is a massive problem for citizens and governments from the U.S., to the E.U. to Japan. If you don't have a job, and you both want and are able to work, life is hard.

Environmental challenges are also growing as more of the world becomes industrialized. The U.S. is not leading in addressing this challenge today, but what happens in places like China and India -- with their nearly 2.5 billion people between them -- may matter a lot more.

Weapons of mass destruction could, in the hands of fanatics, severely impair civilized life on earth. The odds of an event happening are quite low, but the consequences of such an event could be catastrophic.

Education is another field that requires focus, as many people in our societies aren't getting access to the sort of educational opportunities that will allow them to compete in the world today, let alone the world in which our children will live in twenty years.

The income gap between the stars of the global, technology driven economy and average workers is growing in a way which could lead to societal instability over time.

Solving or even adequately addressing these issues is not easy. Solutions in a few areas may be unclear, and in other areas the solutions are apparent but they require pragmatic actions that will cause short term sacrifice.

Moreover, most families have two parents working outside the home in increasingly challenging jobs, with the result that many people have more demands on their time than ever before. And of course many households have single parent families and they, too, have increased pressures.

That being said, we in the developed world live dramatically better than even kings did hundreds of years ago. Technology and innovation are rapidly reshaping life in many ways. Both forces have made the world a more competitive place; in many fields today, the competition for your job is not simply coming from down the block or across the country, but from around the world or from automation. Few areas of the global economy will be sheltered from these forces, and in fact it's likely that the pace of change will only accelerate in our lifetimes.

There are risks to new technologies, including a potential loss of privacy and various forms of abuse and fraud. However, the same forces are also making our lives more efficient, more personal and, frequently, easier in many ways than they were even twenty years ago.

Job opportunities now exist in the U.S., in Europe and in places like Asia for people who have never had them; the rate of innovation is rising everywhere, and inventions

developed in other places will help us all live better too. In addition, global markets are now larger for both individuals with world class talent and U.S. and Western based corporations.

On a more personal level, it's much easier to buy things efficiently, to learn, to rapidly find answers to questions you may have, to stay informed, entertained, and stay in touch with your friends, no matter where they may live.

There's promise on the horizon of major advances in understanding the human brain and genetics which would significantly improve the quality of life for people everywhere. And it seems likely in our lifetimes that we will develop more efficient, greener energy sources which will help power our civilization for many years.

Importantly, we're free in much of the developed world -- something which has not been true for most of recorded history for most people.

While our lives are challenging and our world has many issues, some of which are quite serious, problems aren't new to our times, and there are also many great opportunities. Absent humans blowing each other up or some sort of biological catastrophe, life is likely to be much better for our children than it was for us.

# **acknowledgements**

Many of my teachers, bosses, colleagues and friends have taught me so much and encouraged me along the way. I deeply appreciate it.

I'm lucky. I was born in the U.S. to a family that valued education and I was equipped with the genetic material to do well in an information intensive world. I came of age in the time of the Internet. I've been surrounded throughout my life by smart and wise people who frequently have given me meaningful amounts of their time, and from whom I've learned a great deal. I've had multiple second chances, something possible in the U.S., but less so in other parts of the world. Had any of those things not been true, I wouldn't be in a position to have the time to learn, to think and to write.

I've had some great mentors. In particular I would like to thank my friend, Bob Goldfarb, for encouraging me to become a full time investor amidst the Internet bust and for his tremendous help and support since then. I would also like to thank my friend, Greg Alexander, from whom I've learned a great deal, and who has served as an informal partner for vigorous discussion and debate on a wide variety of topics. James Pan helped me understand the joys of running a small investing partnership and has been a source of inspiration and wisdom as well.

I'm grateful to various friends and colleagues, including April Roseman, Rebecca Rubin, Catherine Roche and Steve

Moore, for encouraging me to write a book. It wasn't easy, but it was fun.

My friends Lillie Stewart and Jamie Monberg both had unusually good insights and helpful suggestions. They're smart people, who work unbelievably hard and accomplish amazing things, and still take the time to care about their friends. I appreciate it.

Eric Perret, who is a first rate writer, did a masterful job in helping me edit the book. I'm sure the book is not up to Eric's standards, but that's my fault, not his.

Juli Douglas, who is talented in ways I will never be, did the beautiful cover art. Juli always does unbelievable work.

Paige Prill, who has a great book in her some day, was instrumental in helping me think about marketing possibilities and in giving me good editorial feedback on the book itself.

Dean King, an accomplished professional writer, whose books I've greatly enjoyed over the years, provided an interesting perspective on both writing and publishing.

My brother, John Atkins, who is a wonderful writer, a former editor and an experienced and talented business person offered cogent and direct advice, as he always does.

My former boss and friend, Matt Kursh, applied his incredible energy, creativity and great sense of humor to all of his suggestions.

And I'm indebted to the many friends, colleagues and family who took the time to read drafts, and/or encouraged me, and, in many cases, asked good questions and offered

comprehensive, insightful feedback and interesting ideas: Gabi, Steve A., Sandy A., Heidi, Lillie A., Sam A., April, David, Jamie, Mike, Pia, Sean, Tom, Nina, Brent, Alex, Jane, Evan, Harrison, Marilyn, Flo and Jo Ann.

If I've forgotten anyone - and I may have - I want to thank you as well. Any errors that you find are mine.

I also want to make one broader acknowledgement: sadly, many people in the world aren't in the position to be able to act on the advice in this book. You need to have water, food, shelter, and safety before anything I say here matters. I'm sensitive to these issues and I know I'm lucky not to be impacted by them.



## **about the author**



Peter Atkins is the managing director of Permian Partners, an investment fund he founded in 2001 amidst the Internet bust. Permian approaches buying stock the same way it would evaluate the purchase of an entire business.

Prior to Permian, Peter was a General Manager at Microsoft, where over the course of six years he helped to start, manage and, later, invest in various early consumer Internet businesses, including Sidewalk.com. Earlier in his career, Peter worked at Time Inc. in New York City.

Peter has a BA degree from Skidmore College, an MBA degree from Cornell University and did graduate work at Harvard University.

---

55

# QUESTIONS TO ASK YOURSELF

(Across 8 dimensions  
for a new you!)



MANOJ  
CHENTHAMARAKSHAN

# **55 Questions, Across 8 Dimensions For A New You!**

# **Introduction**

I want to thank you and congratulate you for downloading the book, “ 55 Questions, Across 8 Dimensions For A New You!”

Do you know that questioning yourself is one of the powerful ways to unlock some hidden things about yourself that you never knew? By asking the right questions, you will unravel interesting versions of yourself. In this book, I have specially crafted coaching questions used by life coaches to unveil the answers from you.

I would recommend you to use a partner to question each other to get better results. It is all fine to go it alone, but you will make far more progress if you involve another person in the process. This is because we tend to answer in depth when someone else asks the question. We tend to think deeply so that the answers we provide are concise and complete. You may think that you are bringing clarity to the other person but the truth is you are bringing clarity to yourself.

Before we can dive into the meat of this book, here are a few coaching tips:

Make sure the other person is in a comfortable place and is ready to be completely involved in the conversation; make sure to put the phones in silent mode and to achieve the best results, make sure you write the answers in a piece of paper. Not only will the latter ensure your answers are written down in an organized, well-structured manner, but you will be able to keep the piece of paper around for future reference.

Thanks again for downloading this book. I hope you enjoy it!

## **© Copyright 2018 - All rights reserved.**

This document is geared towards providing exact and reliable information in regards to the topic and issue covered. The publication is sold with the idea that the publisher is not required to render accounting, officially permitted, or otherwise, qualified services. If advice is necessary, legal or professional, a practiced individual in the profession should be ordered.

- From a Declaration of Principles which was accepted and approved equally by a Committee of the American Bar Association and a Committee of Publishers and Associations.

In no way is it legal to reproduce, duplicate, or transmit any part of this document in either electronic means or in printed format. Recording of this publication is strictly prohibited and any storage of this document is not allowed unless with written permission from the publisher. All rights reserved.

The information provided herein is stated to be truthful and consistent, in that any liability, in terms of inattention or otherwise, by any usage or abuse of any policies, processes, or directions contained within is the solitary and utter responsibility of the recipient reader. Under no circumstances will any legal responsibility or blame be held against the publisher for any reparation, damages, or monetary loss due to the information herein, either directly or indirectly.

Respective authors own all copyrights not held by the publisher.

The information herein is offered for informational purposes solely, and is universal as so. The presentation of the information is without contract or any type of guarantee assurance.

The trademarks that are used are without any consent, and the publication of the trademark is without permission or backing by the trademark owner. All trademarks and brands within this book are for clarifying purposes only and are the owned by the owners themselves, not affiliated with this document.

# **Table of Contents**

Introduction

Self-Discovery / Self-Image

Goal Questions

Belief and Value Questions

Opportunities Questions

Action Questions

Habit Questions

Accountability Questions

Celebration Questions

Conclusion

## **S elf-Discovery / Self-Image**

It is only fitting that we start by covering, and exhausting, self-image. After all, you could have perfect expression in every other area of your life but if your self-image is unsatisfactory to you, you will never be completely at peace with yourself and to properly reconcile with your abilities and uniqueness. Therefore, you need to first fix any self-image issues you may have and everything else becomes remarkably simple to tackle.

### **So how do you view yourself?**

It is important to mention that how you view yourself matters more than how others view you. You need to be completely in touch with yourself to achieve anything great. Some people might attend seminars or workshops, read numerous books, have enough knowledge but still lack wisdom! The reason is that they didn't change the existing self-image which is not supporting them to achieve their goals. These people spend years and years running around, trying to gather knowledge from every source they can access, but they never succeed in plugging the hole in their soul.

What these people do not understand is that trying to change the outside world rather than focusing on themselves, is like trying to change the image in the mirror rather than themselves. It is an exercise in folly, and really the only way to get results from this kind of thing is to blatantly lie to yourself... which we all know is not possible. Eventually, you will walk back to the mirror and see the same image you convinced yourself to have changed staring back at you. If you want a solution, you have to follow a more permanent route.

Do you want to know how you view yourself? Do you want to know who you are, at least as for now? Look at the areas of your life, such as your relationships, your career Etc. Get a proper feel of who you are by asking questions and answering them honestly in these areas of your life. Afterward, you will have the arsenal you need to make the requisite changes, and become a better you.

**Here are questions you need to ask yourself, in your examination of your self-image-**

#### **1. Who am I?**

This one, really, is the mother of all self-image questions. Who are you? What is it that defines you? If you were to die today, and the gravestone engraver was given all the material he needed to describe you on your gravestone, what would he write? What would you write about yourself if you were the engraver of your own gravestone?

There are no hard and fast rules when it comes to answering this one. You can choose to dig up your history back to 7 generations of your family and begin constructing an answer from that point if you want. Alex Haley had to dig deep into his history to truly define himself. While it was quite difficult at some point, the answers he was able to derive were so rich in substance that they enriched him and then spilled over to enrich the rest of the world.

Define who you are in your own way. Seek to describe yourself as clearly as you can. Feel free to use your environment in your bid to define who you are. Once you are able to answer this question, answering every other question about you becomes significantly easier, and you are able to carry yourself with full confidence when doing so.

## **2. How do I view myself? Positive or negative?**

This is yet another question that requires you to have a hard look into your life. You probably already have a general view of whether your life is positive or negative, but look deeply into your life nonetheless, and see if you can revise your opinion.

Is your life unrolling negatively or positively? Have you made sufficient progress to call yourself a success, or at least a relative success, in your own terms? A great point to start at is to ask yourself if you have met the goals you had in mind 5 years, 3 years ago, 2 years ago and finally a year ago, for your present life stage. Are you satisfied with your current station in life, going by those goals?

Please remember that your goals do not have to be only career-oriented- you could have had weight loss goals, sports-related goals, family/relationship related goals, travel-related goals, Etc. Also ask yourself if you are pleased with how you relate with other people around you, and most importantly if you express yourself to them in a way that leaves you feeling satisfied.

Sometimes, in order to answer this question satisfactorily, you have to examine things/points/factors/people in your life that you are happy or

unhappy and resentful about. Many times, you will discover that the happiness or unhappiness is really directed at yourself, and the external elements are just that, external elements. Depending on the scale of your emotions you will be able to answer this question with more conviction.

### **3. Who are your top 3 role models?**

This one is usually quite fun, especially if you have a knack for examining others' lives and drawing inspiration from them.

Who are your top 3 role models? Who are those people who have conducted their lives in a way that you believe would be ideal for you? These people could be successful career people. They could also be people who stay fit 360 days a year or people who have managed to carve out a lifestyle that you desire, however simple and un-fancy it may be.

Start by drawing up a list of 10, if you have a lot to choose from, and gradually cut down this number to three.

### **4. What are those qualities that you admire in them?**

Examine the qualities of your role models and determine what qualities draw you so powerfully to them. They could be people who project great warmth and calm even in the face of hostility, like Gandhi. They could have shown great patience and resistance to pain and suffering, like Mandela. They could display great work ethic and stamina that you have come to appreciate. Focus on the qualities that intrigue you about them the most and then list them down.

Remember that your greatest role models could be members of your family who provide a close example of what you desire to accomplish. Therefore, even as you look far and wide for solid role models, look close too, for the greatest answers sometimes lie close to home.

### **5. What are your top 3 strengths?**

Focus on your life, and determine what you are best at. You may need to take some time to answer this one, especially if you are a multi-talented individual, but this one should be relatively easy to answer.

You could be a really social person who is very good at striking up a conversation and lighting up a room. You could be very adept at speaking or

you could be great at analysis and research, Etc. These qualities do not have to be qualities that everybody recognizes in you. Sometimes; your best-kept secret could be your greatest asset. At the end of the day, there is no one person who knows you quite as well as yourself.

## **6. What are the top obstacles that you have overcome? How did you do so?**

You surely have obstacles that you have had to overcome, at some time or other. What are they and just how did you manage to overcome them? Feel free to reflect as far back in your life as you want. It could be that you had some really hard conundrums to circumvent when you were a child, at least on a childhood scale, and acknowledge that you held up nicely.

Walt Disney, of Disney fame, loved to say that he wrestled so much with challenges as a child that his adult life was relatively easy in comparison. He said that his days as a kid, doing the newspaper route with extra newspaper wrapped beneath his jacket to keep out the fierce winter cold, far outmatched his adult years in terms of hardship.

Perhaps, you have such a backstory. List down your biggest obstacles faced, and how you overcame them. Take as much time as you need to reflect.

## **7. What do you love doing? (In terms of career and passion)**

Your career, as you may already know by now, does not define you. You are so much more than your present career, even though you may be active in a field that you really like. But it helps to define what line you really want to operate in, as far as your career and passion go.

What is it that you love doing? It does not have to be an occupation that the whole of society lauds. You do not have to make such choices as ‘lawyer’, ‘doctor’, Etc. If you like to draw/paint, then be proud to mention this. If you love sports and intend to carve a career out of a sport, be confident and apply yourself similarly.

If you love working with cars, then this is what you should list. Remember that you cannot really lie to yourself; so list down what you really love doing, and not what your family and peers would love you to do.

## **8. What do you like about yourself?**

There may be a lot of things that you like about yourself... list all of them down. Do you like how you look? Are you impressed with your height? Does your style of dress fill you with confidence? Do you like that you think fast on your feet? Do you like your abstract, creative nature? Perhaps, you like how you relate with your entire family and the way you have built and nurtured relationships with them over the years.

List down every quality you love about yourself, and do not feel vain while at it; there is no vanity in recognizing things that you love about yourself. After all, it is most likely the case that you have had to work hard to develop these things.

### **9. What makes you lose track of time?**

No, we are not talking about what distracts you and takes your mind off of meaningful work. I am talking about a fierce hobby/passion/recreational activity that fulfills you to such a degree that whenever you indulge in it, you are in your own little world for a while. For some people, it is video games, while others derive that sort of intense preoccupation with more technical activities like coding, painting and golfing.

### **10. If money was abundant in your life what would you do?**

This question will help you discover who you are far better than most others will. Because by answering this question, you unearth your greatest desires. At the same time, you are able to see what your personality traits would be if allowed to manifest without being impeded. Would you splash the money on vehicles and homes? Would you save up most of it and guarantee security into old age? Would you channel a good amount of it toward charity? Would you seek to get back at those who have hurt you in the past? Seek to answer this question as concisely as possible.

### **11. What is that one thing that you continue doing even if you have all the riches in the world?**

There has to be something that you are doing today that you would continue doing if you managed to amass all the wealth in the world. What is this thing? Does it involve your career? Is it family oriented? Is it a hobby? A good

point to start at is to ask yourself what things fulfill you the most. You can then refine your way to one definitive answer.

## **12. What completes you as a person?**

For some people, family is what completes them. Some people are incomplete without their jobs and the exhilarating challenges that come with them. There are some people who do not feel complete without their wardrobes. There is no shameful answer. Ask yourself what completes you, and allows you to be at your best behavior at all times. Ask yourself what element in your life leaves the biggest void when it isn't there.

## **13. What are you complimented for usually?**

There will be that one thing that people compliment you for. You could be really good at speaking, art, making and reciting poetry, relating to people, sports Etc. Your answer should be unique to you. Think of that one thing that you get numerous compliments for- that one thing that draws attention to you, and then list it down.

Let us now move on to goals and what questions you need to ask yourself about your goals:

# **Goal Questions**

‘Clarity is power’ - Tony Robbins

It is important to have clear goals and objectives. You need to be clear about your goals, to truly arrive at your destination. You cannot afford to have unclear goals. Not only will you not be able to properly focus and put in the requisite work, but people who are not clear on what they want rarely achieve what they desire because they do not know even what that is.

It is really important to know where you are heading towards. It’s like you have an amazing private jet fitted with all those little tweaks that make it exceptional but ultimately have no clear plan for its use. You are never sure where to go with it. Ultimately, as enviable and phenomenal this jet may be, it will only end up being a money drain. Have in mind that this very machine would be wondrous and extremely fast and efficient if you had clear destinations for it. Think of your body and brain as the private jet, and your life goals as the destinations.

**Here are questions that will help bring about clarity to your goals and objectives:**

## **14. What fulfills me as an individual?**

What career fulfills you as a person? What is your passion? There is that special choice of career that you have been passionate about for as long as you can remember. When you are working at it, it is as if you are not working but rather having intense, goal-oriented fun. This one should be clear and easy to mark out unless you are a typical multi-talented individual. If this describes you, you may need to sit for a while and strain out your options through a mental sieve so that you have one clear, outstanding one, or make room for two or more choices.

Of course, it helps to have the main choice, and maybe have a 2<sup>nd</sup> or 3<sup>rd</sup> choice, but with the bulk of your attention going to your main choice.

## **15. What skills do I have to achieve this goal?**

If you are passionate about something, then you may have worked on a few of its facets already, seeing as you have a genuine passion for it. In addition, you may already naturally possess qualities that equip you wonderfully for your career choice/goal. For example, you may be good at business

transactions and salesmanship; traits which will undoubtedly help you if your goal is to be a super successful businessperson.

You may possess very well-coordinated hands that will serve you well if your goal is to be an artist. It could be that you have great stamina, which will aid you in truly making your mark as an athlete. Examine the qualities and skills you bring to the table and see which ones support your goal.

## **16. Why else would I need to achieve this goal?**

This is also known as seeking a 2<sup>nd</sup> supporting reason for accomplishing a goal, which will back up and boost your original reason/set of reasons. For example, it could be that you want to achieve your goal so that you can afford a mortgage, pay off school debts, etc. However, it could be that your parents or siblings are ailing, or could use your help. Seek out a 2<sup>nd</sup> supportive reason- even a 3<sup>rd</sup> - and list it down. It could provide an extra dimension to your goals, as well as extra motivation to achieve them.

## **17. When do I want to achieve this?**

They say that a goal cannot really qualify as one if it is not defined by a timeframe. It is vital that you know exactly when you want to accomplish your goal. When do you want to hit your goals? How many weeks/months/years should it take? Make sure that you define your goal with a proper timeframe. The specificity will add even more fuel to your fire, and fill you with the conviction that indeed, you can truly live your dreams.

## **18. What would happen if I achieve this goal?**

There are multiple scenarios that could unravel once you do achieve your goal. Of course, the most obvious one is a sense of fulfillment and accomplishment. Accomplishing your goal could mean that you never had to work a regular day job again, or that you were finally able to clear off debt that you had for years.

Accomplishing your goal could make the difference in how you view yourself; it could transform you from a loser to a winner in your eyes. List every possible thing that is likely to happen once you achieve your goal; list as many as you can. This will help you construct a clear, concise picture of the future, and what it could hold in store for you.

## **19. How would your surroundings change when you achieve this goal?**

By surroundings, I mean environment, and by environment, I do not just mean the physical features that surround you, I also mean the people around you, the circumstances that have governed you all this time, family, workmates Etc.

What happens when you achieve your goals? What changes? How does your success influence your environment? It could be that achieving your goal compels you to change location, or jobs, to accommodate the developments in your life.

While the external elements really do not mean as much as the internal ones, it helps to consider them so that you can be better prepared for the future.

## **20. What would you see, hear and feel once you achieve this goal?**

This is related to the previous question- what feedbacks will your surroundings give to you and your senses? You may also consider what you will personally feel, hear and see and base all of it exclusively on your perspective. Evaluate these things- when the time comes and you meet your goal, you will be pleasantly surprised when you feel the exact same experiences you listed down.

## **21. How would you remind yourself to stay on track during the journey?**

Here is something you should know; you will come across multiple distractions on your path to your goal. You will require reminding yourself constantly to buckle down and get back to work. You will need to be vigilant at this, especially since the human brain is wired to seek short-term rewards first and long-term goals secondarily. Figure out a reminder plan; formulate a set of reminders that will keep you plugged in so that you do not get derailed.

With that out of the way, the next thing you need to determine is your beliefs and values.

# **Belief and Value Questions**

“The only limits you have are the limits you believe” - Wayne Dyer

Each one of us is different; each one of us is unique. We all have traits that define us and separate us from everybody else. We have our own good and bad traits. We also possess certain beliefs and values which we are not aware of. Some beliefs might be helpful while some might be destructive. Still, these beliefs define you- they make up your core and determine what your psyche is like. This is why it is important to go about life without tripping over yourself apologizing at every turn.

This book is not trying to convince you to be a jerk; rather, you need to look at yourself as a unique being with a unique set of beliefs, traits, and desires. They do not make you a good or bad person- they only make you a person.

Anybody who tries to place hard and fast rules about how you should be and live your life is really just being quite frankly, ridiculous. You should aim to live life on your terms; aim to live life without any limits.

If people want to limit their lives by clinging onto beliefs that are self-defeating, they should do so by all means but they shouldn't try to impose their limits onto you, and you shouldn't let them anyway. After all, not only is life short, you only have one life to live. Reconcile yourself to the fact that you will indeed die one day; therefore, why not live as full a life as possible?

Let us look at some questions, which if you answer truthfully, you will understand your beliefs and values.

## **Questions you need to ask yourself**

### **22. What do you stand for?**

What is it that you stand for? Basically, what do you believe in? There are so many potential answers to this question. You can examine your religious beliefs and give an answer based on it. You can look to such societal and economical constructs as socialism and capitalism and determine where your allegiances lie. You can look to such ideals as privacy, or a lack of it and see where you fit, etc.

Basically, you have a code that you live by, made up of beliefs that you abide by. You are unique in that while you may possess similarities with other people, it is almost impossible to come across somebody who possesses a completely similar set of beliefs to yours.

Determine what you believe in and write it down. Ensure that you explore as many categories as you want to so that you can have a picture that is as clear and defined as possible.

### **23. What irritates you the most?**

There are things that definitely rub you the wrong way, and surely there are a few that you can list out loud without having to do too much thinking. Do you abhor your private business being made public for all and sundry to bear witness? Do you hate noisy people? Perhaps, the unlikely things are the ones that irritate you the most, such as extreme concern from well-meaning people. It could be that you absolutely hate the sound of slamming doors, and you have known times when you were unable to focus for hours because somebody slammed one too hard.

Draw up a list of the things that irritate you the most, and then whittle down everything until you have a list of the top 5 most irritating things/elements/behaviors.

### **24. What are you ready to fight for?**

They say that a person who is ready to fight for a few things that he/she finds ideal is a person who has found a set of things that will fulfill their soul. Surely, you have something/some things that you are willing to fight for. You have some beliefs that you are willing to stand up for in case you feel they are being belittled or unfairly criticized. Make up a small, yet concise list of these beliefs or ideals.

### **25. What does a successful person mean to you?**

It will help you to answer this question from multiple angles. What does a successful person look like to you, physically? How does he or she carry him/herself? How do they dress? Move on to the character traits; how do they generally respond to their environment? How do they respond to people, situations and their immediate environment? When faced with problems,

what is their standard reaction? How much net worth does a successful person have, by your metric? What is the successful person's influence over his/her family, and how does he/she manage their familial affairs?

Seek to answer this question by looking at every facet you can come up with so that the mental image you conjure is as clear and powerful as possible.

## **26. What is the difference between the present you and the successful you?**

Answering the previous question should help you tremendously here. You already have a clear image of what a successful person looks like. It is now time to see how you compare to that image. If the successful person has a trim physique, how does your own body compare? How does your wardrobe compare? How does your relationship with your family members compare? How does your bank account compare?

Examine every facet that you explored in your quest to determine what a successful person is to you, and compare your equivalent honestly. This way, you will know where you truly stand, and what you need to do to improve.

## **27. What is holding me back to take actions?**

What factors are holding you back? Is your physical environment holding you back? Is your partner partly responsible for your stagnation? Perhaps members of your family are blocking your progress?

Seek to have definitive answers to this one. For most of us, it is the fear of the unknown that blocks us; fear of embarrassment, ridicule, and failure as well. As somebody once said, once you know; then you know, and nobody can take that away from you.

## **28. What do you need to change mentally?**

This question is linked to the previous one. Once you determine the mental aspects that are blocking you from succeeding, then it becomes easy to mark out the mental elements that you need to work on.

Ultimately, you know yourself best; therefore, determine what needs to be changed mentally so that you can actually target it and make the necessary changes.

## **29. How would you do them?**

The next step is to determine how you would go about making these mental changes. Let us go back to our anxiety example; you could opt for a mix of meditation, and exercise. You could even opt to binge on motivational speeches and videos. If you have deep-seated anger issues that have gotten in the way of progress, you could opt for therapy sessions with a psychologist, or even just discuss the underlying experiences that brought your anger about with a close, trusted friend.

This is a very important step; you could know exactly what the problem is, but you are only halfway home if you cannot figure out how to confront and destroy the problem.

## **30. What habits do you need to change?**

The best definition of what a habit is that- *a habit is a set of behaviors that are directly inspired by your beliefs. These beliefs ultimately translate to actions which are governed by the behaviors that these underlying beliefs compel*.

Basically, your habits, rather than have their core exist externally, on such elements as monetary or relationship success, they have an internal core and are constructed around your beliefs.

You are already familiar with your good and bad habits but if you are unsure about any one of them, look at your set of beliefs and look to see what habits they might inspire. Nevertheless, pinpoint the negative habits, such as procrastination, and look to eliminate them from your day to day life.

## **31. How would you change the habits you need to change?**

Breaking a bad habit can be extraordinarily tough. But in truth, habit-breaking is often problematic because so many people go about it the wrong way. Rather than merely focus on what habits and routines to stop following, have a ready substitute for each habit you are looking to eliminate.

For example, if you want to break your habit of sleeping late, rather than simply say you want to sleep early, why not have a habit such as ‘I will be in bed by 9.30 pm, and I will leave the laptop and Smartphone on my desk?’

Also, it is vital that you understand what the habit you are looking to break ‘means’. For instance, what does laziness mean to you? Your definition of being lazy could be working 8 hour days, instead of your preferred 14 hours. Be specific.

### **32. What is your favorite animal? And why?**

This looks like an out of place question but it has its uses. If your favorite animal is the lynx, then thinking of it will help you envision its sleek, assertive nature, and then superimpose the image in your head onto your own life.

Some successful people have admitted to drawing up vivid imagery of their favorite animal, or spirit animal, before tackling challenging jobs or addressing huge crowds. This could work for you as well.

### **33. If you should describe yourself in a single word, what would that be?**

The idea is to confine the description to one word. You could be assertive, calm, quiet, brooding, aggressive, tough, introverted... the list is endless. Examine your life thoroughly and determine what word describes you best. It may also help to determine the word you would like to describe yourself in the future so that you know what to work toward.

## **Unstuck Questions**

There may be some past memories which hold you back from achieving your goal. Due to society, we tend to take information which is blocking us from achieving our goals too seriously, and too much to heart. This ends up hurting us and our progress. These questions will help you unplug from this hamster wheel. Answer them as simply as you can, and feel free to derive answers from the previous questions in this chapter

What is stopping me?

Where do my thoughts ponder most of the time?

"I should always \_\_\_\_\_"

"I should never \_\_\_\_\_"

It is best that you come up with terse, pithy one-line answers for these unstuck. This will greatly simplify your vision, and you will have a clearly defined target to aim for.

The next section will focus on opportunities questions that you need to answer so that you can take advantage of opportunities around.

Hey, If you are enjoying this book, don't forget to leave a review on amazon by [clicking here](#).

# **Opportunities Questions**

No matter your current stage in life, you have opportunities. What most of us fail to understand, is that we are flooded with opportunities. No matter where you are in life; no matter how bleak everything seems, if you have the means to access this book, no matter how undemanding they are, then you have more than enough opportunities around you to capitalize on and make a difference.

It helps to perform a thorough internal investigation, so that you can fully understand yourself, and where you are. When you are familiar with this, then you will most certainly know where you are coming from. When you know where you are coming from, it is a lot easier to determine exactly where you are going, and how you can capitalize on any opportunities in your way. This is why it is so important to ask yourself the questions in this book- they help you understand yourself better, which allows you to understand the environment, and the opportunities within it, better.

## **Eliminating excuses to be able to seize opportunities**

Excuses are your enemy, no matter how much better they make your temporary situation. Especially if you live in a 1<sup>st</sup> world country like the US, it boggles the mind as to how you can excuse yourself for not meeting your goals and dreams.

You may not have much money, but it is generally easy to take care of your basic needs. In fact, the biggest challenge most people face is being able to properly manage their time.

If you look deep into any excuses you insist on clinging onto, you will quickly find that most of them are flimsy. The first step is admitting that you have perhaps not been good enough; that you have perhaps been wasteful and a bit of a slacker. Once this is out of the way, you will have a clean canvas on which to paint a new life picture.

**Let's answer these questions to get insights into the opportunities that we have currently-**

### **34. What could you do to change this situation?**

Take a look at your current situation in life. What is it that you could do to change it? If you are broke, what are some of the short term and long-term

fixes that you could implement to make your financials look up? Perhaps you can pick up a 2<sup>nd</sup> job? Maybe you should commit to logging in extra hours at work, and taking advantage of the extra time? Could you perhaps get an extra degree to help you climb up the ladder faster in the future?

Really, you can come up with as many potential solutions to your current situation. All you need to do is ponder broadly and exercise patience when writing down your solutions. Eventually, the ideas will come. List down as many of them as possible, and then pare them down so that you are only left with the most applicable solutions to work with.

### **35. What resources do you have currently to achieve your goals?**

What elements do you have in your life that will help you get to your goals? You may need to think outside the box to mark them out. Your environment could be your biggest resource- it could be quiet, serene and full of like-minded people with similar goals to yours. It could be that your family is a great resource, pitching in when necessary to help you achieve your goals. Perhaps, you have connections with people in your line of work that will help you get to your destination. Your local library could be a phenomenal resource, with its stacks of books and research papers. Everything can be a resource; it just has to be effective enough in helping you move forward.

### **36. What else could you do to reach this goal?**

There are a couple of ways to go about answering this question. First, you could ask yourself how you could stack up available resources to help you get to your goal. For instance, if your environment is not something you can call a resource with any conviction, you can move to a new neighborhood or town that offers more opportunities. If your friends are the opposite of resourceful, you could consider your relationships and make more useful friends. You could work an extra job to get more money, so you can take the necessary risks to achieve your goals. The other way you can answer this question is by looking inward and asking yourself what needs to change. If you are only working 6 hours a day, perhaps bumping this up to 10 hours will help you do more. If you go to bed with your tablet and computer, so that you almost always end up sleeping late and waking up late, you could consider leaving them in your desk and being in bed by 9.00 pm.

### **37. Whom can you get help from?**

They say that no man is an island. Think of people who can help you get forward. Your family members could be excellent for this. Perhaps, you have friends who could be useful. Maybe you know someone with experience in your field that you could be a protégé to. Think hard, and then approach the names you come up with, with assertiveness and confidence. You will quickly realize that most people are eager to help and impart advice since they benefit from it as well.

### **38. Which options do you think would be the effective one?**

As I said, you ought to draw up as many options for each question posed as possible. But it is hard to apply all of them, and at some point, redundancy begins to set in any way. Go through all the questions posed in this chapter with a fine toothcomb and begin by trimming down everything to a list of 5 top/most effective ones.

### **39. What do you think is required to speed up this process?**

Often times, this primarily points to the sacrifices that you have to make. Really, making sacrifices is the greatest way to move forward. Nikola Tesla, perhaps the most intelligent man to live and Earth's greatest innovator, made a huge sacrifice in giving up his patent rights so that his AC concept of electricity could go through faster, and a power plant could be set up. Look at the areas you can make sacrifices in; sometimes it is as easy as sleeping fewer hours, and list them down.

If you don't take action, you will not change and your life will remain the same. The following chapter will focus on asking questions with regard to taking action and answering these questions will enable you to take the requisite action to achieve your goals .

## **Action Questions**

**Ideas are shit, Execution matters - Gary Vee**

Of course, ideas aren't really 'shit'. What Gary Vee means is that you could come up with all the ideas in the world, and they could be some of the

greatest ideas that were ever drawn up, but without executing them, they are mostly useless. Ideas only get you through halfway; you need to execute them to really succeed.

Have you witnessed a person who appears to be perfectly set up for life, even with a lack of money; they are brilliant thinkers, eloquent in nature, well put together and capable of coming up with great ideas and analysis, but they can never seem to rise above their stage in life and exploit their advantages?

If you look deeply, you might discover that their greatest problem is that they can never seem to execute their brilliant ideas. Perhaps, they lack the requisite confidence and aggression to actually apply their ideas and see some fruits. Perhaps, their fear of failure is so crippling that they would rather eliminate all risk of failure by doing nothing than take a chance at success by executing their ideas.

It is not the one who holds new ideas that wins, but the one who executes them. Many people fall into the pit of over-thinking and analyzing but never take the most important step that is action. It is necessary to have clarity for sure, but knowledge would pay its price once you begin to take actions.

**Here are some questions that you need to ask yourself, that will help you make the necessary steps to transition to action:**

#### **40. What do I want to achieve in 6 months?**

Some people will tell you to start with a 10-year plan and then work your way down. But so many things could change within 10 years. You will grow older, and your view on life could change drastically somewhere in the middle. The best point to start at is the 6-month point. Look at it this way; 6 months is actually quite a long time. 6 months is around 24 weeks; 24 weeks is 180 days. If you focus properly for 180 days, then you could get a lot done in 180 days. Ask yourself what you want to have achieved in that span of time and write it down in bold.

#### **41. What do I want to achieve in 3 months?**

The next step to take is to split the 6-month block in half. What is it that you want to achieve in 3 months? 3 months will mean 90 days- what would you like to have achieved in 90 days? Of course, your 3- month goal should be relative to your 6-month goal.

However, as you may already know by now, drawing up your 3-month goal will not necessarily mean halving your 6-month goal. It is not always quite as simple as that, as some goals tend to progress in compound form.

Examine your 6-month goal thoroughly and then figure out how much work needs to be done within the 3-month period. It could even be that you ought to have completed all the work in 3 months, and focus on refining, editing, and marketing in the 3 months that follow. You know the nature of your goal best; break it down and come up with a viable 3-month goal.

#### **42. What do I want to achieve in 1 month?**

The next step is to decide where you want to be in 1 month. How much of your 6-month goal should you have down in 1 month? Again, like we said, it really isn't as simple as performing simple multiplication and division to come up with your mini goal. Examine your 3-month goal and then figure out how much each month ought to contribute to it. Focus on this month; focus on the resources at your disposal, time available, helpful models in place, etc. Take every element you can draw up into consideration, and then look to see if you can come up with a viable 1-month plan.

#### **43. What do I want to achieve this week?**

Next up, you need to figure out what you need to accomplish this week. And by the way, please be realistic. Given that you are just starting out, you may need to focus more on shaking off the cobwebs and getting up to speed with your scheduling.

If you are used to working for 6 hours, and you have decided to bump this up to 10 hours, best believe that you will not adapt seamlessly. You will struggle in the first couple of weeks, but everything will become easier.

It is advisable that you begin by setting a low target for your first week and keep scaling up over time. Use your first week to ‘feel out’ your new schedule, mindset, etc. Use it as training week. In fact, you can use the 1<sup>st</sup> month as training time. This way, you will avoid having to make abrupt stops every few weeks as you struggle to figure something new out and adjust to it.

#### **44. What are the resources that I need to stay on track?**

We covered the resources at your disposal in the previous chapter. You now have to figure out the resources that you NEED in order to stay as distraction-free as possible. Perhaps, you absolutely need to change your location. Perhaps, you need to set up an exclusive working space at home and install soundproofing. Maybe you require a small loan to help you make the next step. Examine your goal and then figure out the resources that you need. Write them down and then figure out how to access them

#### **45. What would keep me from taking actions? And how do I deal with it?**

Distractions will always come up. By the way, this will happen as sure as the sun rises and sets; you will get distracted multiple times, and each distraction will potentially deliver a hit to the prospect of accomplishing your goal. It will help to prepare beforehand for these distractions. List every potential distraction you can think of, and then formulate plans on how to curb each one of them. This way, when these distractions roll around, you will be prepared to handle them quickly and efficiently.

# Habit Questions

*Success is really nothing more than the **progressive realization** of a worthy ideal. This means that any person who knows what they are doing and where they are going is a **success** . - Earl Nightingale*

Look at Earl Nightingale's quote above- he does not say that success is **the utter realization** of a worthy ideal, but he says it is the **progressive realization** of a worthy ideal.

Basically, unlike what most people believe, being successful does not necessarily mean coming out of the other side having accomplished every goal, though this is important as well. If you are constantly hitting milestones, no matter how small they are, it is alright to consider yourself a success. This is because, rather than success being confined to an outcome...

## **Success is actually a habit, more than anything else**

Success is the progressive realization of a worthy ideal. It is impossible to make progressive steps without having a set of habits in place to prop it up. It is habits which decide the quality of the person and by extension, the quality of the person's life. It could be any part of life; if you are consistent in reading books daily it is obvious that you would be more knowledgeable than most of the people in your group. If you make it a habit to exercise and maintain a healthy diet, your body generally would tone up and show the relevant results. So a man, or woman, is nothing but his or her habits.

Forming new habits will require you to exercise self-discipline

Funnily enough... self-discipline is all about habits, and habit-forming. Self-discipline is that process of building specific habits over a period of time, which will assist you in obtaining a desirable outcome, a goal or an objective. In other words, we could say that self-discipline is all about taking small-sized, steady actions which will help to form habits, which subsequently help you reach your objectives and goals.

Self-discipline really is a process of steady, repetitive revision, regulation, correction and elimination of behavior, as opposed to simply hammering away at routines and actions, without having your mindset as your focal point of action:

When we talk about steady, repetitive revision, regulation, correction, and elimination of behavior, this is necessary to adapt to the changing conditions and circumstances in your environment. And you better believe it; your conditions will shift and change constantly, thereby requiring you to adapt to them and change your routines and patterns as well.

**Habit-related questions that you should ask yourself so as to make your ‘progressive realization of an ideal’ possible:**

#### **46. What new habits should I follow to achieve this goal? List them**

This is the first step, as far as habit-forming goes. What new habits do you need to take up? The ‘what’ is almost always linked to the ‘why’, especially where habit-forming is concerned. Once you identify the habit that you would like to take up, ask yourself why it is necessary for you to take it up. If you can answer this comprehensively, then the habit is indeed necessary to build. However, there is another dimension to habit-forming.

To effectively build new habits, it is necessary to destroy some old ones. If you want to develop the habit of promptness and respect for time, then you need to break the habits of procrastination and slothfulness.

You have to break these negative habits so that you stand a better chance of building new positive habits. If you want to build a habit of waking up at the crack of dawn and working through the morning, then you need to break the habit of sleeping late. If you want to build a habit of working in 25-minute periods without any distraction, you have to work on breaking your habit of checking your phone for social media updates every few minutes.

#### **47. What would remind you to stick with the plan?**

There are so many options here, that you are spoilt for choice. A reminder can be as simple as a timetable tacked at the corner of your desk; it could be as simple as your list of goals displayed somewhere that is easily viewable from your workstation.

Basically, it is necessary to have something motivational in place to remind you to stick to your plan and keep working even when you don’t want to. Have you seen boxers and martial arts fighters carrying photographs of family members who mean the world to them, and add to their motivation, to the ring? This allows them to add to their psychological edge- even when

they are in trouble; battered, hurt and exhausted, these ‘photographs’ help prop them up and keep them going even when they want to quit.

You have also seen CEOs and other leaders display photos of their family on their desk. Perhaps, you need a photo or two to keep you going. Really, a reminder could be anything. Figure out what works for you and then use it.

# **Accountability Questions**

The most effective people often have accountability partners to keep them on the ‘straight and narrow.’ An accountability partner does just what the name suggests; he/she helps in keeping you accountable.

Having an accountability partner will motivate you to move forward. He or she is basically a person who will push you when we feel down or low. This is the reason people have coaches who question them every week. Even the best coaches have their own personal coaches to progress.

Speaking of coaches, an accountability partner will be something of a coach to you. He/she will give you some encouragement when you need it. An accountability partner also reinforces the importance of every structure you have put in place to help you achieve your goal; he/she will make sure the timetable you draw up is followed to the letter; he/she will ensure that the workload that you have set apart for each day is met, Etc.

It is advisable to have an accountability buddy during the journey. There are some who succeed without one anyway, but an accountability partner makes it so much easier to be responsible and driven, and the added bonus of knowing that somebody else is invested in your dreams, to some level, also counts for something:

**Here are the questions you need to ask yourself when you are screening potential accountability partners:**

## **48. Whom will you associate with?**

Basically, this points to multiple elements. What character traits should your accountability partner exhibit? You want a partner who shares some of your own character traits or projects a set of traits that you are working towards adopting.

Does the potential accountability partner have a track record of meeting his goals and smashing them? Look; an accountability partner who is a slacker in his or her own life will only transfer that slacker mentality onto your routine, which will only mean you end up worse off than you would have without an accountability partner.

Is the accountability partner a good person with a humane side to him/her? You may think this is a silly question to ask when screening for an accountability partner, but if you settle for a psychopath, no matter how effective and hardworking he/she is, how will they be able to invest their time and emotion in you and your goals when they do not have much of either left to spare for anyone else but themselves?

Examine the character and track record of your potential accountability partner so that once you make a choice, you will end up with a person who will offer the best support system.

#### **49. Whose help is required for you?**

This is yet another vital question you need to ask and answer. Whose help do you really need? This is what I mean by this question. Depending on who you are, and what your nature is, you may need a cheerleader in your corner, a vocal motivator, a quiet overseer who mostly stays behind the scenes while you do your thing, a person to hold your hand and help you overcome challenges and fear, a family member whom you share a deep emotional bond with, Etc. Only you know what works for you.

The first step to take, when seeking a definitive answer to this question, is to ask yourself what you need in terms of a support system. What is your greatest distraction? What element has held you back the most from succeeding? For instance, if your answer is procrastination, then you will need somebody who makes it very difficult to procrastinate such as a vocal motivator who checks in on you every so often to see how much progress you have made.

#### **50. Whom will you call when you feel down or low?**

You will certainly feel down at some point. You see, your brain is designed in such a way that it prioritizes short-term rewards over long-term ones. Thus, after repeatedly forcing yourself to work toward a long-term goal whose fruits you will not see immediately, you may notice that psyching yourself up for some intense work is often an uphill task, and you may feel some dread every time you prepare for a working session. In times such as these, you will need somebody you can call who will assure you that indeed,

your goals and dreams are worth the effort you are putting in, regardless of the lack of immediate results.

There are times when external factors will get you feeling down. You could experience a crushing loss, or some things could demotivate you badly. But really, you have to shake all that off and get back to work if you are going to realize your dreams. It will help to have somebody to call or maybe just somebody to have a 5-minute coffee sit-down with. Just as a note, this person does not have to be the same person who you are accountable to, it can be somebody else.

### **51. Who is your coach?**

Who is your coach? What would your coach do for you? Who is he/she? Does he/she have what it takes to cover all the facets of your pursuit? Does he/she have what it takes to get you to do what you need to do to achieve your goals? Can he or she hold you by the hand until you achieve your goals?

Answer the above questions and find a suitable person.

## **Celebration Questions**

At the end, it is about happiness. It is always about happiness. We set goals and targets just so we feel accomplished, successful and worthy. And there is no problem with any of this. This may include yourself and your surroundings as well. How would you like to celebrate this victory? How would you like to reward yourself? Setting celebration goals beforehand helps us to move forward with ease.

**Here are some celebration questions to ask-**

### **52. What were your biggest achievements this year?**

Remember when we covered the goal-setting questions? One-month goals should add up to form 3-month goals, which in turn add up to form 6-month goals; 6-month goals will add up to yearly goals, etc.

Have you managed to stay consistent with your mini-goals? If you have, then this particular question should be easy enough to answer. Acknowledge what your biggest achievements have been, the past year, and write them down. There is a sense of pride one feels when they are able to say with conviction that they completed something of some magnitude. Wear your accomplishments as a badge of honor- God knows you worked hard for them, as opposed to going the slacker route that most people opt for.

### **53. How would you celebrate once you achieve this goal?**

You know what kind of person you are, and how you like your celebrations to look like. Perhaps, you are the introverted kind who likes to throw a party and have your friends and family share in your happiness. Perhaps, you are comfortable opening a bottle of cognac and enjoying it alone when you are in the mood to celebrate. One of the best ways to put a stamp to your celebratory endeavors is to reward yourself by spending a bit of money on you. Perhaps, you have desired a particular motorbike model, a branded purse, a set of new golf sticks, etc. Spoil yourself for a bit; you deserve it.

### **54. What are the milestone celebrations?**

Milestones simply mean mini-goals. A monthly mini-goal represents a milestone, as does a 6-month mini-goal. It is important that you have some celebrations planned out for every milestone that you meet. You may ask; why not put off celebrating until I have gone the whole hog? But remember, this book defines success as the progressive realization of a worthy ideal. It does not say that success is the complete realization of a worthy ideal. Thus, every milestone you blast represents success. A mini-celebration should be in order.

### **55. Whom would you share this victory with once you have achieved?**

It is important that you have someone dear to you join in your celebrations. This gives the whole event more magnitude. It adds substance and relevance to the event and confirms to you that indeed, your efforts were worthy, and your success, no matter how small, is nothing to scoff at.

There is also the small matter of feeling even more motivated to succeed once you involve another party, who proceeds to become invested in your success, at least to some degree. You can invite as many people as you want. You can simply call up your best friend, godfather, etc. You know what works for you.

## Conclusion

Every question included in this book is geared toward helping you know **you** better, and be able to push yourself forward with more efficiency and grit. In case it wasn't obvious, this book pushes the very accurate message that you are indeed special and that you are unique and different from anybody else out there. You have unique tastes, mannerisms, goals and objectives; a unique background, a way of doing things and so much more.

If only you held yourself with the value that you deserve, and applied the requisite work, there is no way success would evade you. Take a hard look at every individual question, and try to answer as concisely as possible, and as this book has already recommended, make sure to write down each answer.

Soon enough, you will begin to see the fruits of your self-examination so that even your wildest dreams become normal things that you quickly get used to.

We have come to the end of the book. Thank you for reading and congratulations on reading until the end.

If you found the book valuable, can you recommend it to others? One way to do that is to post a review on Amazon.

[Click here](#) to leave a review for this book on Amazon!

Thank you and good luck!

success, efficiency, happiness, anxiety, exhaustion, worry, mistakes, relationships, technology, time, distractions, the past, feelings, neglect, addiction, worry, anxiety, exhaustion, reputation, spouse, agita-

tation, success, criticism, priorities, technology, time, appearances, inconveniences, managing, wasted time, wo-

rried, children, change, acceptance, the past, staying active, mental health, technology, time, connec-

happiness, spouse, hard work, staying active, mental health, technology, time, connec-

# LIFE IS SHORT

## And So Is this Book

Brief thoughts on making the most of your life

Peter Atkins

ccess, efficiency, happiness, goals, focus, priorities, technology, responsibility  
nxiety, exhaustion, worry, mistakes, neglect, anxiety, inconveniences, reputation, spouse, agi-  
tation, success, criticism, relationships, technology, time, appearances, managing, wasted time, wo-  
rried, time, accountability, priorities, distractions, the past, feelings, neglect, addiction, worry, anxi-  
ety, children, change, acceptance, the past, feelings, efficiency, future, critic-  
opiness, spouse, hard work, staying active, mental health, technology, time, conne-

# LIFE IS SHORT

## And So Is this Book

Brief thoughts on making the most of your life

Peter Atkins

Copyright 2011 by Peter Atkins. All rights reserved.

To Sam and Lillie - who have made my short life wonderful.

# introduction

Life is short. You can, if you work hard and are lucky, get more of almost anything, but you can't get more time. Time only goes one way. The average American has a lifespan of less than 30,000 days. So how you choose to live matters.

That's the topic of this book. I don't pretend to have all the answers. I'm still learning every day, and many of the good ideas here I've picked up from other people either directly or by reading. But this is what's worked for me.

Like life, this book is short. Many books I read could communicate their ideas in fewer pages. So I've tried to be brief in line with the wise person who noted: "*If I'd had more time I would have written a shorter letter*".

I don't think brevity implies lack of content. The concepts here have improved the quality of my life, and I hope they're useful to you as well.

Using these concepts, I have created a life I love. My job doesn't feel like work. I love and respect the people with whom I spend time. And I'm also passionate about my life outside work. I've learned how to create a balance that makes me happy between work and other interests, including my family, friends and exercise. Sadly I think that's rare. And yet, while I know I'm lucky, most people can work towards those goals in their own lives.

My interest in making the most of my life began when I was just starting college, but when I was in my mid-thirties a boss I admired died of cancer. He was young. He had a great wife; he had three young children; he had a fantastic career -- he had everything in life. He just didn't have enough time. So, while I'd often thought about how to get the most out of life, the death of someone so young and vital increased my sense of urgency to act on it.

One of the things I've always wanted to do was to work for myself. As a result, I left an exciting job at Microsoft in 2001 amidst the Internet bust to found the investing firm I now run. It was hard to do, both financially and emotionally. When I left Microsoft, many people - friends, family, and even some of the press - thought I was deluding myself to start a fund focused on Internet-related companies during a market crash. A press quote from the time said: *Call him a little crazy. Call him a little nuts.* I'd never seen that type of coverage before. And, in a sense, the press was right; the business wasn't easy to start. Fortunately, from a vantage point of ten years down the road, it's worked out quite well.

A key part of my job is reading and thinking about a broad variety of topics. So writing this book was relatively easy. It's even easier to read. But, like many things in life, actually executing each day on these concepts is extremely difficult. With thanks to Thomas Edison, life is 1% inspiration and 99% perspiration. Even so, I hope you have fun perspiring.

Peter Atkins  
Seattle, WA  
December, 2010

# **CONTENTS**

1. Create space.
2. Try not to worry.
3. Don't do *really* dumb things.
4. Build character and make friends.
5. Care for yourself and others.
6. Laugh.
7. Do what you love.
8. Embrace change.
9. Learn from experience.
10. Have dreams and work towards them.
11. Epilogue.
12. Afterword - the world beyond us.
13. Acknowledgements.



## **create space**

*Life moves pretty fast. If you don't stop to look around once in a while you could miss it.*

*- From the movie, Ferris Bueller's Day Off*

We all approach life in different ways. Some ways allow more time to think, to be creative, to do what's important, and to spend time with friends. I'll give you an example.

A friend of mine used to be the CEO of a well-known Internet company. He once told me he found it funny that the busiest people on his team were always the people to whom he could give more work, while the ones who accomplished less had little time for anything (often including their existing responsibilities).

I've found this is an important observation. It's often the most successful people I know who are most efficient with their time and who always seem to have time to think and to do more. The trick is people who are most productive tend to say no to things that are unimportant to them and focus on what they believe matters. When you think about it, how could it be any other way?

Of course, activity by itself doesn't equal accomplishment, and certainly not success -- being busy just means being busy. I know many people who work super hard to fill up the spaces in their lives, so they won't have to think. A wise colleague calls this "numbing out". They may accomplish their goals, but they're unlikely to be fulfilled or do truly creative work. I know other people who fill their free time with meaningless activities. They're also busy, but they neither achieve much, nor are they satisfied.

In contrast, I once had a smart boss who told me if I wanted to do my best work, I needed to do fewer things, and really focus on what mattered. That was great advice. Many people confuse *want to* with *have to*. In other words, just because someone else wants you to do something doesn't mean you have to do it. You can't get more time, so how you spend the time you have is critical. Focusing on what matters means saying no to things that don't matter. Otherwise, your life becomes cluttered with distractions.

Technology presents both potential distractions and also great opportunities to use your time better. Technology is a tool. Used properly, it can help you but, like any other tool, it can be mismanaged. If, for example, you spend most of your day responding to email, or text messages, or checking out your friends on social networks, you won't get much done.

A better approach is to decide what you want to do and what is most important. Make lists. Then use technology to assist you, versus allowing it to control you. To execute on this concept requires discipline and practice, but anyone can get better at it, and make real progress if they want to.

One way I like to use technology to save time is, where appropriate, to eliminate meetings and use email instead. I should emphasize 'where appropriate'. Email does a terrible job of conveying subtle emotional content, so meetings are more appropriate for team building, for negotiating, for personal conversations, and for any other situation where it's important to look someone in the eye. But for some things, email is better.

Mobile devices provide a fantastic way to stay connected and on top of work, wherever you may be. If you have any

down time, you can read books or articles, check email, or browse the web from virtually anywhere.

Distractions have increased for reasons beyond new technologies. According to the Bureau of Labor Statistics, about 60% of U.S. families are two-income households, compared with only about one-third in the mid 60's (the statistics are directionally similar in much of the Western world). We're busier and, consequently, are tempted to do lots of things at once.

A number of people I know claim to be great multi-taskers. The brain, however, doesn't work that way; instead it focuses on one activity at a time. If you switch back and forth between multiple tasks, your brain works more slowly than it would if you focused on each activity for a period of time. Albert Einstein said: *It's not that I'm so smart, it's just that I stay with problems longer.* Most of us do the opposite -- with predictable results.

To allow yourself time to think, there are many non-technological tricks to managing information. All of them require you to make choices to focus your energy. I like to set aside blocks of time for specific activities - even to read or chat.

That being said, there are combinations of activities which work together and can make you more productive. For example, I frequently ride an indoor bicycle while reading, since the indoor bicycle takes no mental attention, and it allows me to get exercise at the same time. (Don't try to do the same thing, though, on an outdoor bike!)

Another way to free up time, if you have the option, is to live close to work. For many people, the amount of time spent commuting is huge, and it tends to be quite stressful

and, frequently, not super productive. There are usually good reasons people want to live far from work; it's often significantly cheaper, and the schools may be better.

But, if you think about the value of your time, it might not make sense. You might be able to afford a smaller home closer to your job rather than a bigger one with a long commute. And, if you do that, you might have significantly less stress on a daily basis. In fact, when I lived in Manhattan, frequently the most relaxing part of my day was walking to and from my office. It didn't seem like a sacrifice to have a tiny apartment on the third floor of a building without an elevator.

The ultimate reduction in commuting time is working from home - something that is becoming increasingly possible for many people, given the evolution of technology, and the desire of companies to get the most out of their employees while limiting real estate costs. If you have a job which accommodates it, are self-motivated, and have the space and quiet required to work well from home, it can make life considerably more pleasant, and can create more discretionary time. A handful of my colleagues work from home. They all love it -- none would choose to work in an office again.

Making space in your life by using time efficiently also helps nurture creativity. I find it interesting that people who tend to be the most creative have three things in common:

They're incredibly well prepared in their fields -- they become masters of their domains by practicing for many years, day after day.

They spend time deeply focused on solving a key problem or key set of problems, no matter

the obstacles.

They allow themselves to step away from the problem(s) on which they're focused, so that insights can come to them in activities such as walking, or looking out on a beautiful scene.

To get great insights absolutely requires hard work, but it also requires space. This is the case because the human mind is not a linear machine. If you don't put in the required effort, you won't be capable of generating good ideas; you won't understand the subject matter. But if you don't give yourself space from the problems on which you are working, you likely will be so worn down you won't generate creative insights. You need both.

In taking walks these days, I try to notice the beauty around me; it helps me think and relax. In fact, I regularly take pictures with my cell phone camera (some are included here) as a reminder to stop and look. It's a simple thing (and my pictures won't win any prizes) but it works.

So to make the most of your life, say no to things that don't matter, work hard at what you love, and occasionally take time away from your core focus to rest so that your mind can be quiet for great insights to come.



Looking out to the Olympic Mountains, Washington.

## **try not to worry**

*If you can't sleep, then get up and do something instead of lying there worrying. It's the worry that gets you, not the lack of sleep.*

*-Dale Carnegie*

Worrying, I've found, wastes energy and wastes time; it limits what you can accomplish. I try not to obsess on the past, but to learn from it. I try not to worry about the future, but to prepare for it. And while it's difficult sometimes, I try to take pleasure in the moment, even when bad things happen.

An inspirational woman I know has cancer, yet she finds the beauty in every day and every moment. I don't know many people who are more positive, or go through life with as much curiosity or energy as she does. The last time I saw her was at a dinner party -- she was more engaged than anyone else that evening, constantly asking questions about new technology, and how I thought it would change the world. I also have several friends with Multiple Sclerosis, and they live more restricted (and more painful) lives than most of us, but each seems excited every time we meet. They're clearly trying to get the most out of their limited time left on earth.

The lesson to me is that you can focus on something going well, or something beautiful, or something interesting -- even amidst terrible times.

I try to put things into two buckets: one I can do something about and one I can't. The things I can't do anything about, I try to ignore. There's no use, for example, being jealous of

other people's success or good luck; it won't make me any happier. Nor is there any upside in worrying about a bad situation in which I find myself. There is, however, a lot to be gained from considering how I can move to a better place.

I've also noticed it helps to accept the world as it is -- not in the sense that you can't change things (although that is sometimes the case), but in the sense that you need to see reality clearly before you can take effective action. As a professor of mine once said: if you think the table you are sitting at will fly, you have a problem.

Accept that luck and bad luck aren't evenly or fairly distributed, and you can't do anything about that. I have many talented friends in the technology industry who've been paid over the years primarily in stock options. Some have made a great deal of money this way, and frequently they were just lucky to have joined a given company at a certain time. They weren't necessarily more talented than others. They didn't work harder, or contribute more than people who started later than they did. They frequently didn't even have a strong conviction in advance that they'd make a lot of money (although they knew there was a chance they might). They were, relative to their peers, lucky.

There are some things in life you can't change (such as your parents, your height, or the personalities of other adults). For the problems you can impact and you want to alter, think about what you want to accomplish, and try to do that in a pragmatic way. You don't have to change everything overnight. In fact, thinking you can, or should, is likely to lead to failure, or to feeling overwhelmed -- and as a result perhaps doing nothing.

My experience the last ten years illustrates this point. If I'd tried to build my investing business to scale in a short time

frame, or worried when stock prices declined, I would have failed. I started investing immediately before September 11th. While prices of Internet stocks then were low relative to their business value, prices dropped significantly for another year and a half during the Internet bust before recovering to sensible levels. I had no idea that would happen. It didn't feel pleasant. My family lost faith in me, and most of my friends thought I was a bit nuts to even invest in the sector. It was only because I stayed focused on understanding the businesses in which I'd invested, and was willing to stick with my convictions over a matter of years, that my ideas worked out well. Over time, other people gained faith in my investing abilities, but it didn't happen overnight. It wasn't easy. And nothing I might have done early on would have changed that.

Lastly, when you make mistakes along the way, as I have at many points in my life, accept them as well. I've tried to learn from my mistakes. They're experience - and they're the sort of experience you won't soon forget.

As Winston Churchill said: *Success is not final, failure is not fatal: it is the courage to continue that counts.*



Sunset from the air; somewhere over western Canada.

## **don't do *really* dumb things**

*All I want to know is where I'm going to die so I'll never go there.*

- Charlie Munger

You can't follow Charlie Munger's advice literally. But, as a wise colleague of mine says, sometimes the most important thing to do is to not do anything *really* dumb. I've found this type of inactivity is undervalued in our culture.

Many investors overlook avoiding dumb mistakes. Warren Buffett suggests people approach investing the same way Ted Williams looked at batting: only swing at the pitches in the center of your strike zone. Since there are no called strikes in investing, you should let the others go by. This sounds easy to do, and you'd think most investors would behave this way, but they don't. When many people buy stocks, they tend to think more about the potential upside than what they might lose if things don't go well. By pivoting that thinking and avoiding really dumb ideas -- in investing, in business, and in life -- you'll approach problems from a wholly different perspective.

I've used this same mental model to try to avoid too much debt, drinking too much, staying away from people who are bad influences, eating poorly, and not exercising.

I should probably make the distinction here between *really* dumb things, and routine mistakes made in the course of your life. The latter, as I've noted, are certainly painful, but inescapable and useful learning. What do I mean, then, by

*really* dumb things? There are two classes: unrecoverable errors and denial.

Unrecoverable errors can screw up your future - like committing a crime and going to prison, or limiting your options by not trying to get the best education available, or making decisions which likely will lead to major health problems or financial destruction. As an extreme example, I know someone who, as a child, accidentally shot his sibling. The sibling never fully recovered and the accidental-shooter never overcame his guilt. As a result, his life has been ruined.

There are many things that are not nearly as dramatic, but can have a similarly negative long-term impact. What you choose to do each day matters. Habits form when we're young, and solidify before we know it. So forming the right habits early is critical, whether that means eating well, exercising, saving money or being honest. As a wise investor I know likes to say, people become "more so" over time.

The second class of dumb thing – denial – is common. Most of us ignore reality in some facet of our lives. It's often easier to believe things will somehow solve themselves, whether we want a lousy job to work out, or we're so desperate to hire someone for a much-needed role we sacrifice on quality, or we overlook obvious issues in someone we're dating (and assume they'll get better over time...or we can help fix them).

These are all examples of wishful thinking. If you notice serious problems in the early stages of a job, or in the hiring process, they're only likely to become magnified as you get to know the situation, or your new colleague better. Ditto in dating. Small problems early on generally don't just resolve

themselves with time. And it's impossible to change other adults' personalities, no matter what you may wish.

A well known joke illustrates the point: The biggest mistake men make when they think about getting married is they assume women won't change; the biggest mistake women make is they assume they can change men.

The same warning about wishful thinking is true with exercise and pain. If you start feeling pain while exercising, it's the body's way of telling you to stop. If you battle through it, as many of us do, frequently you'll make the injury worse.

So how can you avoid really dumb things? I try to rely on my gut instincts. Whenever I feel that something might have a really bad outcome, I pay attention to that feeling. Feelings aren't always correct (we fear many things we have little reason to be concerned about in the modern world), but feelings can flag problems that may be difficult to articulate.

Proceeding when there are obvious issues is a dumb thing to do. Even if it's inconvenient or painful, I've learned, I'm better off doing nothing when the only available choice has glaring issues.



Snowshoeing in Whistler, BC.



## **build character and make friends**

*Character is like a tree, and reputation like its shadow. The shadow is what we think of it; the tree is the real thing.*

*- Abraham Lincoln*

Character, I've found, is one of the most important things in life. Reputations can be manipulated in the short term, but people tend to get the reputations they deserve over time. Reputations are your personal brand. They're influential in how well you do in both your professional and personal lives.

There are four basic principles that have worked well for me:

Do what you think is right.

Don't follow other people blindly.

Be honest and keep your word.

Admit your mistakes.

If you live your life authentically, keep your word, admit mistakes, and admit what you don't know, you'll find people will trust you more over time, and you'll become wiser too.

When I entered college, I thought most people would adopt similar principles, but I've found that a lot of people succumb to peer pressure and other external forces.

I've met lots of smart people who work very hard. I've met substantially fewer who are also authentic and have integrity. I try to spend my time with the second group. And,

generally, I've found that those people are happy and have more real friends.

\* \* \* \* \*

Inevitably, we take on some of the habits of people with whom we're closest. The people with whom we associate can have a huge impact on the development of our personalities, particularly when we're young. In that light, if you have children, try to be sure their peer groups are healthy ones. Their peers likely will have more influence on the development of your kids' personalities than you will. If that sounds absurd, look at how immigrants' kids develop in a non-immigrant community; they nearly always seem to speak, act and have the values of their peers, and not their immigrant parents. My son, for instance, has a friend whose parents recently emigrated from Japan and moved to Canada. My son's friend doesn't like Japanese food; his favorite things to eat include steak and hamburger; and he acts and speaks much more like his classmates and friends than he does his Japanese parents.

In your own life, think about the values and habits you want to have, and then ensure you choose your friends, colleagues, mentors and bosses carefully. My friends and mentors have made a huge difference in my life, both professionally and personally. For example, I was able to succeed as an investor in the early years because a super smart mentor was willing to share his knowledge with me, and encouraged me to have faith in my convictions. I'm eternally grateful. Similarly, in my personal life, when I spend time with people I respect, like, and care about, I usually feel great.

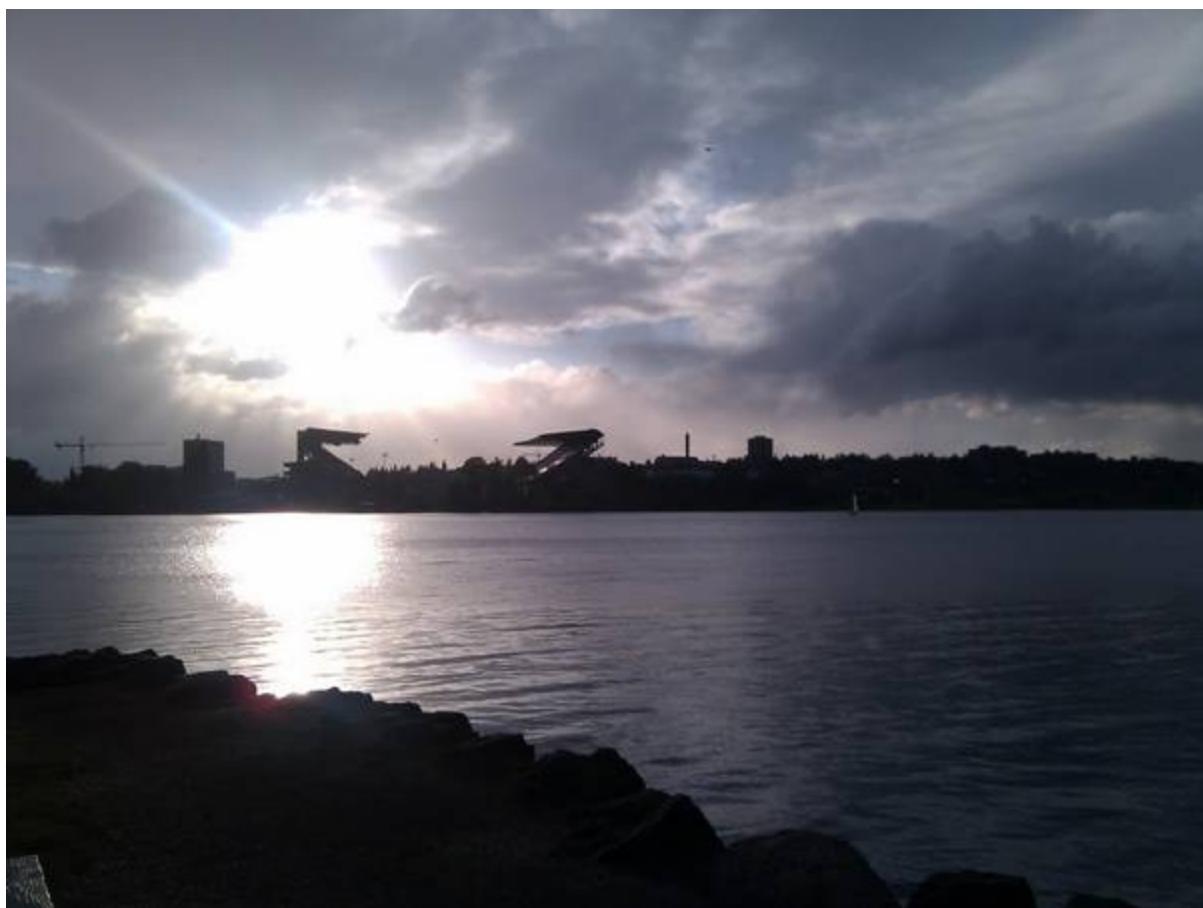
To build trusting friendships, I've learned, it's critical to be true to my passions, and express how I feel and what I want.

If I weren't open and honest, I wonder what sort of friends I'd have?

This matters. Real friends - people you trust, respect, laugh with, and can rely on - are a vitally important part of life. No matter how much wealth or fame you accumulate, if you don't have true friends it's unlikely you'll be happy. Sadly I know too many people who have achieved their material goals, but have no friends. As the expression goes: greed is a hole you can never fill (though there are definitely a lot of people who try).

Warren Buffett refers to Rose Blumkin, a woman who escaped the Nazis before immigrating to America and founding Nebraska Furniture Mart, as having the ultimate standard for friendship. Ms. Blumkin apparently said she had a hard time making friends. She would ask herself: if the Nazis were to return, would a particular person hide her?

Now that's a super-high standard, but you can imagine how much richer and easier your life would be with even a handful of true friends like that.



View of Husky Stadium, University of Washington.

## **care for yourself and others**

*Lack of activity destroys the good condition of every human being, while movement and methodical physical exercise save it and preserve it.*

*- Plato*

Our bodies were designed by evolution to thrive on the African savanna. Twenty thousand years ago, people didn't sit in forests or caves staring at computer screens, talking on telephones, or watching television. We were made to move, and our brains were made to think while in motion.

So if you want to feel good, be as productive as possible, live longer, reduce stress, be more creative, and be happier then you need to exercise regularly. When I was at Microsoft, I used to run for about eight minutes every morning before heading to the office. That's not nearly enough, and I slowly got out of shape. I now take an hour at lunch to bike, play tennis, run, or even walk. Over the last ten years, I've lost about twenty pounds and I'm more alert and creative. The extra time invested in exercise has been worth it, even if only measured from a professional standpoint.

Our bodies also weren't designed to eat junk food all day. Thousands of years ago, getting calories was tough; we like sweets and fats now because it was tremendous work getting them then, and we never knew when our next meal would come. While our genetic desires for sweet and fatty foods haven't changed, modern Western civilization, with its easy and rapid access to super markets, processed - and generally inexpensive - food, has removed the natural barriers that stop us from eating what we want. I've always been a fairly healthy eater (although I love desserts!), but one small trick I've adopted is to try to eat dinner early. I've

found that just doing that helps keep me at a healthy weight. And, when I eat dinner a bit later, I try to take a walk afterwards.

I recognize that's uncommon. The result of less exercise and more food is not pleasant. As a society, we're getting fat. We're creating many health issues (and costs), which we'll have to deal with down the road.

Another critical element of taking care of yourself is getting a good amount of sleep on a regular basis. I try to organize my schedule to ensure I sleep well since I've learned I perform best when I'm well rested. For instance, when I travel to different time zones I alter my schedule days ahead of time so it's more closely aligned with where I'm going. (I've found that ear plugs are also wonderful tools for hotel rooms if you don't know it will be quiet.) If you can manage to sleep well no matter where you are, you'll find you have more energy and are able to think more clearly.

Stay active. People are like sharks: if we don't move constantly, we'll die. This is true both literally and metaphorically. For example, there's some evidence suggesting that older people who keep their minds active have a much lower chance of getting Alzheimer's disease. People who 'retire' and mostly eat and lie on the couch, aren't likely to live very long -- or be very happy.

Taking care of yourself extends beyond your body to your mental health. Many people don't feel good about themselves psychologically. This may start in childhood when their parents may not give them enough care and attention (so they don't feel lovable); or they may get too much, too easily from their parents (so they end up feeling undeserving). Or their parents may be overly critical; nothing is ever good enough (so they end up constantly

trying to please other people, or feeling inadequate, or both).

Regardless, it's important as an adult, no matter what type of parents you had, that you take responsibility for your life. It's only by loving, celebrating, and appreciating what makes you unique that you can fully enjoy your life, and truly love others. If you don't love yourself, the results aren't pleasant. For instance, a number of people I know spend money in unhealthy ways, sometimes running up large amounts of debt by buying things they believe will make them feel better. Sadly, but predictably, it doesn't work. The pleasant feeling of owning something new soon fades, and then they're onto buying the next thing. The debt potentially incurred by this sort of activity not only causes financial difficulties, but may also lead to health issues.

Given the increase in two income families over the last thirty years, you might think that people would be better off. That's not the case. People in the U.S., and much of the Western world, tend to spend more of what they earn than they did a generation ago. They may do this to keep up with their friends, or what they think is expected of them in our society, but that's not a treadmill you want to be on.

People also compensate for not feeling good about themselves by over-eating, drinking too much, over-working, and becoming reliant on constant or unhealthy sex to numb their pain. All of these are addictions. Taking care of yourself means finding a balance that works for you, then having the discipline to maintain that balance. (If you want help, there are many people, including some good therapists, who can be a great resource to discuss issues that are important to you.)

\* \* \* \* \*

*Grief can take care of itself, but to get the full value of a joy, you must have somebody to divide it with.*

-- Mark Twain

There are innumerable, serious problems in the world, and there are huge numbers of people who'd love your help. You've doubtless heard that message many times before, particularly around the holidays.

But if you need motivation to help others, I can tell you from personal experience: you will directly benefit. Few things make you feel better about yourself. I get great joy out of helping at my kids' school, from helping friends with their business problems, and from doing a good job investing. If I do my job well, my friends and clients will be able to send their kids to college, to retire without financial worries, and to do things that are important to them.

You don't need to look far to help other people. For example, taking the interests of children seriously, encouraging and supporting them, as well as setting high standards, can make a big difference in their lives.

Almost anyone can be a father or a mother, but being a good parent takes hard work, focus, and a great deal of caring. Despite the obvious sacrifices of time and resources, I've found being a parent has been the most satisfying and enriching experience I've ever had. Most parents I know would say similar things.

There are many ways to make a difference in the world – you can help your extended family, help friends, help your community, or help people you don't even know. You can help one on one, or in small groups, or, if you have the

ability or resources, on a larger scale. So long as it works for you, it doesn't matter.

When you're in your 80s, and looking back on your life, I have little doubt you'll feel better if you have chosen to give something back. Our time on earth is limited, but you can extend your influence by helping those who will outlive you.



Bois de Boulogne, Paris.



## **laugh**

*With the fearful strain that is on me night and day, if I did not laugh I should die.*

*- Abraham Lincoln*

While your life will hopefully end better than Lincoln's, it won't always go your way - guaranteed. Within the constraints of your genetic wiring, it's up to you how you deal with that.

You may not have the parents or the siblings you'd have chosen. You may not look the way you'd have picked. The people you love may not always love you back. You may not live where you'd like. You may not have the job you want, or get the promotion you believe you deserve. If you get married, it may not work out the way you thought it would. If you have children, they won't always do what you'd like, and they may disappoint you sometimes.

I've found you can choose to let all the things that go wrong in life depress you. Or, you can accept that things will go wrong, try to laugh, and then look at what you can do. There's a Japanese proverb that gets right to the point: *We're fools whether we dance or not -- so we might as well dance.*

I remember an important business meeting I had about fifteen years ago at Microsoft. It was clear that the problem we faced was unpleasant, and wasn't going away. After a few minutes of intense discussion, the most senior person in the room laughed, and said: "I guess we're screwed!" It shocked me, but that frankness and dry humor immediately stopped the discussion, and we moved on to discussing things we could impact.

A sense of humor is also useful when you make mistakes. I still remember an experience I had during college when I worked as an intern for the MacNeil/Lehrer Report (a PBS television news show). One of my duties was to greet guests at the door. One day I went downstairs to meet Thomas Kean, then Governor of New Jersey. As I got to the guard desk in the lobby, a man walked up and told the guard his name was Tom Kean, and that he was there to go to the MacNeil/Lehrer Report. I introduced myself, and proceeded to take him to the green room to be made up. He kept telling me to stop calling him "Governor" and call him "Tom". He also said he wanted to go upstairs to meet a reporter. I told him we didn't have much time, so he could call the reporter from the green room. When we got there, seated in the makeup chair, he called the reporter and said: "Would you please tell this guy that I'm your boyfriend, Tom Kean, and not the Governor of New Jersey!" I was embarrassed, immediately apologized, and ran back to the lobby to meet Governor Thomas Kean of New Jersey, who stood flanked by two huge state troopers. I remember laughing at myself as I told Governor Kean the story on the elevator back up to the green room.

It's sobering to note that whether you're able to laugh when things go badly may be an inborn trait. A famous study was done using two groups of people: paraplegics and lottery winners. The study looked at these two groups' happiness before their life-changing events, immediately following them, and then also a bit later. The immediate effect was predictable: people who became paraplegics got depressed, and people who won the lottery were elated. But after a relatively short period of time, both groups returned to their original levels of happiness -- paraplegics who'd been happy before their injuries became happy paraplegics; lottery

winners who'd been unhappy and bitter before their windfalls became unhappy, bitter lottery winners.

I know several personal stories, including friends who lost a child in a terrible accident (the most horrible thing I can imagine), that illustrate the same principle: some people can laugh even amidst terrible times. The payoff is the physical act of laughing actually improves your mood.

Assuming your basic life needs are being met, you can choose to be happy if you want -- even when you make mistakes, or are in the middle of some pretty awful circumstances. If, however, you're the sort of person who chooses to be unhappy, or filled with anxiety, chances are you'll probably succeed with that as well.

In thinking about this, I keep Mark Twain in mind: *The fear of death follows from the fear of life. A man who lives fully is prepared to die at any time.*



Sunset at the edge of the Glass Mountain Range, West Texas.



## **do what you love**

*There are but three events in a man's life: birth, life and death. He is not conscious of being born, he dies in pain, and he forgets to live.*

- Jean de la Bruyere

How many movies have you seen where the hero or heroine quits a job they hate to pursue their life dreams? These movies wouldn't be made, and they wouldn't resonate with so many people, if they didn't contain an important desire that most people deny themselves.

A lot of apparently 'successful' people believe they should delay enjoying life until later. First they work incredibly hard to get into the 'right' schools; then they work even harder to get a coveted job; and then they work harder still for years to get to a certain position, or make a certain amount of money. The net of this whole adventure is that frequently it's not until late in life, when a person's health may be going, and a lot of their life is behind them, that they stop to think about what they want. And, by then, there may not be much they can do about it. They can't recover the time. And many people don't even stop to think.

Oliver Wendell Holmes noted: *Many people die with their music still in them. Why is this so? Too often it is because they are always getting ready to live. Before they know it, time runs out.*

When I was growing up, someone told me to live as if I was going to die in ten years and had no immediate financial needs. That's great advice. If you can do that, you'll be happier and more successful.

To figure out what you want to do, you need to know yourself. If you lie to yourself about who you are, or hide your identity from others, it will inevitably create stress, and it's unlikely you'll be either productive or happy. Part of knowing yourself means acknowledging what you genuinely want. If you focus on what other people expect of you, you may impress your friends, family and colleagues, but it's unlikely you'll be satisfied with yourself over the long term.

You need to understand your values and your priorities. For example, some people value income more than others, while other people place greater importance on the sense of meaning they find in a job.

Although what makes you passionate generally doesn't change over time, what you want to do sometimes does. When I was young, I didn't know what I wanted to do. I always liked to read, but not necessarily the books that were assigned by my teachers. When I was about 18, I decided I wanted to be a journalist. I always loved learning, and I thought being a journalist would be a great way to stay informed about the world. After working as a journalist in college, I found I liked many aspects of the job, but I didn't think it was the perfect fit for me. I tried other careers through my twenties and thirties, searching for something that felt right. I started a small business (which eventually folded for lack of funding). I went back to business school. Then I worked for two big corporations -- in two very different industries -- Time Inc. and Microsoft. I succeeded at some jobs, and I failed in aspects of others. I enjoyed a few jobs a great deal, and was lucky to make some life-long friends along the way.

It wasn't until I was in my late 30's, when I started to work for myself investing, that I finally found a career which drew on all of my natural curiosity, had few aspects to it that I

didn't enjoy, and basically didn't feel like work. Fortunately, everything I'd done earlier in my career wasn't wasted. In fact, many of the experiences I'd had (and particularly my failures) became useful learning.

While it's obviously better to start doing what you love early in life, many people don't. Tom Clancy, the author of numerous exciting and commercially successful books, including The Hunt for Red October, became a writer when he was in his 30's, after a career in the insurance business. John Grisham, the author of many great legal stories, was an attorney and a local politician before his first book, A Time to Kill, was published when he was about 33. Ronald Reagan wasn't elected to public office until he was 55; earlier in life he'd been an actor and a union official. And, though few have heard of Alfred Wallis, merchant and fisherman, art lovers know that Alfred Wallis the painter emerged in his late 60's, after his wife died. So it's quite possible to reinvent your career even late in life.

All of these people successfully evolved their careers toward doing something they loved. But why is that important?

There are three primary reasons:

We spend huge amounts of our lives working; if you work from the time you're 20 until you're 65, five days a week, (and a great many of us work far more than that) then you will work for at least half your adult life.

We also live in a super competitive world. It's likely the only way you'll stand out at what you do is if you work very hard for long periods of time. It's said that to become an expert in a given activity requires about 10,000 hours of

practice. At 40 hours a week (doing nothing else, which is extremely unlikely) it takes five years of solid work to master a subject.

And I've found the only way people have the stamina to outwork others, year after year, is when they love what they do.

Sadly most people don't have jobs they truly love. Instead, they often work at unsatisfying jobs - sometimes because they have no choice, but sometimes to impress others. But three-window offices, fancy titles, awards, and more *stuff* don't bring happiness. Some people never get this.

I was recently chatting with a guy I met who'd been quite successful. I said I'd been in New York on 9/11, and had heard through a friend he was supposed to have been at the top of the World Trade Center that day, but that he'd fortunately cancelled last minute.

He corrected me: "Actually, I was supposed to be *the keynote speaker* at an important event at the World Trade Center on 9/11."

I was stunned: He'd almost died in a spectacular catastrophe that impacted millions of people, and yet, years later, in telling the story he tried to impress me with the status of his job! I told him I thought he was just lucky to be alive.

There's a lesson here. For people who have a choice between jobs, there are frequently two broad options.

Option 1 is doing what you love every day, but not earning as much money as you might

otherwise, and/or not having as much prestige in the eyes of your acquaintances.

Option 2 is doing a job you hate or find boring, but either the job itself, or the money you can make from the job, impresses other folks.

To me, the choice is clear. What I find a bit shocking is that many people choose option 2, and stick with it over the course of their careers. Many other people enter fields they love, but over time forget what they love about their work, and prioritize the external recognition they receive from it. While there's nothing wrong with being well-paid, and we all love to receive praise for good work, prioritizing external rewards over the work itself is a failing strategy.

It's just anecdotal data, but everyone I know who works primarily to impress other people is unhappy or unfulfilled, regardless of how externally 'successful' they may seem. Almost everyone I know well who works passionately at a job for its own sake is happy, and most have been successful.

So the question is: How do you determine what you passionately want to do? I'll share my own experience. Before I left Microsoft, I took out a piece of paper, and listed those moments in my life I loved most. I tried to identify patterns. With that information, and a bit of research about various career options, I picked something which I thought would allow me to do what made me most happy. I also paid close attention, using the same method, to things I didn't like to do, and worked hard to eliminate those things from my life.

You can use this system at any point in your career, but you may have to serve as an apprentice for several years early

on doing less than fun things in order to learn the ropes. That's just part of the journey - assuming you work with people you respect.

I developed a litmus test for job satisfaction that might resonate with you. When I was in a job I hated, I noticed on Sunday nights, or returning from vacations, I actually felt sick. Today, because my work and personal life are highly integrated, I work over the weekends -- but I feel just as excited Sunday night as I do on Friday afternoon.

Ideally, you want a job you'd do even if you weren't paid to do it. That's not an economic reality for most of us, but it's the right goal to shoot for. If you can get paid to do what you perceive as play, you have a great job.

Finally, focus on your present situation and your future goals. People like to strive to achieve something new. If you are a mountain climber, as a good friend of mine is, you always look for the next peak.

Those who live in the past tend to be unhappy. No matter how significant your past accomplishments may be, they won't keep you satisfied. A former classmate's greatest days were at school nearly 30 years ago. He went to a wonderful and prestigious school, and was a bit of a star there. These days, he tries to attend as many reunions as he can. But you can't live life backwards, and he's unfulfilled in his current life.

Freud said: "*Love and work are the cornerstones of our humanness*". While it may sound simple, if you have close friendships and love your work, the odds are quite high that you'll be happy most of the time.



Paris, France.

## **embrace change**

*It is not necessary to change. Survival is not mandatory.*  
*-W. Edwards Deming*

Change will happen whether you like it or not. In fact, given technology's evolution and globalization, there's little doubt that the rate of change is accelerating. This can be disconcerting; we tend to hate change. We prefer to know what will happen.

However, if you fight change you'll usually lose -- and you'll get worn down fighting it.

I recall meeting with some folks in the newspaper and yellow pages industries in the mid-90's. I told them the Internet would reshape their world, but they were making good money on their print business, and had been doing that for many years. In fact most of them had monopolies where they could pretty much charge whatever they wanted. So, overall, they basically ignored the Internet (they did little things here and there, but nothing fundamental). It didn't impact their near term earnings.

Five years later, nothing had happened to those businesses. After ten years, the Internet started encroaching on their profits. And then, very quickly, the Internet tidal wave decimated them. To be clear: a small number of these companies may still adapt and survive, but had they viewed what was happening in the world with open eyes and started making meaningful changes to their businesses in the mid 90's, I'd bet a lot of money some of them would be in a dramatically different place today.

This pattern of ignoring change is not new. Alexander Graham Bell said: “*When one door closes, another door opens; but we so often look so long and so regretfully upon the closed door, that we do not see the ones which open for us.*”

The same is true in personal relationships. If you fight change, it simply won’t work. People fall out of love, they age, their needs and desires change. If you embrace inevitable change, you’ll be ahead of the pack. If a relationship isn’t working, don’t just give up. But if you have tried hard to fix it over time and can’t do anything about it, then it’s important to recognize you may need to make a change in your life.

The lesson I’ve learned is this: Since change is inevitable, the key is learning how to manage it. If you deal with issues immediately and don’t let them fester, they won’t become bigger and, ultimately, unmanageable. Problems are much easier to deal with when they’re still small than if you’ve let them grow over time.

At some points in your life, you may try to drive change. In those instances, I’ve found patience is a huge virtue. Change comes slowly. It’s a hard thing to accept, and people may resist it actively or passively. In fact, in some fields (such as Internet adoption), change often doesn’t come until people leave their jobs and are replaced by a new generation. This principle holds true well beyond the technology sector.



Upper West Side of Manhattan and the Jacqueline Kennedy Onassis Reservoir.

## **learn from experience**

*The definition of insanity is doing the same thing over and over again and expecting different results.*

- Albert Einstein

While I've met many people who focus on being smart and working hard, I know few people who regularly focus on learning from their own experience and the experience of others. I've noticed that if you are one of those few who try to learn every day, it makes a huge difference over long periods of time.

Many people act like the guy in the story who went to the movies with his friend.

The guy says to his friend: "I bet the cowboy falls off his horse at the end of the movie and dies."

His friend takes the bet.

The cowboy indeed falls off his horse and dies.

The guy says to his friend: "I don't understand why you bet me. We saw the movie last week!"

The friend says: "Well, I didn't think he'd be dumb enough to do it again."

It's a funny story -- and it seems ridiculous. And yet, I've seen many people over the years do essentially the same thing. They ignore clear lessons from their experience or the experience of others.

If you want to learn from experience, I've found the following useful:

Be curious. Kids naturally are curious and they are able to learn and progress at very rapid rates. I've tried to maintain my natural curiosity as I've gotten older and I've found my life is more interesting as a result.

Read widely. There's so much wisdom written down and it's easier (not to mention less painful) to learn from others' mistakes. No one domain or field has a lock on wisdom. I've been astonished how much you can learn if you read widely across a variety of fields. I read as much as I can.

Find mentors. If you can identify people who have more experience than you and who excel at what they do, it's incredible to have the opportunity to learn from them. People love to teach others. If you're highly motivated, and don't ask for anything other than wisdom you can learn a great deal. Mentors have made a big difference in my life.

Observe. A good friend of mine says people have two eyes, two ears, and only one mouth for a reason. There's certainly a lot to be gained from watching and listening. When I travel, I love listening to people who have different life experiences than I have. I learn so much from them.

Data and patterns matter a great deal. There's much to be learned from analyzing the world. In investing, and in life more broadly, I've found it's important to understand things in terms of systems with various inputs and layers of potential effects. I loved statistics in school and I've found that it (along with psychology) may be the most under-taught academic subject, with the greatest potential gain to society from more people understanding it.

That being said, not everything that's important can be counted, and not everything that can be counted counts. As Mark Twain is alleged to have said: *History does not repeat itself, but it does rhyme.* In other words, just because something happened once doesn't necessarily mean it will happen again in the same way. Otherwise, historians would be among the wealthiest people on earth.

So to understand the world, you need to pay attention to more than simply memorizing a series of events, or existing patterns. Judgment and wisdom matter a great deal. And both require experience and, really, failure. Unfortunately, few of us learn much from our successes.

Even if you make wise decisions throughout your life, you'll inevitably make mistakes. In part, this is because life is not like a math problem with one perfect solution. A lot of decisions are inherently probabilistic and the best you can do much of the time is make a decision that's likely to turn out in your favor. In fact, the harder and more innovative things you try to accomplish, the more likely you are to fail. That's just the reality.

So when decisions, ideas or new projects don't work out, try to learn, and be open-minded. Also, see whether you can sort out whether the idea was flawed, or whether it was solid but the outcome suffered from bad luck.

It's tempting to ascribe things to poor luck that were the result of your dumb decisions. The opposite is also true: sometimes you can get wonderful outcomes from terrible decisions. Although it's incredibly hard to do, it's also useful to see if you can identify mistakes you've made even when things work out as well as, or better than, you expect.

To learn from your experience and the experience of others it's important to try to be dispassionate in looking at the world and analyzing it. You need to be willing to try things you think make sense, and then to admit your mistakes, to throw away your beloved theories, and to learn from other people. This process requires a degree of humility that's frequently lacking in the world, particularly among people who have been successful.

As the 19th century humorist Josh Billings noted: *It ain't what we don't know that gives us trouble, it's what we know that just ain't so.*



Lake Washington, looking back toward Seattle.

## **have dreams and work towards them**

*I'm a great believer in luck, and I find the harder I work, the more I have of it.*

- Thomas Jefferson

Success in my experience requires the following elements:

A clear, stretch goal. If the goal is too easy, it won't feel like an achievement; if it's unrealistic, you'll never do the work.

Love for what you're doing.

Very hard work, often over a long period of time.

A sense of realism about the world, and your own limitations. As we used to say at Microsoft: you can't boil the ocean. Nor can you make people come back from the dead.

Flexibility and perseverance -- you'll need to adapt to the curve balls life will throw at you.

...And, often, a bit of luck.

People don't tend to achieve things in great leaps forward. Rather, we progress one step at a time, usually with small insights here or there. Whether you're a scientist who builds on the great work of others, or a writer whose work springs from the wisdom of writers before you, or an Internet entrepreneur whose innovations succeed only because of a certain infrastructure... all of this is possible only because of small progressions from a massive foundation of wisdom

and experience stretching into the distant past. We're all standing, as Isaac Newton noted, on the shoulders of giants.

Similarly, to make changes in your life, focus on taking small steps in the right direction. Whether you want to change your health, your job, or your relationship, you can't do it overnight. And you can't become *great* at anything without a lot of repeated practice.

Be sure you're comfortable with taking small steps, then build on them. The initial change will be small, and in the near term the difference may be imperceptible, but as time goes on you'll end up in a totally different place than where you started.

Having run a marathon many years ago (slowly!), I think long distance running is an excellent way to think about big, challenging goals. If you're out of shape and try to run a marathon immediately, you'll not only fail, but you'll probably seriously injure yourself. If, however, you take small steps, if you slowly start walking, then running short distances, then building to greater distances... over time, it's likely you'll find you can run a marathon.

The same method works for just about anything in life. Faced with a big challenge, you might get overwhelmed, or panic. You might even be afraid of succeeding. As a result, you might not even try. But you can overcome these mental traps by taking small-steps and practicing regularly.

It also helps to *imagine* your success. The mind is an amazing thing. If you focus your brain on success and you practice seriously, you'll slowly build the deep confidence you need to persevere in life. You'll be ready for the obstacles the world throws at you -- or at least you'll expect to encounter them. And, rather than panicking or freezing

next time you face a challenge, you'll continue to work toward your goals. Over many years, this type of approach tends to build lasting progress and, ultimately, success.

You need to set the bar high enough that achieving your goals will mean something to you in the long term. And you should ensure that your goals are at least broadly realistic. But you also should try to get on a train going in the right direction.

The Internet provides some great examples of the benefits of having the wind at your back:

If you want to be a journalist, you're likely to be far more successful over the next twenty years if you focus on new media versus trying to become a print specialist. You're also likely to do better designing graphics for the web than you would for magazines, and you're likely to be more successful selling ads for Internet properties and mobile applications than you would for newspapers and TV.

The skills and interests required to succeed in these endeavors are similar, but, if the field you enter is growing, your odds of success will be higher.

I know people who have chosen both paths. Even the most talented and hard-working folks I've observed are constrained by shrinking fields. So while you should pick something you love first, why not try to do that in an environment that will help you succeed?

Simple things can cause complicated outcomes, both good and bad. Persistent curiosity, combined with sustained focus on reasonable goals, will change your life over time. If you love what you do and work very hard, persevere, and take small steps, you likely will be in a dramatically different place ten years from now.

The same is true in your personal life. Picking the right partner - someone you respect, and with whom you can communicate, laugh and collaborate well - can make a huge difference in the quality of your life. However, like a career, long term relationship success requires perseverance and flexibility. People live happily ever after only in the movies.

No matter what your individual goals, hopes and dreams are, I hope you start immediately on your journey and keep going.

Life is short!

As Benjamin Franklin wrote: "*You may delay, but time will not*".



Whidbey Island, WA.

## **Epilogue: if this book were even shorter, here's what it might say**

*Everything should be made as simple as possible, but not simpler.*

*- Albert Einstein*

There are certain themes that run throughout the book. It may be useful for some readers to discuss them here.

*Know yourself.* To be happy, you need to pay attention to who you are, what you want, and how you feel, versus staying busy just doing 'stuff,' or doing what other people want or expect you to do. This requires both self awareness and introspection: if you pay attention to how you feel, what you like and what you want (as well as what makes you feel sad, angry, fearful and confused), the world is likely to look quite different. Many people are afraid of being introspective because they feel vulnerable. But without a willingness to open up, you won't understand yourself and you can't ultimately be truly happy.

*Act on that knowledge.* Simply understanding how you feel and what you want is vital, but insufficient. Progress depends on action. If your goal is to help other people, but you never do anything about it, you'll be unsatisfied. The same is true if you want to start a business, write a book, invent some new device, learn to play an instrument, get better at a sport, or be a good parent. Remember: take small steps. They work. Big steps often don't. Over time, small steps add up, and you end up in a different place.

*Observe.* It's incredibly hard to have a dispassionate view of the world, even if you try your hardest. Humans are emotional animals, and we all come at the world with our

own point of view based on our experience. It's impossible in many ways to get outside that frame of reference, although with diverse experience, a lot of reading, honest self-reflection on your failures, and some thinking, it's possible to stretch our perspective. Data and patterns matter, and you should pay close attention to them. But they're not enough to deeply understand the world, since history doesn't repeat itself exactly. Judgment and wisdom matter a great deal. To acquire them, and to be creative, it's important to slow down enough at times to notice what is going on around you.

*Focus.* Focus is important because time is limited and you can't do everything, let alone do everything well.

*Persevere.* Life doesn't come easily most of the time to most of us. Even if you have no major issues in your life, eventually you will. The way to succeed amidst obstacles is to not give up. Perseverance matters. I don't know anyone who has succeeded over time in any field or significant endeavor without it.

*Manage change.* Change happens whether you like it or not, both in our personal lives and in our world more broadly. With technology and globalization, the rate of change in society is accelerating. Being able to accept and manage change is an essential skill.

*Make friends.* Without true friends, most of us wouldn't enjoy our lives. To be happy, it's vitally important to be connected to other human beings whom you care about and who, in turn, care about you.

*Care.* If you don't take good care of yourself physically and psychologically, you won't be able to enjoy your life. And if

you don't care about others, you at least will be missing one of the great joys of being alive.

*Judgment matters.* This is not a recipe book. Many of these ideas conflict with others. For example, you can't both create space to let your mind wander and intensely focus at the same time. You need to use your judgment to figure out what's right for you at a given time in your life.

*Laugh.* We're all going to be dead anyway some day. So while you should try your hardest to make the most of your life, when something funny happens, when you make a mistake, or even (and perhaps especially) when bad things happen, it's easier if you can laugh about yourself and the world.



Hiking near Geneva, Switzerland.

## **afterword - the world beyond us**

*Money is better than poverty, if only for financial reasons.*  
- Woody Allen

This is a book about how to get the most out of life. But I don't want you to think I'm some sort of wild eyed optimist who only sees the positive in the world.

We all have problems. People get sick. We die. We get rejected from schools and we lose jobs. We fail at things we try to do. People disappoint us. Relationships and marriages fall apart. Some of us have financial troubles which can spread into other areas of our lives. And, on extremely rare occasions (which are far less likely to happen to you than you'd think reading the news), we're impacted by random acts of violence and terrorism. None of these things are fun; many are painful; and some can be debilitating.

Still, if you're reading this, it's likely you are lucky.

There aren't many statistics in this book, but it might be useful to put the world into a bit of context.

At least 80 percent of the world's population lives on less than \$10 per day (or less than \$3,650 per year). I don't know about you, but I could not imagine doing that.

About one in four people in the world lack electricity; and one in six people in the world don't have access to clean drinking water, nor can they read, or write, or sign their names. By way of contrast, I don't even think about getting water out of the tap or taking a shower.

Most of the world is not focused on a second car, or what certain Hollywood actors did in their personal lives. They would be grateful for a good meal.

Life is imperfect everywhere. There are real problems in the developed world, many of which you can read about regularly in the press.

The combination of record high levels of unemployment and government debt is a massive problem for citizens and governments from the U.S., to the E.U. to Japan. If you don't have a job, and you both want and are able to work, life is hard.

Environmental challenges are also growing as more of the world becomes industrialized. The U.S. is not leading in addressing this challenge today, but what happens in places like China and India -- with their nearly 2.5 billion people between them -- may matter a lot more.

Weapons of mass destruction could, in the hands of fanatics, severely impair civilized life on earth. The odds of an event happening are quite low, but the consequences of such an event could be catastrophic.

Education is another field that requires focus, as many people in our societies aren't getting access to the sort of educational opportunities that will allow them to compete in the world today, let alone the world in which our children will live in twenty years.

The income gap between the stars of the global, technology driven economy and average workers is growing in a way which could lead to societal instability over time.

Solving or even adequately addressing these issues is not easy. Solutions in a few areas may be unclear, and in other areas the solutions are apparent but they require pragmatic actions that will cause short term sacrifice.

Moreover, most families have two parents working outside the home in increasingly challenging jobs, with the result that many people have more demands on their time than ever before. And of course many households have single parent families and they, too, have increased pressures.

That being said, we in the developed world live dramatically better than even kings did hundreds of years ago. Technology and innovation are rapidly reshaping life in many ways. Both forces have made the world a more competitive place; in many fields today, the competition for your job is not simply coming from down the block or across the country, but from around the world or from automation. Few areas of the global economy will be sheltered from these forces, and in fact it's likely that the pace of change will only accelerate in our lifetimes.

There are risks to new technologies, including a potential loss of privacy and various forms of abuse and fraud. However, the same forces are also making our lives more efficient, more personal and, frequently, easier in many ways than they were even twenty years ago.

Job opportunities now exist in the U.S., in Europe and in places like Asia for people who have never had them; the rate of innovation is rising everywhere, and inventions

developed in other places will help us all live better too. In addition, global markets are now larger for both individuals with world class talent and U.S. and Western based corporations.

On a more personal level, it's much easier to buy things efficiently, to learn, to rapidly find answers to questions you may have, to stay informed, entertained, and stay in touch with your friends, no matter where they may live.

There's promise on the horizon of major advances in understanding the human brain and genetics which would significantly improve the quality of life for people everywhere. And it seems likely in our lifetimes that we will develop more efficient, greener energy sources which will help power our civilization for many years.

Importantly, we're free in much of the developed world -- something which has not been true for most of recorded history for most people.

While our lives are challenging and our world has many issues, some of which are quite serious, problems aren't new to our times, and there are also many great opportunities. Absent humans blowing each other up or some sort of biological catastrophe, life is likely to be much better for our children than it was for us.

# **acknowledgements**

Many of my teachers, bosses, colleagues and friends have taught me so much and encouraged me along the way. I deeply appreciate it.

I'm lucky. I was born in the U.S. to a family that valued education and I was equipped with the genetic material to do well in an information intensive world. I came of age in the time of the Internet. I've been surrounded throughout my life by smart and wise people who frequently have given me meaningful amounts of their time, and from whom I've learned a great deal. I've had multiple second chances, something possible in the U.S., but less so in other parts of the world. Had any of those things not been true, I wouldn't be in a position to have the time to learn, to think and to write.

I've had some great mentors. In particular I would like to thank my friend, Bob Goldfarb, for encouraging me to become a full time investor amidst the Internet bust and for his tremendous help and support since then. I would also like to thank my friend, Greg Alexander, from whom I've learned a great deal, and who has served as an informal partner for vigorous discussion and debate on a wide variety of topics. James Pan helped me understand the joys of running a small investing partnership and has been a source of inspiration and wisdom as well.

I'm grateful to various friends and colleagues, including April Roseman, Rebecca Rubin, Catherine Roche and Steve

Moore, for encouraging me to write a book. It wasn't easy, but it was fun.

My friends Lillie Stewart and Jamie Monberg both had unusually good insights and helpful suggestions. They're smart people, who work unbelievably hard and accomplish amazing things, and still take the time to care about their friends. I appreciate it.

Eric Perret, who is a first rate writer, did a masterful job in helping me edit the book. I'm sure the book is not up to Eric's standards, but that's my fault, not his.

Juli Douglas, who is talented in ways I will never be, did the beautiful cover art. Juli always does unbelievable work.

Paige Prill, who has a great book in her some day, was instrumental in helping me think about marketing possibilities and in giving me good editorial feedback on the book itself.

Dean King, an accomplished professional writer, whose books I've greatly enjoyed over the years, provided an interesting perspective on both writing and publishing.

My brother, John Atkins, who is a wonderful writer, a former editor and an experienced and talented business person offered cogent and direct advice, as he always does.

My former boss and friend, Matt Kursh, applied his incredible energy, creativity and great sense of humor to all of his suggestions.

And I'm indebted to the many friends, colleagues and family who took the time to read drafts, and/or encouraged me, and, in many cases, asked good questions and offered

comprehensive, insightful feedback and interesting ideas: Gabi, Steve A., Sandy A., Heidi, Lillie A., Sam A., April, David, Jamie, Mike, Pia, Sean, Tom, Nina, Brent, Alex, Jane, Evan, Harrison, Marilyn, Flo and Jo Ann.

If I've forgotten anyone - and I may have - I want to thank you as well. Any errors that you find are mine.

I also want to make one broader acknowledgement: sadly, many people in the world aren't in the position to be able to act on the advice in this book. You need to have water, food, shelter, and safety before anything I say here matters. I'm sensitive to these issues and I know I'm lucky not to be impacted by them.



## **about the author**



Peter Atkins is the managing director of Permian Partners, an investment fund he founded in 2001 amidst the Internet bust. Permian approaches buying stock the same way it would evaluate the purchase of an entire business.

Prior to Permian, Peter was a General Manager at Microsoft, where over the course of six years he helped to start, manage and, later, invest in various early consumer Internet businesses, including Sidewalk.com. Earlier in his career, Peter worked at Time Inc. in New York City.

Peter has a BA degree from Skidmore College, an MBA degree from Cornell University and did graduate work at Harvard University.

---

55

# QUESTIONS TO ASK YOURSELF

(Across 8 dimensions  
for a new you!)



MANOJ  
CHENTHAMARAKSHAN

# **55 Questions, Across 8 Dimensions For A New You!**

# **Introduction**

I want to thank you and congratulate you for downloading the book, “ 55 Questions, Across 8 Dimensions For A New You!”

Do you know that questioning yourself is one of the powerful ways to unlock some hidden things about yourself that you never knew? By asking the right questions, you will unravel interesting versions of yourself. In this book, I have specially crafted coaching questions used by life coaches to unveil the answers from you.

I would recommend you to use a partner to question each other to get better results. It is all fine to go it alone, but you will make far more progress if you involve another person in the process. This is because we tend to answer in depth when someone else asks the question. We tend to think deeply so that the answers we provide are concise and complete. You may think that you are bringing clarity to the other person but the truth is you are bringing clarity to yourself.

Before we can dive into the meat of this book, here are a few coaching tips:

Make sure the other person is in a comfortable place and is ready to be completely involved in the conversation; make sure to put the phones in silent mode and to achieve the best results, make sure you write the answers in a piece of paper. Not only will the latter ensure your answers are written down in an organized, well-structured manner, but you will be able to keep the piece of paper around for future reference.

Thanks again for downloading this book. I hope you enjoy it!

## **© Copyright 2018 - All rights reserved.**

This document is geared towards providing exact and reliable information in regards to the topic and issue covered. The publication is sold with the idea that the publisher is not required to render accounting, officially permitted, or otherwise, qualified services. If advice is necessary, legal or professional, a practiced individual in the profession should be ordered.

- From a Declaration of Principles which was accepted and approved equally by a Committee of the American Bar Association and a Committee of Publishers and Associations.

In no way is it legal to reproduce, duplicate, or transmit any part of this document in either electronic means or in printed format. Recording of this publication is strictly prohibited and any storage of this document is not allowed unless with written permission from the publisher. All rights reserved.

The information provided herein is stated to be truthful and consistent, in that any liability, in terms of inattention or otherwise, by any usage or abuse of any policies, processes, or directions contained within is the solitary and utter responsibility of the recipient reader. Under no circumstances will any legal responsibility or blame be held against the publisher for any reparation, damages, or monetary loss due to the information herein, either directly or indirectly.

Respective authors own all copyrights not held by the publisher.

The information herein is offered for informational purposes solely, and is universal as so. The presentation of the information is without contract or any type of guarantee assurance.

The trademarks that are used are without any consent, and the publication of the trademark is without permission or backing by the trademark owner. All trademarks and brands within this book are for clarifying purposes only and are the owned by the owners themselves, not affiliated with this document.

# **Table of Contents**

Introduction

Self-Discovery / Self-Image

Goal Questions

Belief and Value Questions

Opportunities Questions

Action Questions

Habit Questions

Accountability Questions

Celebration Questions

Conclusion

## **S elf-Discovery / Self-Image**

It is only fitting that we start by covering, and exhausting, self-image. After all, you could have perfect expression in every other area of your life but if your self-image is unsatisfactory to you, you will never be completely at peace with yourself and to properly reconcile with your abilities and uniqueness. Therefore, you need to first fix any self-image issues you may have and everything else becomes remarkably simple to tackle.

### **So how do you view yourself?**

It is important to mention that how you view yourself matters more than how others view you. You need to be completely in touch with yourself to achieve anything great. Some people might attend seminars or workshops, read numerous books, have enough knowledge but still lack wisdom! The reason is that they didn't change the existing self-image which is not supporting them to achieve their goals. These people spend years and years running around, trying to gather knowledge from every source they can access, but they never succeed in plugging the hole in their soul.

What these people do not understand is that trying to change the outside world rather than focusing on themselves, is like trying to change the image in the mirror rather than themselves. It is an exercise in folly, and really the only way to get results from this kind of thing is to blatantly lie to yourself... which we all know is not possible. Eventually, you will walk back to the mirror and see the same image you convinced yourself to have changed staring back at you. If you want a solution, you have to follow a more permanent route.

Do you want to know how you view yourself? Do you want to know who you are, at least as for now? Look at the areas of your life, such as your relationships, your career Etc. Get a proper feel of who you are by asking questions and answering them honestly in these areas of your life. Afterward, you will have the arsenal you need to make the requisite changes, and become a better you.

**Here are questions you need to ask yourself, in your examination of your self-image-**

#### **1. Who am I?**

This one, really, is the mother of all self-image questions. Who are you? What is it that defines you? If you were to die today, and the gravestone engraver was given all the material he needed to describe you on your gravestone, what would he write? What would you write about yourself if you were the engraver of your own gravestone?

There are no hard and fast rules when it comes to answering this one. You can choose to dig up your history back to 7 generations of your family and begin constructing an answer from that point if you want. Alex Haley had to dig deep into his history to truly define himself. While it was quite difficult at some point, the answers he was able to derive were so rich in substance that they enriched him and then spilled over to enrich the rest of the world.

Define who you are in your own way. Seek to describe yourself as clearly as you can. Feel free to use your environment in your bid to define who you are. Once you are able to answer this question, answering every other question about you becomes significantly easier, and you are able to carry yourself with full confidence when doing so.

## **2. How do I view myself? Positive or negative?**

This is yet another question that requires you to have a hard look into your life. You probably already have a general view of whether your life is positive or negative, but look deeply into your life nonetheless, and see if you can revise your opinion.

Is your life unrolling negatively or positively? Have you made sufficient progress to call yourself a success, or at least a relative success, in your own terms? A great point to start at is to ask yourself if you have met the goals you had in mind 5 years, 3 years ago, 2 years ago and finally a year ago, for your present life stage. Are you satisfied with your current station in life, going by those goals?

Please remember that your goals do not have to be only career-oriented- you could have had weight loss goals, sports-related goals, family/relationship related goals, travel-related goals, Etc. Also ask yourself if you are pleased with how you relate with other people around you, and most importantly if you express yourself to them in a way that leaves you feeling satisfied.

Sometimes, in order to answer this question satisfactorily, you have to examine things/points/factors/people in your life that you are happy or

unhappy and resentful about. Many times, you will discover that the happiness or unhappiness is really directed at yourself, and the external elements are just that, external elements. Depending on the scale of your emotions you will be able to answer this question with more conviction.

### **3. Who are your top 3 role models?**

This one is usually quite fun, especially if you have a knack for examining others' lives and drawing inspiration from them.

Who are your top 3 role models? Who are those people who have conducted their lives in a way that you believe would be ideal for you? These people could be successful career people. They could also be people who stay fit 360 days a year or people who have managed to carve out a lifestyle that you desire, however simple and un-fancy it may be.

Start by drawing up a list of 10, if you have a lot to choose from, and gradually cut down this number to three.

### **4. What are those qualities that you admire in them?**

Examine the qualities of your role models and determine what qualities draw you so powerfully to them. They could be people who project great warmth and calm even in the face of hostility, like Gandhi. They could have shown great patience and resistance to pain and suffering, like Mandela. They could display great work ethic and stamina that you have come to appreciate. Focus on the qualities that intrigue you about them the most and then list them down.

Remember that your greatest role models could be members of your family who provide a close example of what you desire to accomplish. Therefore, even as you look far and wide for solid role models, look close too, for the greatest answers sometimes lie close to home.

### **5. What are your top 3 strengths?**

Focus on your life, and determine what you are best at. You may need to take some time to answer this one, especially if you are a multi-talented individual, but this one should be relatively easy to answer.

You could be a really social person who is very good at striking up a conversation and lighting up a room. You could be very adept at speaking or

you could be great at analysis and research, Etc. These qualities do not have to be qualities that everybody recognizes in you. Sometimes; your best-kept secret could be your greatest asset. At the end of the day, there is no one person who knows you quite as well as yourself.

## **6. What are the top obstacles that you have overcome? How did you do so?**

You surely have obstacles that you have had to overcome, at some time or other. What are they and just how did you manage to overcome them? Feel free to reflect as far back in your life as you want. It could be that you had some really hard conundrums to circumvent when you were a child, at least on a childhood scale, and acknowledge that you held up nicely.

Walt Disney, of Disney fame, loved to say that he wrestled so much with challenges as a child that his adult life was relatively easy in comparison. He said that his days as a kid, doing the newspaper route with extra newspaper wrapped beneath his jacket to keep out the fierce winter cold, far outmatched his adult years in terms of hardship.

Perhaps, you have such a backstory. List down your biggest obstacles faced, and how you overcame them. Take as much time as you need to reflect.

## **7. What do you love doing? (In terms of career and passion)**

Your career, as you may already know by now, does not define you. You are so much more than your present career, even though you may be active in a field that you really like. But it helps to define what line you really want to operate in, as far as your career and passion go.

What is it that you love doing? It does not have to be an occupation that the whole of society lauds. You do not have to make such choices as ‘lawyer’, ‘doctor’, Etc. If you like to draw/paint, then be proud to mention this. If you love sports and intend to carve a career out of a sport, be confident and apply yourself similarly.

If you love working with cars, then this is what you should list. Remember that you cannot really lie to yourself; so list down what you really love doing, and not what your family and peers would love you to do.

## **8. What do you like about yourself?**

There may be a lot of things that you like about yourself... list all of them down. Do you like how you look? Are you impressed with your height? Does your style of dress fill you with confidence? Do you like that you think fast on your feet? Do you like your abstract, creative nature? Perhaps, you like how you relate with your entire family and the way you have built and nurtured relationships with them over the years.

List down every quality you love about yourself, and do not feel vain while at it; there is no vanity in recognizing things that you love about yourself. After all, it is most likely the case that you have had to work hard to develop these things.

### **9. What makes you lose track of time?**

No, we are not talking about what distracts you and takes your mind off of meaningful work. I am talking about a fierce hobby/passion/recreational activity that fulfills you to such a degree that whenever you indulge in it, you are in your own little world for a while. For some people, it is video games, while others derive that sort of intense preoccupation with more technical activities like coding, painting and golfing.

### **10. If money was abundant in your life what would you do?**

This question will help you discover who you are far better than most others will. Because by answering this question, you unearth your greatest desires. At the same time, you are able to see what your personality traits would be if allowed to manifest without being impeded. Would you splash the money on vehicles and homes? Would you save up most of it and guarantee security into old age? Would you channel a good amount of it toward charity? Would you seek to get back at those who have hurt you in the past? Seek to answer this question as concisely as possible.

### **11. What is that one thing that you continue doing even if you have all the riches in the world?**

There has to be something that you are doing today that you would continue doing if you managed to amass all the wealth in the world. What is this thing? Does it involve your career? Is it family oriented? Is it a hobby? A good

point to start at is to ask yourself what things fulfill you the most. You can then refine your way to one definitive answer.

## **12. What completes you as a person?**

For some people, family is what completes them. Some people are incomplete without their jobs and the exhilarating challenges that come with them. There are some people who do not feel complete without their wardrobes. There is no shameful answer. Ask yourself what completes you, and allows you to be at your best behavior at all times. Ask yourself what element in your life leaves the biggest void when it isn't there.

## **13. What are you complimented for usually?**

There will be that one thing that people compliment you for. You could be really good at speaking, art, making and reciting poetry, relating to people, sports Etc. Your answer should be unique to you. Think of that one thing that you get numerous compliments for- that one thing that draws attention to you, and then list it down.

Let us now move on to goals and what questions you need to ask yourself about your goals:

# **Goal Questions**

‘Clarity is power’ - Tony Robbins

It is important to have clear goals and objectives. You need to be clear about your goals, to truly arrive at your destination. You cannot afford to have unclear goals. Not only will you not be able to properly focus and put in the requisite work, but people who are not clear on what they want rarely achieve what they desire because they do not know even what that is.

It is really important to know where you are heading towards. It’s like you have an amazing private jet fitted with all those little tweaks that make it exceptional but ultimately have no clear plan for its use. You are never sure where to go with it. Ultimately, as enviable and phenomenal this jet may be, it will only end up being a money drain. Have in mind that this very machine would be wondrous and extremely fast and efficient if you had clear destinations for it. Think of your body and brain as the private jet, and your life goals as the destinations.

**Here are questions that will help bring about clarity to your goals and objectives:**

## **14. What fulfills me as an individual?**

What career fulfills you as a person? What is your passion? There is that special choice of career that you have been passionate about for as long as you can remember. When you are working at it, it is as if you are not working but rather having intense, goal-oriented fun. This one should be clear and easy to mark out unless you are a typical multi-talented individual. If this describes you, you may need to sit for a while and strain out your options through a mental sieve so that you have one clear, outstanding one, or make room for two or more choices.

Of course, it helps to have the main choice, and maybe have a 2<sup>nd</sup> or 3<sup>rd</sup> choice, but with the bulk of your attention going to your main choice.

## **15. What skills do I have to achieve this goal?**

If you are passionate about something, then you may have worked on a few of its facets already, seeing as you have a genuine passion for it. In addition, you may already naturally possess qualities that equip you wonderfully for your career choice/goal. For example, you may be good at business

transactions and salesmanship; traits which will undoubtedly help you if your goal is to be a super successful businessperson.

You may possess very well-coordinated hands that will serve you well if your goal is to be an artist. It could be that you have great stamina, which will aid you in truly making your mark as an athlete. Examine the qualities and skills you bring to the table and see which ones support your goal.

### **16. Why else would I need to achieve this goal?**

This is also known as seeking a 2<sup>nd</sup> supporting reason for accomplishing a goal, which will back up and boost your original reason/set of reasons. For example, it could be that you want to achieve your goal so that you can afford a mortgage, pay off school debts, etc. However, it could be that your parents or siblings are ailing, or could use your help. Seek out a 2<sup>nd</sup> supportive reason- even a 3<sup>rd</sup> - and list it down. It could provide an extra dimension to your goals, as well as extra motivation to achieve them.

### **17. When do I want to achieve this?**

They say that a goal cannot really qualify as one if it is not defined by a timeframe. It is vital that you know exactly when you want to accomplish your goal. When do you want to hit your goals? How many weeks/months/years should it take? Make sure that you define your goal with a proper timeframe. The specificity will add even more fuel to your fire, and fill you with the conviction that indeed, you can truly live your dreams.

### **18. What would happen if I achieve this goal?**

There are multiple scenarios that could unravel once you do achieve your goal. Of course, the most obvious one is a sense of fulfillment and accomplishment. Accomplishing your goal could mean that you never had to work a regular day job again, or that you were finally able to clear off debt that you had for years.

Accomplishing your goal could make the difference in how you view yourself; it could transform you from a loser to a winner in your eyes. List every possible thing that is likely to happen once you achieve your goal; list as many as you can. This will help you construct a clear, concise picture of the future, and what it could hold in store for you.

### **19. How would your surroundings change when you achieve this goal?**

By surroundings, I mean environment, and by environment, I do not just mean the physical features that surround you, I also mean the people around you, the circumstances that have governed you all this time, family, workmates Etc.

What happens when you achieve your goals? What changes? How does your success influence your environment? It could be that achieving your goal compels you to change location, or jobs, to accommodate the developments in your life.

While the external elements really do not mean as much as the internal ones, it helps to consider them so that you can be better prepared for the future.

## **20. What would you see, hear and feel once you achieve this goal?**

This is related to the previous question- what feedbacks will your surroundings give to you and your senses? You may also consider what you will personally feel, hear and see and base all of it exclusively on your perspective. Evaluate these things- when the time comes and you meet your goal, you will be pleasantly surprised when you feel the exact same experiences you listed down.

## **21. How would you remind yourself to stay on track during the journey?**

Here is something you should know; you will come across multiple distractions on your path to your goal. You will require reminding yourself constantly to buckle down and get back to work. You will need to be vigilant at this, especially since the human brain is wired to seek short-term rewards first and long-term goals secondarily. Figure out a reminder plan; formulate a set of reminders that will keep you plugged in so that you do not get derailed.

With that out of the way, the next thing you need to determine is your beliefs and values.

# **Belief and Value Questions**

“The only limits you have are the limits you believe” - Wayne Dyer

Each one of us is different; each one of us is unique. We all have traits that define us and separate us from everybody else. We have our own good and bad traits. We also possess certain beliefs and values which we are not aware of. Some beliefs might be helpful while some might be destructive. Still, these beliefs define you- they make up your core and determine what your psyche is like. This is why it is important to go about life without tripping over yourself apologizing at every turn.

This book is not trying to convince you to be a jerk; rather, you need to look at yourself as a unique being with a unique set of beliefs, traits, and desires. They do not make you a good or bad person- they only make you a person.

Anybody who tries to place hard and fast rules about how you should be and live your life is really just being quite frankly, ridiculous. You should aim to live life on your terms; aim to live life without any limits.

If people want to limit their lives by clinging onto beliefs that are self-defeating, they should do so by all means but they shouldn't try to impose their limits onto you, and you shouldn't let them anyway. After all, not only is life short, you only have one life to live. Reconcile yourself to the fact that you will indeed die one day; therefore, why not live as full a life as possible?

Let us look at some questions, which if you answer truthfully, you will understand your beliefs and values.

## **Questions you need to ask yourself**

### **22. What do you stand for?**

What is it that you stand for? Basically, what do you believe in? There are so many potential answers to this question. You can examine your religious beliefs and give an answer based on it. You can look to such societal and economical constructs as socialism and capitalism and determine where your allegiances lie. You can look to such ideals as privacy, or a lack of it and see where you fit, etc.

Basically, you have a code that you live by, made up of beliefs that you abide by. You are unique in that while you may possess similarities with other people, it is almost impossible to come across somebody who possesses a completely similar set of beliefs to yours.

Determine what you believe in and write it down. Ensure that you explore as many categories as you want to so that you can have a picture that is as clear and defined as possible.

### **23. What irritates you the most?**

There are things that definitely rub you the wrong way, and surely there are a few that you can list out loud without having to do too much thinking. Do you abhor your private business being made public for all and sundry to bear witness? Do you hate noisy people? Perhaps, the unlikely things are the ones that irritate you the most, such as extreme concern from well-meaning people. It could be that you absolutely hate the sound of slamming doors, and you have known times when you were unable to focus for hours because somebody slammed one too hard.

Draw up a list of the things that irritate you the most, and then whittle down everything until you have a list of the top 5 most irritating things/elements/behaviors.

### **24. What are you ready to fight for?**

They say that a person who is ready to fight for a few things that he/she finds ideal is a person who has found a set of things that will fulfill their soul. Surely, you have something/some things that you are willing to fight for. You have some beliefs that you are willing to stand up for in case you feel they are being belittled or unfairly criticized. Make up a small, yet concise list of these beliefs or ideals.

### **25. What does a successful person mean to you?**

It will help you to answer this question from multiple angles. What does a successful person look like to you, physically? How does he or she carry him/herself? How do they dress? Move on to the character traits; how do they generally respond to their environment? How do they respond to people, situations and their immediate environment? When faced with problems,

what is their standard reaction? How much net worth does a successful person have, by your metric? What is the successful person's influence over his/her family, and how does he/she manage their familial affairs?

Seek to answer this question by looking at every facet you can come up with so that the mental image you conjure is as clear and powerful as possible.

## **26. What is the difference between the present you and the successful you?**

Answering the previous question should help you tremendously here. You already have a clear image of what a successful person looks like. It is now time to see how you compare to that image. If the successful person has a trim physique, how does your own body compare? How does your wardrobe compare? How does your relationship with your family members compare? How does your bank account compare?

Examine every facet that you explored in your quest to determine what a successful person is to you, and compare your equivalent honestly. This way, you will know where you truly stand, and what you need to do to improve.

## **27. What is holding me back to take actions?**

What factors are holding you back? Is your physical environment holding you back? Is your partner partly responsible for your stagnation? Perhaps members of your family are blocking your progress?

Seek to have definitive answers to this one. For most of us, it is the fear of the unknown that blocks us; fear of embarrassment, ridicule, and failure as well. As somebody once said, once you know; then you know, and nobody can take that away from you.

## **28. What do you need to change mentally?**

This question is linked to the previous one. Once you determine the mental aspects that are blocking you from succeeding, then it becomes easy to mark out the mental elements that you need to work on.

Ultimately, you know yourself best; therefore, determine what needs to be changed mentally so that you can actually target it and make the necessary changes.

## **29. How would you do them?**

The next step is to determine how you would go about making these mental changes. Let us go back to our anxiety example; you could opt for a mix of meditation, and exercise. You could even opt to binge on motivational speeches and videos. If you have deep-seated anger issues that have gotten in the way of progress, you could opt for therapy sessions with a psychologist, or even just discuss the underlying experiences that brought your anger about with a close, trusted friend.

This is a very important step; you could know exactly what the problem is, but you are only halfway home if you cannot figure out how to confront and destroy the problem.

## **30. What habits do you need to change?**

The best definition of what a habit is that- *a habit is a set of behaviors that are directly inspired by your beliefs. These beliefs ultimately translate to actions which are governed by the behaviors that these underlying beliefs compel*.

Basically, your habits, rather than have their core exist externally, on such elements as monetary or relationship success, they have an internal core and are constructed around your beliefs.

You are already familiar with your good and bad habits but if you are unsure about any one of them, look at your set of beliefs and look to see what habits they might inspire. Nevertheless, pinpoint the negative habits, such as procrastination, and look to eliminate them from your day to day life.

## **31. How would you change the habits you need to change?**

Breaking a bad habit can be extraordinarily tough. But in truth, habit-breaking is often problematic because so many people go about it the wrong way. Rather than merely focus on what habits and routines to stop following, have a ready substitute for each habit you are looking to eliminate.

For example, if you want to break your habit of sleeping late, rather than simply say you want to sleep early, why not have a habit such as ‘I will be in bed by 9.30 pm, and I will leave the laptop and Smartphone on my desk?’

Also, it is vital that you understand what the habit you are looking to break ‘means’. For instance, what does laziness mean to you? Your definition of being lazy could be working 8 hour days, instead of your preferred 14 hours. Be specific.

### **32. What is your favorite animal? And why?**

This looks like an out of place question but it has its uses. If your favorite animal is the lynx, then thinking of it will help you envision its sleek, assertive nature, and then superimpose the image in your head onto your own life.

Some successful people have admitted to drawing up vivid imagery of their favorite animal, or spirit animal, before tackling challenging jobs or addressing huge crowds. This could work for you as well.

### **33. If you should describe yourself in a single word, what would that be?**

The idea is to confine the description to one word. You could be assertive, calm, quiet, brooding, aggressive, tough, introverted... the list is endless. Examine your life thoroughly and determine what word describes you best. It may also help to determine the word you would like to describe yourself in the future so that you know what to work toward.

## **Unstuck Questions**

There may be some past memories which hold you back from achieving your goal. Due to society, we tend to take information which is blocking us from achieving our goals too seriously, and too much to heart. This ends up hurting us and our progress. These questions will help you unplug from this hamster wheel. Answer them as simply as you can, and feel free to derive answers from the previous questions in this chapter

What is stopping me?

Where do my thoughts ponder most of the time?

"I should always \_\_\_\_\_"

"I should never \_\_\_\_\_"

It is best that you come up with terse, pithy one-line answers for these unstuck. This will greatly simplify your vision, and you will have a clearly defined target to aim for.

The next section will focus on opportunities questions that you need to answer so that you can take advantage of opportunities around.

Hey, If you are enjoying this book, don't forget to leave a review on amazon by [clicking here](#).

# **Opportunities Questions**

No matter your current stage in life, you have opportunities. What most of us fail to understand, is that we are flooded with opportunities. No matter where you are in life; no matter how bleak everything seems, if you have the means to access this book, no matter how undemanding they are, then you have more than enough opportunities around you to capitalize on and make a difference.

It helps to perform a thorough internal investigation, so that you can fully understand yourself, and where you are. When you are familiar with this, then you will most certainly know where you are coming from. When you know where you are coming from, it is a lot easier to determine exactly where you are going, and how you can capitalize on any opportunities in your way. This is why it is so important to ask yourself the questions in this book- they help you understand yourself better, which allows you to understand the environment, and the opportunities within it, better.

## **Eliminating excuses to be able to seize opportunities**

Excuses are your enemy, no matter how much better they make your temporary situation. Especially if you live in a 1<sup>st</sup> world country like the US, it boggles the mind as to how you can excuse yourself for not meeting your goals and dreams.

You may not have much money, but it is generally easy to take care of your basic needs. In fact, the biggest challenge most people face is being able to properly manage their time.

If you look deep into any excuses you insist on clinging onto, you will quickly find that most of them are flimsy. The first step is admitting that you have perhaps not been good enough; that you have perhaps been wasteful and a bit of a slacker. Once this is out of the way, you will have a clean canvas on which to paint a new life picture.

**Let's answer these questions to get insights into the opportunities that we have currently-**

### **34. What could you do to change this situation?**

Take a look at your current situation in life. What is it that you could do to change it? If you are broke, what are some of the short term and long-term

fixes that you could implement to make your financials look up? Perhaps you can pick up a 2<sup>nd</sup> job? Maybe you should commit to logging in extra hours at work, and taking advantage of the extra time? Could you perhaps get an extra degree to help you climb up the ladder faster in the future?

Really, you can come up with as many potential solutions to your current situation. All you need to do is ponder broadly and exercise patience when writing down your solutions. Eventually, the ideas will come. List down as many of them as possible, and then pare them down so that you are only left with the most applicable solutions to work with.

### **35. What resources do you have currently to achieve your goals?**

What elements do you have in your life that will help you get to your goals? You may need to think outside the box to mark them out. Your environment could be your biggest resource- it could be quiet, serene and full of like-minded people with similar goals to yours. It could be that your family is a great resource, pitching in when necessary to help you achieve your goals. Perhaps, you have connections with people in your line of work that will help you get to your destination. Your local library could be a phenomenal resource, with its stacks of books and research papers. Everything can be a resource; it just has to be effective enough in helping you move forward.

### **36. What else could you do to reach this goal?**

There are a couple of ways to go about answering this question. First, you could ask yourself how you could stack up available resources to help you get to your goal. For instance, if your environment is not something you can call a resource with any conviction, you can move to a new neighborhood or town that offers more opportunities. If your friends are the opposite of resourceful, you could consider your relationships and make more useful friends. You could work an extra job to get more money, so you can take the necessary risks to achieve your goals. The other way you can answer this question is by looking inward and asking yourself what needs to change. If you are only working 6 hours a day, perhaps bumping this up to 10 hours will help you do more. If you go to bed with your tablet and computer, so that you almost always end up sleeping late and waking up late, you could consider leaving them in your desk and being in bed by 9.00 pm.

### **37. Whom can you get help from?**

They say that no man is an island. Think of people who can help you get forward. Your family members could be excellent for this. Perhaps, you have friends who could be useful. Maybe you know someone with experience in your field that you could be a protégé to. Think hard, and then approach the names you come up with, with assertiveness and confidence. You will quickly realize that most people are eager to help and impart advice since they benefit from it as well.

### **38. Which options do you think would be the effective one?**

As I said, you ought to draw up as many options for each question posed as possible. But it is hard to apply all of them, and at some point, redundancy begins to set in any way. Go through all the questions posed in this chapter with a fine toothcomb and begin by trimming down everything to a list of 5 top/most effective ones.

### **39. What do you think is required to speed up this process?**

Often times, this primarily points to the sacrifices that you have to make. Really, making sacrifices is the greatest way to move forward. Nikola Tesla, perhaps the most intelligent man to live and Earth's greatest innovator, made a huge sacrifice in giving up his patent rights so that his AC concept of electricity could go through faster, and a power plant could be set up. Look at the areas you can make sacrifices in; sometimes it is as easy as sleeping fewer hours, and list them down.

If you don't take action, you will not change and your life will remain the same. The following chapter will focus on asking questions with regard to taking action and answering these questions will enable you to take the requisite action to achieve your goals .

## **Action Questions**

**Ideas are shit, Execution matters - Gary Vee**

Of course, ideas aren't really 'shit'. What Gary Vee means is that you could come up with all the ideas in the world, and they could be some of the

greatest ideas that were ever drawn up, but without executing them, they are mostly useless. Ideas only get you through halfway; you need to execute them to really succeed.

Have you witnessed a person who appears to be perfectly set up for life, even with a lack of money; they are brilliant thinkers, eloquent in nature, well put together and capable of coming up with great ideas and analysis, but they can never seem to rise above their stage in life and exploit their advantages?

If you look deeply, you might discover that their greatest problem is that they can never seem to execute their brilliant ideas. Perhaps, they lack the requisite confidence and aggression to actually apply their ideas and see some fruits. Perhaps, their fear of failure is so crippling that they would rather eliminate all risk of failure by doing nothing than take a chance at success by executing their ideas.

It is not the one who holds new ideas that wins, but the one who executes them. Many people fall into the pit of over-thinking and analyzing but never take the most important step that is action. It is necessary to have clarity for sure, but knowledge would pay its price once you begin to take actions.

**Here are some questions that you need to ask yourself, that will help you make the necessary steps to transition to action:**

#### **40. What do I want to achieve in 6 months?**

Some people will tell you to start with a 10-year plan and then work your way down. But so many things could change within 10 years. You will grow older, and your view on life could change drastically somewhere in the middle. The best point to start at is the 6-month point. Look at it this way; 6 months is actually quite a long time. 6 months is around 24 weeks; 24 weeks is 180 days. If you focus properly for 180 days, then you could get a lot done in 180 days. Ask yourself what you want to have achieved in that span of time and write it down in bold.

#### **41. What do I want to achieve in 3 months?**

The next step to take is to split the 6-month block in half. What is it that you want to achieve in 3 months? 3 months will mean 90 days- what would you like to have achieved in 90 days? Of course, your 3- month goal should be relative to your 6-month goal.

However, as you may already know by now, drawing up your 3-month goal will not necessarily mean halving your 6-month goal. It is not always quite as simple as that, as some goals tend to progress in compound form.

Examine your 6-month goal thoroughly and then figure out how much work needs to be done within the 3-month period. It could even be that you ought to have completed all the work in 3 months, and focus on refining, editing, and marketing in the 3 months that follow. You know the nature of your goal best; break it down and come up with a viable 3-month goal.

#### **42. What do I want to achieve in 1 month?**

The next step is to decide where you want to be in 1 month. How much of your 6-month goal should you have down in 1 month? Again, like we said, it really isn't as simple as performing simple multiplication and division to come up with your mini goal. Examine your 3-month goal and then figure out how much each month ought to contribute to it. Focus on this month; focus on the resources at your disposal, time available, helpful models in place, etc. Take every element you can draw up into consideration, and then look to see if you can come up with a viable 1-month plan.

#### **43. What do I want to achieve this week?**

Next up, you need to figure out what you need to accomplish this week. And by the way, please be realistic. Given that you are just starting out, you may need to focus more on shaking off the cobwebs and getting up to speed with your scheduling.

If you are used to working for 6 hours, and you have decided to bump this up to 10 hours, best believe that you will not adapt seamlessly. You will struggle in the first couple of weeks, but everything will become easier.

It is advisable that you begin by setting a low target for your first week and keep scaling up over time. Use your first week to ‘feel out’ your new schedule, mindset, etc. Use it as training week. In fact, you can use the 1<sup>st</sup> month as training time. This way, you will avoid having to make abrupt stops every few weeks as you struggle to figure something new out and adjust to it.

#### **44. What are the resources that I need to stay on track?**

We covered the resources at your disposal in the previous chapter. You now have to figure out the resources that you NEED in order to stay as distraction-free as possible. Perhaps, you absolutely need to change your location. Perhaps, you need to set up an exclusive working space at home and install soundproofing. Maybe you require a small loan to help you make the next step. Examine your goal and then figure out the resources that you need. Write them down and then figure out how to access them

#### **45. What would keep me from taking actions? And how do I deal with it?**

Distractions will always come up. By the way, this will happen as sure as the sun rises and sets; you will get distracted multiple times, and each distraction will potentially deliver a hit to the prospect of accomplishing your goal. It will help to prepare beforehand for these distractions. List every potential distraction you can think of, and then formulate plans on how to curb each one of them. This way, when these distractions roll around, you will be prepared to handle them quickly and efficiently.

# Habit Questions

*Success is really nothing more than the **progressive realization** of a worthy ideal. This means that any person who knows what they are doing and where they are going is a **success** . - Earl Nightingale*

Look at Earl Nightingale's quote above- he does not say that success is **the utter realization** of a worthy ideal, but he says it is the **progressive realization** of a worthy ideal.

Basically, unlike what most people believe, being successful does not necessarily mean coming out of the other side having accomplished every goal, though this is important as well. If you are constantly hitting milestones, no matter how small they are, it is alright to consider yourself a success. This is because, rather than success being confined to an outcome...

## **Success is actually a habit, more than anything else**

Success is the progressive realization of a worthy ideal. It is impossible to make progressive steps without having a set of habits in place to prop it up. It is habits which decide the quality of the person and by extension, the quality of the person's life. It could be any part of life; if you are consistent in reading books daily it is obvious that you would be more knowledgeable than most of the people in your group. If you make it a habit to exercise and maintain a healthy diet, your body generally would tone up and show the relevant results. So a man, or woman, is nothing but his or her habits.

Forming new habits will require you to exercise self-discipline

Funnily enough... self-discipline is all about habits, and habit-forming. Self-discipline is that process of building specific habits over a period of time, which will assist you in obtaining a desirable outcome, a goal or an objective. In other words, we could say that self-discipline is all about taking small-sized, steady actions which will help to form habits, which subsequently help you reach your objectives and goals.

Self-discipline really is a process of steady, repetitive revision, regulation, correction and elimination of behavior, as opposed to simply hammering away at routines and actions, without having your mindset as your focal point of action:

When we talk about steady, repetitive revision, regulation, correction, and elimination of behavior, this is necessary to adapt to the changing conditions and circumstances in your environment. And you better believe it; your conditions will shift and change constantly, thereby requiring you to adapt to them and change your routines and patterns as well.

**Habit-related questions that you should ask yourself so as to make your ‘progressive realization of an ideal’ possible:**

#### **46. What new habits should I follow to achieve this goal? List them**

This is the first step, as far as habit-forming goes. What new habits do you need to take up? The ‘what’ is almost always linked to the ‘why’, especially where habit-forming is concerned. Once you identify the habit that you would like to take up, ask yourself why it is necessary for you to take it up. If you can answer this comprehensively, then the habit is indeed necessary to build. However, there is another dimension to habit-forming.

To effectively build new habits, it is necessary to destroy some old ones. If you want to develop the habit of promptness and respect for time, then you need to break the habits of procrastination and slothfulness.

You have to break these negative habits so that you stand a better chance of building new positive habits. If you want to build a habit of waking up at the crack of dawn and working through the morning, then you need to break the habit of sleeping late. If you want to build a habit of working in 25-minute periods without any distraction, you have to work on breaking your habit of checking your phone for social media updates every few minutes.

#### **47. What would remind you to stick with the plan?**

There are so many options here, that you are spoilt for choice. A reminder can be as simple as a timetable tacked at the corner of your desk; it could be as simple as your list of goals displayed somewhere that is easily viewable from your workstation.

Basically, it is necessary to have something motivational in place to remind you to stick to your plan and keep working even when you don’t want to. Have you seen boxers and martial arts fighters carrying photographs of family members who mean the world to them, and add to their motivation, to the ring? This allows them to add to their psychological edge- even when

they are in trouble; battered, hurt and exhausted, these ‘photographs’ help prop them up and keep them going even when they want to quit.

You have also seen CEOs and other leaders display photos of their family on their desk. Perhaps, you need a photo or two to keep you going. Really, a reminder could be anything. Figure out what works for you and then use it.

# **Accountability Questions**

The most effective people often have accountability partners to keep them on the ‘straight and narrow.’ An accountability partner does just what the name suggests; he/she helps in keeping you accountable.

Having an accountability partner will motivate you to move forward. He or she is basically a person who will push you when we feel down or low. This is the reason people have coaches who question them every week. Even the best coaches have their own personal coaches to progress.

Speaking of coaches, an accountability partner will be something of a coach to you. He/she will give you some encouragement when you need it. An accountability partner also reinforces the importance of every structure you have put in place to help you achieve your goal; he/she will make sure the timetable you draw up is followed to the letter; he/she will ensure that the workload that you have set apart for each day is met, Etc.

It is advisable to have an accountability buddy during the journey. There are some who succeed without one anyway, but an accountability partner makes it so much easier to be responsible and driven, and the added bonus of knowing that somebody else is invested in your dreams, to some level, also counts for something:

**Here are the questions you need to ask yourself when you are screening potential accountability partners:**

## **48. Whom will you associate with?**

Basically, this points to multiple elements. What character traits should your accountability partner exhibit? You want a partner who shares some of your own character traits or projects a set of traits that you are working towards adopting.

Does the potential accountability partner have a track record of meeting his goals and smashing them? Look; an accountability partner who is a slacker in his or her own life will only transfer that slacker mentality onto your routine, which will only mean you end up worse off than you would have without an accountability partner.

Is the accountability partner a good person with a humane side to him/her? You may think this is a silly question to ask when screening for an accountability partner, but if you settle for a psychopath, no matter how effective and hardworking he/she is, how will they be able to invest their time and emotion in you and your goals when they do not have much of either left to spare for anyone else but themselves?

Examine the character and track record of your potential accountability partner so that once you make a choice, you will end up with a person who will offer the best support system.

#### **49. Whose help is required for you?**

This is yet another vital question you need to ask and answer. Whose help do you really need? This is what I mean by this question. Depending on who you are, and what your nature is, you may need a cheerleader in your corner, a vocal motivator, a quiet overseer who mostly stays behind the scenes while you do your thing, a person to hold your hand and help you overcome challenges and fear, a family member whom you share a deep emotional bond with, Etc. Only you know what works for you.

The first step to take, when seeking a definitive answer to this question, is to ask yourself what you need in terms of a support system. What is your greatest distraction? What element has held you back the most from succeeding? For instance, if your answer is procrastination, then you will need somebody who makes it very difficult to procrastinate such as a vocal motivator who checks in on you every so often to see how much progress you have made.

#### **50. Whom will you call when you feel down or low?**

You will certainly feel down at some point. You see, your brain is designed in such a way that it prioritizes short-term rewards over long-term ones. Thus, after repeatedly forcing yourself to work toward a long-term goal whose fruits you will not see immediately, you may notice that psyching yourself up for some intense work is often an uphill task, and you may feel some dread every time you prepare for a working session. In times such as these, you will need somebody you can call who will assure you that indeed,

your goals and dreams are worth the effort you are putting in, regardless of the lack of immediate results.

There are times when external factors will get you feeling down. You could experience a crushing loss, or some things could demotivate you badly. But really, you have to shake all that off and get back to work if you are going to realize your dreams. It will help to have somebody to call or maybe just somebody to have a 5-minute coffee sit-down with. Just as a note, this person does not have to be the same person who you are accountable to, it can be somebody else.

### **51. Who is your coach?**

Who is your coach? What would your coach do for you? Who is he/she? Does he/she have what it takes to cover all the facets of your pursuit? Does he/she have what it takes to get you to do what you need to do to achieve your goals? Can he or she hold you by the hand until you achieve your goals?

Answer the above questions and find a suitable person.

## **Celebration Questions**

At the end, it is about happiness. It is always about happiness. We set goals and targets just so we feel accomplished, successful and worthy. And there is no problem with any of this. This may include yourself and your surroundings as well. How would you like to celebrate this victory? How would you like to reward yourself? Setting celebration goals beforehand helps us to move forward with ease.

**Here are some celebration questions to ask-**

### **52. What were your biggest achievements this year?**

Remember when we covered the goal-setting questions? One-month goals should add up to form 3-month goals, which in turn add up to form 6-month goals; 6-month goals will add up to yearly goals, etc.

Have you managed to stay consistent with your mini-goals? If you have, then this particular question should be easy enough to answer. Acknowledge what your biggest achievements have been, the past year, and write them down. There is a sense of pride one feels when they are able to say with conviction that they completed something of some magnitude. Wear your accomplishments as a badge of honor- God knows you worked hard for them, as opposed to going the slacker route that most people opt for.

### **53. How would you celebrate once you achieve this goal?**

You know what kind of person you are, and how you like your celebrations to look like. Perhaps, you are the introverted kind who likes to throw a party and have your friends and family share in your happiness. Perhaps, you are comfortable opening a bottle of cognac and enjoying it alone when you are in the mood to celebrate. One of the best ways to put a stamp to your celebratory endeavors is to reward yourself by spending a bit of money on you. Perhaps, you have desired a particular motorbike model, a branded purse, a set of new golf sticks, etc. Spoil yourself for a bit; you deserve it.

### **54. What are the milestone celebrations?**

Milestones simply mean mini-goals. A monthly mini-goal represents a milestone, as does a 6-month mini-goal. It is important that you have some celebrations planned out for every milestone that you meet. You may ask; why not put off celebrating until I have gone the whole hog? But remember, this book defines success as the progressive realization of a worthy ideal. It does not say that success is the complete realization of a worthy ideal. Thus, every milestone you blast represents success. A mini-celebration should be in order.

### **55. Whom would you share this victory with once you have achieved?**

It is important that you have someone dear to you join in your celebrations. This gives the whole event more magnitude. It adds substance and relevance to the event and confirms to you that indeed, your efforts were worthy, and your success, no matter how small, is nothing to scoff at.

There is also the small matter of feeling even more motivated to succeed once you involve another party, who proceeds to become invested in your success, at least to some degree. You can invite as many people as you want. You can simply call up your best friend, godfather, etc. You know what works for you.

## Conclusion

Every question included in this book is geared toward helping you know ***you*** better, and be able to push yourself forward with more efficiency and grit. In case it wasn't obvious, this book pushes the very accurate message that you are indeed special and that you are unique and different from anybody else out there. You have unique tastes, mannerisms, goals and objectives; a unique background, a way of doing things and so much more.

If only you held yourself with the value that you deserve, and applied the requisite work, there is no way success would evade you. Take a hard look at every individual question, and try to answer as concisely as possible, and as this book has already recommended, make sure to write down each answer.

Soon enough, you will begin to see the fruits of your self-examination so that even your wildest dreams become normal things that you quickly get used to.

We have come to the end of the book. Thank you for reading and congratulations on reading until the end.

If you found the book valuable, can you recommend it to others? One way to do that is to post a review on Amazon.

[Click here](#) to leave a review for this book on Amazon!

Thank you and good luck!

success, efficiency, happiness, anxiety, exhaustion, worry, mistakes, relationships, technology, time, distractions, the past, feelings, neglect, addiction, worry, anxiety, exhaustion, reputation, spouse, agita-

tation, success, criticism, priorities, technology, time, appearances, inconveniences, managing, wasted time, wo-

rried, children, change, acceptance, the past, staying active, mental health, technology, time, connec-

happiness, spouse, hard work, staying active, mental health, technology, time, connec-

# LIFE IS SHORT

## And So Is this Book

Brief thoughts on making the most of your life

Peter Atkins

ccess, efficiency, happiness, goals, focus, priorities, technology, responsibility  
nxiety, exhaustion, worry, mistakes, neglect, anxiety, inconveniences, reputation, spouse, agi-  
tation, success, criticism, relationships, technology, time, appearances, managing, wasted time, wo-  
rried, time, accountability, priorities, distractions, the past, feelings, neglect, addiction, worry, anx-  
iety, children, change, acceptance, the past, feelings, efficiency, future, critic-  
opiness, spouse, hard work, staying active, mental health, technology, time, conne-

# LIFE IS SHORT

## And So Is this Book

Brief thoughts on making the most of your life

Peter Atkins

Copyright 2011 by Peter Atkins. All rights reserved.

To Sam and Lillie - who have made my short life wonderful.

# introduction

Life is short. You can, if you work hard and are lucky, get more of almost anything, but you can't get more time. Time only goes one way. The average American has a lifespan of less than 30,000 days. So how you choose to live matters.

That's the topic of this book. I don't pretend to have all the answers. I'm still learning every day, and many of the good ideas here I've picked up from other people either directly or by reading. But this is what's worked for me.

Like life, this book is short. Many books I read could communicate their ideas in fewer pages. So I've tried to be brief in line with the wise person who noted: "*If I'd had more time I would have written a shorter letter*".

I don't think brevity implies lack of content. The concepts here have improved the quality of my life, and I hope they're useful to you as well.

Using these concepts, I have created a life I love. My job doesn't feel like work. I love and respect the people with whom I spend time. And I'm also passionate about my life outside work. I've learned how to create a balance that makes me happy between work and other interests, including my family, friends and exercise. Sadly I think that's rare. And yet, while I know I'm lucky, most people can work towards those goals in their own lives.

My interest in making the most of my life began when I was just starting college, but when I was in my mid-thirties a boss I admired died of cancer. He was young. He had a great wife; he had three young children; he had a fantastic career -- he had everything in life. He just didn't have enough time. So, while I'd often thought about how to get the most out of life, the death of someone so young and vital increased my sense of urgency to act on it.

One of the things I've always wanted to do was to work for myself. As a result, I left an exciting job at Microsoft in 2001 amidst the Internet bust to found the investing firm I now run. It was hard to do, both financially and emotionally. When I left Microsoft, many people - friends, family, and even some of the press - thought I was deluding myself to start a fund focused on Internet-related companies during a market crash. A press quote from the time said: *Call him a little crazy. Call him a little nuts.* I'd never seen that type of coverage before. And, in a sense, the press was right; the business wasn't easy to start. Fortunately, from a vantage point of ten years down the road, it's worked out quite well.

A key part of my job is reading and thinking about a broad variety of topics. So writing this book was relatively easy. It's even easier to read. But, like many things in life, actually executing each day on these concepts is extremely difficult. With thanks to Thomas Edison, life is 1% inspiration and 99% perspiration. Even so, I hope you have fun perspiring.

Peter Atkins  
Seattle, WA  
December, 2010

# **CONTENTS**

1. Create space.
2. Try not to worry.
3. Don't do *really* dumb things.
4. Build character and make friends.
5. Care for yourself and others.
6. Laugh.
7. Do what you love.
8. Embrace change.
9. Learn from experience.
10. Have dreams and work towards them.
11. Epilogue.
12. Afterword - the world beyond us.
13. Acknowledgements.



## **create space**

*Life moves pretty fast. If you don't stop to look around once in a while you could miss it.*

*- From the movie, Ferris Bueller's Day Off*

We all approach life in different ways. Some ways allow more time to think, to be creative, to do what's important, and to spend time with friends. I'll give you an example.

A friend of mine used to be the CEO of a well-known Internet company. He once told me he found it funny that the busiest people on his team were always the people to whom he could give more work, while the ones who accomplished less had little time for anything (often including their existing responsibilities).

I've found this is an important observation. It's often the most successful people I know who are most efficient with their time and who always seem to have time to think and to do more. The trick is people who are most productive tend to say no to things that are unimportant to them and focus on what they believe matters. When you think about it, how could it be any other way?

Of course, activity by itself doesn't equal accomplishment, and certainly not success -- being busy just means being busy. I know many people who work super hard to fill up the spaces in their lives, so they won't have to think. A wise colleague calls this "numbing out". They may accomplish their goals, but they're unlikely to be fulfilled or do truly creative work. I know other people who fill their free time with meaningless activities. They're also busy, but they neither achieve much, nor are they satisfied.

In contrast, I once had a smart boss who told me if I wanted to do my best work, I needed to do fewer things, and really focus on what mattered. That was great advice. Many people confuse *want to* with *have to*. In other words, just because someone else wants you to do something doesn't mean you have to do it. You can't get more time, so how you spend the time you have is critical. Focusing on what matters means saying no to things that don't matter. Otherwise, your life becomes cluttered with distractions.

Technology presents both potential distractions and also great opportunities to use your time better. Technology is a tool. Used properly, it can help you but, like any other tool, it can be mismanaged. If, for example, you spend most of your day responding to email, or text messages, or checking out your friends on social networks, you won't get much done.

A better approach is to decide what you want to do and what is most important. Make lists. Then use technology to assist you, versus allowing it to control you. To execute on this concept requires discipline and practice, but anyone can get better at it, and make real progress if they want to.

One way I like to use technology to save time is, where appropriate, to eliminate meetings and use email instead. I should emphasize 'where appropriate'. Email does a terrible job of conveying subtle emotional content, so meetings are more appropriate for team building, for negotiating, for personal conversations, and for any other situation where it's important to look someone in the eye. But for some things, email is better.

Mobile devices provide a fantastic way to stay connected and on top of work, wherever you may be. If you have any

down time, you can read books or articles, check email, or browse the web from virtually anywhere.

Distractions have increased for reasons beyond new technologies. According to the Bureau of Labor Statistics, about 60% of U.S. families are two-income households, compared with only about one-third in the mid 60's (the statistics are directionally similar in much of the Western world). We're busier and, consequently, are tempted to do lots of things at once.

A number of people I know claim to be great multi-taskers. The brain, however, doesn't work that way; instead it focuses on one activity at a time. If you switch back and forth between multiple tasks, your brain works more slowly than it would if you focused on each activity for a period of time. Albert Einstein said: *It's not that I'm so smart, it's just that I stay with problems longer.* Most of us do the opposite -- with predictable results.

To allow yourself time to think, there are many non-technological tricks to managing information. All of them require you to make choices to focus your energy. I like to set aside blocks of time for specific activities - even to read or chat.

That being said, there are combinations of activities which work together and can make you more productive. For example, I frequently ride an indoor bicycle while reading, since the indoor bicycle takes no mental attention, and it allows me to get exercise at the same time. (Don't try to do the same thing, though, on an outdoor bike!)

Another way to free up time, if you have the option, is to live close to work. For many people, the amount of time spent commuting is huge, and it tends to be quite stressful

and, frequently, not super productive. There are usually good reasons people want to live far from work; it's often significantly cheaper, and the schools may be better.

But, if you think about the value of your time, it might not make sense. You might be able to afford a smaller home closer to your job rather than a bigger one with a long commute. And, if you do that, you might have significantly less stress on a daily basis. In fact, when I lived in Manhattan, frequently the most relaxing part of my day was walking to and from my office. It didn't seem like a sacrifice to have a tiny apartment on the third floor of a building without an elevator.

The ultimate reduction in commuting time is working from home - something that is becoming increasingly possible for many people, given the evolution of technology, and the desire of companies to get the most out of their employees while limiting real estate costs. If you have a job which accommodates it, are self-motivated, and have the space and quiet required to work well from home, it can make life considerably more pleasant, and can create more discretionary time. A handful of my colleagues work from home. They all love it -- none would choose to work in an office again.

Making space in your life by using time efficiently also helps nurture creativity. I find it interesting that people who tend to be the most creative have three things in common:

They're incredibly well prepared in their fields -- they become masters of their domains by practicing for many years, day after day.

They spend time deeply focused on solving a key problem or key set of problems, no matter

the obstacles.

They allow themselves to step away from the problem(s) on which they're focused, so that insights can come to them in activities such as walking, or looking out on a beautiful scene.

To get great insights absolutely requires hard work, but it also requires space. This is the case because the human mind is not a linear machine. If you don't put in the required effort, you won't be capable of generating good ideas; you won't understand the subject matter. But if you don't give yourself space from the problems on which you are working, you likely will be so worn down you won't generate creative insights. You need both.

In taking walks these days, I try to notice the beauty around me; it helps me think and relax. In fact, I regularly take pictures with my cell phone camera (some are included here) as a reminder to stop and look. It's a simple thing (and my pictures won't win any prizes) but it works.

So to make the most of your life, say no to things that don't matter, work hard at what you love, and occasionally take time away from your core focus to rest so that your mind can be quiet for great insights to come.



Looking out to the Olympic Mountains, Washington.

## **try not to worry**

*If you can't sleep, then get up and do something instead of lying there worrying. It's the worry that gets you, not the lack of sleep.*

*-Dale Carnegie*

Worrying, I've found, wastes energy and wastes time; it limits what you can accomplish. I try not to obsess on the past, but to learn from it. I try not to worry about the future, but to prepare for it. And while it's difficult sometimes, I try to take pleasure in the moment, even when bad things happen.

An inspirational woman I know has cancer, yet she finds the beauty in every day and every moment. I don't know many people who are more positive, or go through life with as much curiosity or energy as she does. The last time I saw her was at a dinner party -- she was more engaged than anyone else that evening, constantly asking questions about new technology, and how I thought it would change the world. I also have several friends with Multiple Sclerosis, and they live more restricted (and more painful) lives than most of us, but each seems excited every time we meet. They're clearly trying to get the most out of their limited time left on earth.

The lesson to me is that you can focus on something going well, or something beautiful, or something interesting -- even amidst terrible times.

I try to put things into two buckets: one I can do something about and one I can't. The things I can't do anything about, I try to ignore. There's no use, for example, being jealous of

other people's success or good luck; it won't make me any happier. Nor is there any upside in worrying about a bad situation in which I find myself. There is, however, a lot to be gained from considering how I can move to a better place.

I've also noticed it helps to accept the world as it is -- not in the sense that you can't change things (although that is sometimes the case), but in the sense that you need to see reality clearly before you can take effective action. As a professor of mine once said: if you think the table you are sitting at will fly, you have a problem.

Accept that luck and bad luck aren't evenly or fairly distributed, and you can't do anything about that. I have many talented friends in the technology industry who've been paid over the years primarily in stock options. Some have made a great deal of money this way, and frequently they were just lucky to have joined a given company at a certain time. They weren't necessarily more talented than others. They didn't work harder, or contribute more than people who started later than they did. They frequently didn't even have a strong conviction in advance that they'd make a lot of money (although they knew there was a chance they might). They were, relative to their peers, lucky.

There are some things in life you can't change (such as your parents, your height, or the personalities of other adults). For the problems you can impact and you want to alter, think about what you want to accomplish, and try to do that in a pragmatic way. You don't have to change everything overnight. In fact, thinking you can, or should, is likely to lead to failure, or to feeling overwhelmed -- and as a result perhaps doing nothing.

My experience the last ten years illustrates this point. If I'd tried to build my investing business to scale in a short time

frame, or worried when stock prices declined, I would have failed. I started investing immediately before September 11th. While prices of Internet stocks then were low relative to their business value, prices dropped significantly for another year and a half during the Internet bust before recovering to sensible levels. I had no idea that would happen. It didn't feel pleasant. My family lost faith in me, and most of my friends thought I was a bit nuts to even invest in the sector. It was only because I stayed focused on understanding the businesses in which I'd invested, and was willing to stick with my convictions over a matter of years, that my ideas worked out well. Over time, other people gained faith in my investing abilities, but it didn't happen overnight. It wasn't easy. And nothing I might have done early on would have changed that.

Lastly, when you make mistakes along the way, as I have at many points in my life, accept them as well. I've tried to learn from my mistakes. They're experience - and they're the sort of experience you won't soon forget.

As Winston Churchill said: *Success is not final, failure is not fatal: it is the courage to continue that counts.*



Sunset from the air; somewhere over western Canada.

## **don't do *really* dumb things**

*All I want to know is where I'm going to die so I'll never go there.*

- Charlie Munger

You can't follow Charlie Munger's advice literally. But, as a wise colleague of mine says, sometimes the most important thing to do is to not do anything *really* dumb. I've found this type of inactivity is undervalued in our culture.

Many investors overlook avoiding dumb mistakes. Warren Buffett suggests people approach investing the same way Ted Williams looked at batting: only swing at the pitches in the center of your strike zone. Since there are no called strikes in investing, you should let the others go by. This sounds easy to do, and you'd think most investors would behave this way, but they don't. When many people buy stocks, they tend to think more about the potential upside than what they might lose if things don't go well. By pivoting that thinking and avoiding really dumb ideas -- in investing, in business, and in life -- you'll approach problems from a wholly different perspective.

I've used this same mental model to try to avoid too much debt, drinking too much, staying away from people who are bad influences, eating poorly, and not exercising.

I should probably make the distinction here between *really* dumb things, and routine mistakes made in the course of your life. The latter, as I've noted, are certainly painful, but inescapable and useful learning. What do I mean, then, by

*really* dumb things? There are two classes: unrecoverable errors and denial.

Unrecoverable errors can screw up your future - like committing a crime and going to prison, or limiting your options by not trying to get the best education available, or making decisions which likely will lead to major health problems or financial destruction. As an extreme example, I know someone who, as a child, accidentally shot his sibling. The sibling never fully recovered and the accidental-shooter never overcame his guilt. As a result, his life has been ruined.

There are many things that are not nearly as dramatic, but can have a similarly negative long-term impact. What you choose to do each day matters. Habits form when we're young, and solidify before we know it. So forming the right habits early is critical, whether that means eating well, exercising, saving money or being honest. As a wise investor I know likes to say, people become "more so" over time.

The second class of dumb thing – denial – is common. Most of us ignore reality in some facet of our lives. It's often easier to believe things will somehow solve themselves, whether we want a lousy job to work out, or we're so desperate to hire someone for a much-needed role we sacrifice on quality, or we overlook obvious issues in someone we're dating (and assume they'll get better over time...or we can help fix them).

These are all examples of wishful thinking. If you notice serious problems in the early stages of a job, or in the hiring process, they're only likely to become magnified as you get to know the situation, or your new colleague better. Ditto in dating. Small problems early on generally don't just resolve

themselves with time. And it's impossible to change other adults' personalities, no matter what you may wish.

A well known joke illustrates the point: The biggest mistake men make when they think about getting married is they assume women won't change; the biggest mistake women make is they assume they can change men.

The same warning about wishful thinking is true with exercise and pain. If you start feeling pain while exercising, it's the body's way of telling you to stop. If you battle through it, as many of us do, frequently you'll make the injury worse.

So how can you avoid really dumb things? I try to rely on my gut instincts. Whenever I feel that something might have a really bad outcome, I pay attention to that feeling. Feelings aren't always correct (we fear many things we have little reason to be concerned about in the modern world), but feelings can flag problems that may be difficult to articulate.

Proceeding when there are obvious issues is a dumb thing to do. Even if it's inconvenient or painful, I've learned, I'm better off doing nothing when the only available choice has glaring issues.



Snowshoeing in Whistler, BC.



## **build character and make friends**

*Character is like a tree, and reputation like its shadow. The shadow is what we think of it; the tree is the real thing.*

*- Abraham Lincoln*

Character, I've found, is one of the most important things in life. Reputations can be manipulated in the short term, but people tend to get the reputations they deserve over time. Reputations are your personal brand. They're influential in how well you do in both your professional and personal lives.

There are four basic principles that have worked well for me:

Do what you think is right.

Don't follow other people blindly.

Be honest and keep your word.

Admit your mistakes.

If you live your life authentically, keep your word, admit mistakes, and admit what you don't know, you'll find people will trust you more over time, and you'll become wiser too.

When I entered college, I thought most people would adopt similar principles, but I've found that a lot of people succumb to peer pressure and other external forces.

I've met lots of smart people who work very hard. I've met substantially fewer who are also authentic and have integrity. I try to spend my time with the second group. And,

generally, I've found that those people are happy and have more real friends.

\* \* \* \* \*

Inevitably, we take on some of the habits of people with whom we're closest. The people with whom we associate can have a huge impact on the development of our personalities, particularly when we're young. In that light, if you have children, try to be sure their peer groups are healthy ones. Their peers likely will have more influence on the development of your kids' personalities than you will. If that sounds absurd, look at how immigrants' kids develop in a non-immigrant community; they nearly always seem to speak, act and have the values of their peers, and not their immigrant parents. My son, for instance, has a friend whose parents recently emigrated from Japan and moved to Canada. My son's friend doesn't like Japanese food; his favorite things to eat include steak and hamburger; and he acts and speaks much more like his classmates and friends than he does his Japanese parents.

In your own life, think about the values and habits you want to have, and then ensure you choose your friends, colleagues, mentors and bosses carefully. My friends and mentors have made a huge difference in my life, both professionally and personally. For example, I was able to succeed as an investor in the early years because a super smart mentor was willing to share his knowledge with me, and encouraged me to have faith in my convictions. I'm eternally grateful. Similarly, in my personal life, when I spend time with people I respect, like, and care about, I usually feel great.

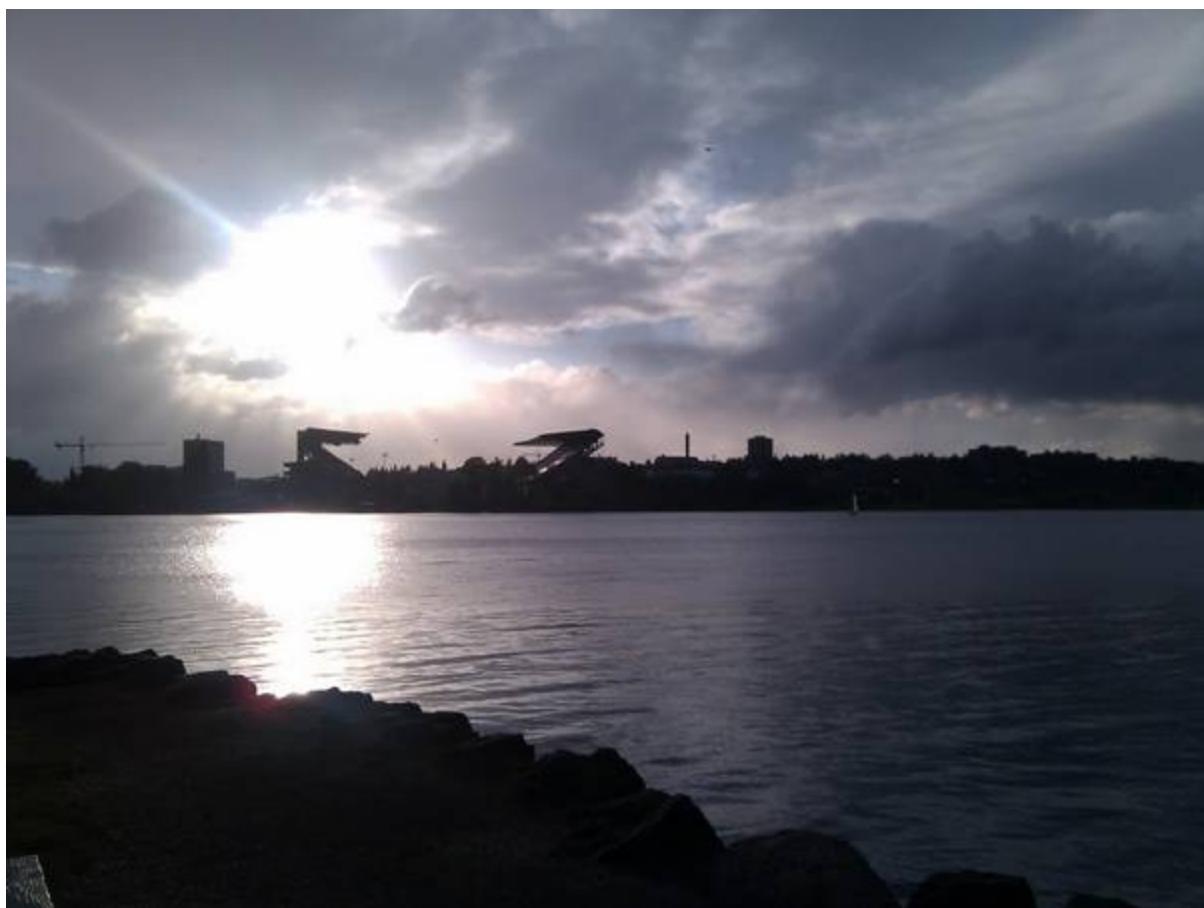
To build trusting friendships, I've learned, it's critical to be true to my passions, and express how I feel and what I want.

If I weren't open and honest, I wonder what sort of friends I'd have?

This matters. Real friends - people you trust, respect, laugh with, and can rely on - are a vitally important part of life. No matter how much wealth or fame you accumulate, if you don't have true friends it's unlikely you'll be happy. Sadly I know too many people who have achieved their material goals, but have no friends. As the expression goes: greed is a hole you can never fill (though there are definitely a lot of people who try).

Warren Buffett refers to Rose Blumkin, a woman who escaped the Nazis before immigrating to America and founding Nebraska Furniture Mart, as having the ultimate standard for friendship. Ms. Blumkin apparently said she had a hard time making friends. She would ask herself: if the Nazis were to return, would a particular person hide her?

Now that's a super-high standard, but you can imagine how much richer and easier your life would be with even a handful of true friends like that.



View of Husky Stadium, University of Washington.

## **care for yourself and others**

*Lack of activity destroys the good condition of every human being, while movement and methodical physical exercise save it and preserve it.*

- Plato

Our bodies were designed by evolution to thrive on the African savanna. Twenty thousand years ago, people didn't sit in forests or caves staring at computer screens, talking on telephones, or watching television. We were made to move, and our brains were made to think while in motion.

So if you want to feel good, be as productive as possible, live longer, reduce stress, be more creative, and be happier then you need to exercise regularly. When I was at Microsoft, I used to run for about eight minutes every morning before heading to the office. That's not nearly enough, and I slowly got out of shape. I now take an hour at lunch to bike, play tennis, run, or even walk. Over the last ten years, I've lost about twenty pounds and I'm more alert and creative. The extra time invested in exercise has been worth it, even if only measured from a professional standpoint.

Our bodies also weren't designed to eat junk food all day. Thousands of years ago, getting calories was tough; we like sweets and fats now because it was tremendous work getting them then, and we never knew when our next meal would come. While our genetic desires for sweet and fatty foods haven't changed, modern Western civilization, with its easy and rapid access to super markets, processed - and generally inexpensive - food, has removed the natural barriers that stop us from eating what we want. I've always been a fairly healthy eater (although I love desserts!), but one small trick I've adopted is to try to eat dinner early. I've

found that just doing that helps keep me at a healthy weight. And, when I eat dinner a bit later, I try to take a walk afterwards.

I recognize that's uncommon. The result of less exercise and more food is not pleasant. As a society, we're getting fat. We're creating many health issues (and costs), which we'll have to deal with down the road.

Another critical element of taking care of yourself is getting a good amount of sleep on a regular basis. I try to organize my schedule to ensure I sleep well since I've learned I perform best when I'm well rested. For instance, when I travel to different time zones I alter my schedule days ahead of time so it's more closely aligned with where I'm going. (I've found that ear plugs are also wonderful tools for hotel rooms if you don't know it will be quiet.) If you can manage to sleep well no matter where you are, you'll find you have more energy and are able to think more clearly.

Stay active. People are like sharks: if we don't move constantly, we'll die. This is true both literally and metaphorically. For example, there's some evidence suggesting that older people who keep their minds active have a much lower chance of getting Alzheimer's disease. People who 'retire' and mostly eat and lie on the couch, aren't likely to live very long -- or be very happy.

Taking care of yourself extends beyond your body to your mental health. Many people don't feel good about themselves psychologically. This may start in childhood when their parents may not give them enough care and attention (so they don't feel lovable); or they may get too much, too easily from their parents (so they end up feeling undeserving). Or their parents may be overly critical; nothing is ever good enough (so they end up constantly

trying to please other people, or feeling inadequate, or both).

Regardless, it's important as an adult, no matter what type of parents you had, that you take responsibility for your life. It's only by loving, celebrating, and appreciating what makes you unique that you can fully enjoy your life, and truly love others. If you don't love yourself, the results aren't pleasant. For instance, a number of people I know spend money in unhealthy ways, sometimes running up large amounts of debt by buying things they believe will make them feel better. Sadly, but predictably, it doesn't work. The pleasant feeling of owning something new soon fades, and then they're onto buying the next thing. The debt potentially incurred by this sort of activity not only causes financial difficulties, but may also lead to health issues.

Given the increase in two income families over the last thirty years, you might think that people would be better off. That's not the case. People in the U.S., and much of the Western world, tend to spend more of what they earn than they did a generation ago. They may do this to keep up with their friends, or what they think is expected of them in our society, but that's not a treadmill you want to be on.

People also compensate for not feeling good about themselves by over-eating, drinking too much, over-working, and becoming reliant on constant or unhealthy sex to numb their pain. All of these are addictions. Taking care of yourself means finding a balance that works for you, then having the discipline to maintain that balance. (If you want help, there are many people, including some good therapists, who can be a great resource to discuss issues that are important to you.)

\* \* \* \* \*

*Grief can take care of itself, but to get the full value of a joy, you must have somebody to divide it with.*

-- Mark Twain

There are innumerable, serious problems in the world, and there are huge numbers of people who'd love your help. You've doubtless heard that message many times before, particularly around the holidays.

But if you need motivation to help others, I can tell you from personal experience: you will directly benefit. Few things make you feel better about yourself. I get great joy out of helping at my kids' school, from helping friends with their business problems, and from doing a good job investing. If I do my job well, my friends and clients will be able to send their kids to college, to retire without financial worries, and to do things that are important to them.

You don't need to look far to help other people. For example, taking the interests of children seriously, encouraging and supporting them, as well as setting high standards, can make a big difference in their lives.

Almost anyone can be a father or a mother, but being a good parent takes hard work, focus, and a great deal of caring. Despite the obvious sacrifices of time and resources, I've found being a parent has been the most satisfying and enriching experience I've ever had. Most parents I know would say similar things.

There are many ways to make a difference in the world – you can help your extended family, help friends, help your community, or help people you don't even know. You can help one on one, or in small groups, or, if you have the

ability or resources, on a larger scale. So long as it works for you, it doesn't matter.

When you're in your 80s, and looking back on your life, I have little doubt you'll feel better if you have chosen to give something back. Our time on earth is limited, but you can extend your influence by helping those who will outlive you.



Bois de Boulogne, Paris.



## **laugh**

*With the fearful strain that is on me night and day, if I did not laugh I should die.*

*- Abraham Lincoln*

While your life will hopefully end better than Lincoln's, it won't always go your way - guaranteed. Within the constraints of your genetic wiring, it's up to you how you deal with that.

You may not have the parents or the siblings you'd have chosen. You may not look the way you'd have picked. The people you love may not always love you back. You may not live where you'd like. You may not have the job you want, or get the promotion you believe you deserve. If you get married, it may not work out the way you thought it would. If you have children, they won't always do what you'd like, and they may disappoint you sometimes.

I've found you can choose to let all the things that go wrong in life depress you. Or, you can accept that things will go wrong, try to laugh, and then look at what you can do. There's a Japanese proverb that gets right to the point: *We're fools whether we dance or not -- so we might as well dance.*

I remember an important business meeting I had about fifteen years ago at Microsoft. It was clear that the problem we faced was unpleasant, and wasn't going away. After a few minutes of intense discussion, the most senior person in the room laughed, and said: "I guess we're screwed!" It shocked me, but that frankness and dry humor immediately stopped the discussion, and we moved on to discussing things we could impact.

A sense of humor is also useful when you make mistakes. I still remember an experience I had during college when I worked as an intern for the MacNeil/Lehrer Report (a PBS television news show). One of my duties was to greet guests at the door. One day I went downstairs to meet Thomas Kean, then Governor of New Jersey. As I got to the guard desk in the lobby, a man walked up and told the guard his name was Tom Kean, and that he was there to go to the MacNeil/Lehrer Report. I introduced myself, and proceeded to take him to the green room to be made up. He kept telling me to stop calling him "Governor" and call him "Tom". He also said he wanted to go upstairs to meet a reporter. I told him we didn't have much time, so he could call the reporter from the green room. When we got there, seated in the makeup chair, he called the reporter and said: "Would you please tell this guy that I'm your boyfriend, Tom Kean, and not the Governor of New Jersey!" I was embarrassed, immediately apologized, and ran back to the lobby to meet Governor Thomas Kean of New Jersey, who stood flanked by two huge state troopers. I remember laughing at myself as I told Governor Kean the story on the elevator back up to the green room.

It's sobering to note that whether you're able to laugh when things go badly may be an inborn trait. A famous study was done using two groups of people: paraplegics and lottery winners. The study looked at these two groups' happiness before their life-changing events, immediately following them, and then also a bit later. The immediate effect was predictable: people who became paraplegics got depressed, and people who won the lottery were elated. But after a relatively short period of time, both groups returned to their original levels of happiness -- paraplegics who'd been happy before their injuries became happy paraplegics; lottery

winners who'd been unhappy and bitter before their windfalls became unhappy, bitter lottery winners.

I know several personal stories, including friends who lost a child in a terrible accident (the most horrible thing I can imagine), that illustrate the same principle: some people can laugh even amidst terrible times. The payoff is the physical act of laughing actually improves your mood.

Assuming your basic life needs are being met, you can choose to be happy if you want -- even when you make mistakes, or are in the middle of some pretty awful circumstances. If, however, you're the sort of person who chooses to be unhappy, or filled with anxiety, chances are you'll probably succeed with that as well.

In thinking about this, I keep Mark Twain in mind: *The fear of death follows from the fear of life. A man who lives fully is prepared to die at any time.*



Sunset at the edge of the Glass Mountain Range, West Texas.



## **do what you love**

*There are but three events in a man's life: birth, life and death. He is not conscious of being born, he dies in pain, and he forgets to live.*

- Jean de la Bruyere

How many movies have you seen where the hero or heroine quits a job they hate to pursue their life dreams? These movies wouldn't be made, and they wouldn't resonate with so many people, if they didn't contain an important desire that most people deny themselves.

A lot of apparently 'successful' people believe they should delay enjoying life until later. First they work incredibly hard to get into the 'right' schools; then they work even harder to get a coveted job; and then they work harder still for years to get to a certain position, or make a certain amount of money. The net of this whole adventure is that frequently it's not until late in life, when a person's health may be going, and a lot of their life is behind them, that they stop to think about what they want. And, by then, there may not be much they can do about it. They can't recover the time. And many people don't even stop to think.

Oliver Wendell Holmes noted: *Many people die with their music still in them. Why is this so? Too often it is because they are always getting ready to live. Before they know it, time runs out.*

When I was growing up, someone told me to live as if I was going to die in ten years and had no immediate financial needs. That's great advice. If you can do that, you'll be happier and more successful.

To figure out what you want to do, you need to know yourself. If you lie to yourself about who you are, or hide your identity from others, it will inevitably create stress, and it's unlikely you'll be either productive or happy. Part of knowing yourself means acknowledging what you genuinely want. If you focus on what other people expect of you, you may impress your friends, family and colleagues, but it's unlikely you'll be satisfied with yourself over the long term.

You need to understand your values and your priorities. For example, some people value income more than others, while other people place greater importance on the sense of meaning they find in a job.

Although what makes you passionate generally doesn't change over time, what you want to do sometimes does. When I was young, I didn't know what I wanted to do. I always liked to read, but not necessarily the books that were assigned by my teachers. When I was about 18, I decided I wanted to be a journalist. I always loved learning, and I thought being a journalist would be a great way to stay informed about the world. After working as a journalist in college, I found I liked many aspects of the job, but I didn't think it was the perfect fit for me. I tried other careers through my twenties and thirties, searching for something that felt right. I started a small business (which eventually folded for lack of funding). I went back to business school. Then I worked for two big corporations -- in two very different industries -- Time Inc. and Microsoft. I succeeded at some jobs, and I failed in aspects of others. I enjoyed a few jobs a great deal, and was lucky to make some life-long friends along the way.

It wasn't until I was in my late 30's, when I started to work for myself investing, that I finally found a career which drew on all of my natural curiosity, had few aspects to it that I

didn't enjoy, and basically didn't feel like work. Fortunately, everything I'd done earlier in my career wasn't wasted. In fact, many of the experiences I'd had (and particularly my failures) became useful learning.

While it's obviously better to start doing what you love early in life, many people don't. Tom Clancy, the author of numerous exciting and commercially successful books, including The Hunt for Red October, became a writer when he was in his 30's, after a career in the insurance business. John Grisham, the author of many great legal stories, was an attorney and a local politician before his first book, A Time to Kill, was published when he was about 33. Ronald Reagan wasn't elected to public office until he was 55; earlier in life he'd been an actor and a union official. And, though few have heard of Alfred Wallis, merchant and fisherman, art lovers know that Alfred Wallis the painter emerged in his late 60's, after his wife died. So it's quite possible to reinvent your career even late in life.

All of these people successfully evolved their careers toward doing something they loved. But why is that important?

There are three primary reasons:

We spend huge amounts of our lives working; if you work from the time you're 20 until you're 65, five days a week, (and a great many of us work far more than that) then you will work for at least half your adult life.

We also live in a super competitive world. It's likely the only way you'll stand out at what you do is if you work very hard for long periods of time. It's said that to become an expert in a given activity requires about 10,000 hours of

practice. At 40 hours a week (doing nothing else, which is extremely unlikely) it takes five years of solid work to master a subject.

And I've found the only way people have the stamina to outwork others, year after year, is when they love what they do.

Sadly most people don't have jobs they truly love. Instead, they often work at unsatisfying jobs - sometimes because they have no choice, but sometimes to impress others. But three-window offices, fancy titles, awards, and more *stuff* don't bring happiness. Some people never get this.

I was recently chatting with a guy I met who'd been quite successful. I said I'd been in New York on 9/11, and had heard through a friend he was supposed to have been at the top of the World Trade Center that day, but that he'd fortunately cancelled last minute.

He corrected me: "Actually, I was supposed to be *the keynote speaker* at an important event at the World Trade Center on 9/11."

I was stunned: He'd almost died in a spectacular catastrophe that impacted millions of people, and yet, years later, in telling the story he tried to impress me with the status of his job! I told him I thought he was just lucky to be alive.

There's a lesson here. For people who have a choice between jobs, there are frequently two broad options.

Option 1 is doing what you love every day, but not earning as much money as you might

otherwise, and/or not having as much prestige in the eyes of your acquaintances.

Option 2 is doing a job you hate or find boring, but either the job itself, or the money you can make from the job, impresses other folks.

To me, the choice is clear. What I find a bit shocking is that many people choose option 2, and stick with it over the course of their careers. Many other people enter fields they love, but over time forget what they love about their work, and prioritize the external recognition they receive from it. While there's nothing wrong with being well-paid, and we all love to receive praise for good work, prioritizing external rewards over the work itself is a failing strategy.

It's just anecdotal data, but everyone I know who works primarily to impress other people is unhappy or unfulfilled, regardless of how externally 'successful' they may seem. Almost everyone I know well who works passionately at a job for its own sake is happy, and most have been successful.

So the question is: How do you determine what you passionately want to do? I'll share my own experience. Before I left Microsoft, I took out a piece of paper, and listed those moments in my life I loved most. I tried to identify patterns. With that information, and a bit of research about various career options, I picked something which I thought would allow me to do what made me most happy. I also paid close attention, using the same method, to things I didn't like to do, and worked hard to eliminate those things from my life.

You can use this system at any point in your career, but you may have to serve as an apprentice for several years early

on doing less than fun things in order to learn the ropes. That's just part of the journey - assuming you work with people you respect.

I developed a litmus test for job satisfaction that might resonate with you. When I was in a job I hated, I noticed on Sunday nights, or returning from vacations, I actually felt sick. Today, because my work and personal life are highly integrated, I work over the weekends -- but I feel just as excited Sunday night as I do on Friday afternoon.

Ideally, you want a job you'd do even if you weren't paid to do it. That's not an economic reality for most of us, but it's the right goal to shoot for. If you can get paid to do what you perceive as play, you have a great job.

Finally, focus on your present situation and your future goals. People like to strive to achieve something new. If you are a mountain climber, as a good friend of mine is, you always look for the next peak.

Those who live in the past tend to be unhappy. No matter how significant your past accomplishments may be, they won't keep you satisfied. A former classmate's greatest days were at school nearly 30 years ago. He went to a wonderful and prestigious school, and was a bit of a star there. These days, he tries to attend as many reunions as he can. But you can't live life backwards, and he's unfulfilled in his current life.

Freud said: "*Love and work are the cornerstones of our humanness*". While it may sound simple, if you have close friendships and love your work, the odds are quite high that you'll be happy most of the time.



Paris, France.

## **embrace change**

*It is not necessary to change. Survival is not mandatory.*  
*-W. Edwards Deming*

Change will happen whether you like it or not. In fact, given technology's evolution and globalization, there's little doubt that the rate of change is accelerating. This can be disconcerting; we tend to hate change. We prefer to know what will happen.

However, if you fight change you'll usually lose -- and you'll get worn down fighting it.

I recall meeting with some folks in the newspaper and yellow pages industries in the mid-90's. I told them the Internet would reshape their world, but they were making good money on their print business, and had been doing that for many years. In fact most of them had monopolies where they could pretty much charge whatever they wanted. So, overall, they basically ignored the Internet (they did little things here and there, but nothing fundamental). It didn't impact their near term earnings.

Five years later, nothing had happened to those businesses. After ten years, the Internet started encroaching on their profits. And then, very quickly, the Internet tidal wave decimated them. To be clear: a small number of these companies may still adapt and survive, but had they viewed what was happening in the world with open eyes and started making meaningful changes to their businesses in the mid 90's, I'd bet a lot of money some of them would be in a dramatically different place today.

This pattern of ignoring change is not new. Alexander Graham Bell said: “*When one door closes, another door opens; but we so often look so long and so regretfully upon the closed door, that we do not see the ones which open for us.*”

The same is true in personal relationships. If you fight change, it simply won’t work. People fall out of love, they age, their needs and desires change. If you embrace inevitable change, you’ll be ahead of the pack. If a relationship isn’t working, don’t just give up. But if you have tried hard to fix it over time and can’t do anything about it, then it’s important to recognize you may need to make a change in your life.

The lesson I’ve learned is this: Since change is inevitable, the key is learning how to manage it. If you deal with issues immediately and don’t let them fester, they won’t become bigger and, ultimately, unmanageable. Problems are much easier to deal with when they’re still small than if you’ve let them grow over time.

At some points in your life, you may try to drive change. In those instances, I’ve found patience is a huge virtue. Change comes slowly. It’s a hard thing to accept, and people may resist it actively or passively. In fact, in some fields (such as Internet adoption), change often doesn’t come until people leave their jobs and are replaced by a new generation. This principle holds true well beyond the technology sector.



Upper West Side of Manhattan and the Jacqueline Kennedy Onassis Reservoir.

## **learn from experience**

*The definition of insanity is doing the same thing over and over again and expecting different results.*

- Albert Einstein

While I've met many people who focus on being smart and working hard, I know few people who regularly focus on learning from their own experience and the experience of others. I've noticed that if you are one of those few who try to learn every day, it makes a huge difference over long periods of time.

Many people act like the guy in the story who went to the movies with his friend.

The guy says to his friend: "I bet the cowboy falls off his horse at the end of the movie and dies."

His friend takes the bet.

The cowboy indeed falls off his horse and dies.

The guy says to his friend: "I don't understand why you bet me. We saw the movie last week!"

The friend says: "Well, I didn't think he'd be dumb enough to do it again."

It's a funny story -- and it seems ridiculous. And yet, I've seen many people over the years do essentially the same thing. They ignore clear lessons from their experience or the experience of others.

If you want to learn from experience, I've found the following useful:

Be curious. Kids naturally are curious and they are able to learn and progress at very rapid rates. I've tried to maintain my natural curiosity as I've gotten older and I've found my life is more interesting as a result.

Read widely. There's so much wisdom written down and it's easier (not to mention less painful) to learn from others' mistakes. No one domain or field has a lock on wisdom. I've been astonished how much you can learn if you read widely across a variety of fields. I read as much as I can.

Find mentors. If you can identify people who have more experience than you and who excel at what they do, it's incredible to have the opportunity to learn from them. People love to teach others. If you're highly motivated, and don't ask for anything other than wisdom you can learn a great deal. Mentors have made a big difference in my life.

Observe. A good friend of mine says people have two eyes, two ears, and only one mouth for a reason. There's certainly a lot to be gained from watching and listening. When I travel, I love listening to people who have different life experiences than I have. I learn so much from them.

Data and patterns matter a great deal. There's much to be learned from analyzing the world. In investing, and in life more broadly, I've found it's important to understand things in terms of systems with various inputs and layers of potential effects. I loved statistics in school and I've found that it (along with psychology) may be the most under-taught academic subject, with the greatest potential gain to society from more people understanding it.

That being said, not everything that's important can be counted, and not everything that can be counted counts. As Mark Twain is alleged to have said: *History does not repeat itself, but it does rhyme.* In other words, just because something happened once doesn't necessarily mean it will happen again in the same way. Otherwise, historians would be among the wealthiest people on earth.

So to understand the world, you need to pay attention to more than simply memorizing a series of events, or existing patterns. Judgment and wisdom matter a great deal. And both require experience and, really, failure. Unfortunately, few of us learn much from our successes.

Even if you make wise decisions throughout your life, you'll inevitably make mistakes. In part, this is because life is not like a math problem with one perfect solution. A lot of decisions are inherently probabilistic and the best you can do much of the time is make a decision that's likely to turn out in your favor. In fact, the harder and more innovative things you try to accomplish, the more likely you are to fail. That's just the reality.

So when decisions, ideas or new projects don't work out, try to learn, and be open-minded. Also, see whether you can sort out whether the idea was flawed, or whether it was solid but the outcome suffered from bad luck.

It's tempting to ascribe things to poor luck that were the result of your dumb decisions. The opposite is also true: sometimes you can get wonderful outcomes from terrible decisions. Although it's incredibly hard to do, it's also useful to see if you can identify mistakes you've made even when things work out as well as, or better than, you expect.

To learn from your experience and the experience of others it's important to try to be dispassionate in looking at the world and analyzing it. You need to be willing to try things you think make sense, and then to admit your mistakes, to throw away your beloved theories, and to learn from other people. This process requires a degree of humility that's frequently lacking in the world, particularly among people who have been successful.

As the 19th century humorist Josh Billings noted: *It ain't what we don't know that gives us trouble, it's what we know that just ain't so.*



Lake Washington, looking back toward Seattle.

## **have dreams and work towards them**

*I'm a great believer in luck, and I find the harder I work, the more I have of it.*

- Thomas Jefferson

Success in my experience requires the following elements:

A clear, stretch goal. If the goal is too easy, it won't feel like an achievement; if it's unrealistic, you'll never do the work.

Love for what you're doing.

Very hard work, often over a long period of time.

A sense of realism about the world, and your own limitations. As we used to say at Microsoft: you can't boil the ocean. Nor can you make people come back from the dead.

Flexibility and perseverance -- you'll need to adapt to the curve balls life will throw at you.

...And, often, a bit of luck.

People don't tend to achieve things in great leaps forward. Rather, we progress one step at a time, usually with small insights here or there. Whether you're a scientist who builds on the great work of others, or a writer whose work springs from the wisdom of writers before you, or an Internet entrepreneur whose innovations succeed only because of a certain infrastructure... all of this is possible only because of small progressions from a massive foundation of wisdom

and experience stretching into the distant past. We're all standing, as Isaac Newton noted, on the shoulders of giants.

Similarly, to make changes in your life, focus on taking small steps in the right direction. Whether you want to change your health, your job, or your relationship, you can't do it overnight. And you can't become *great* at anything without a lot of repeated practice.

Be sure you're comfortable with taking small steps, then build on them. The initial change will be small, and in the near term the difference may be imperceptible, but as time goes on you'll end up in a totally different place than where you started.

Having run a marathon many years ago (slowly!), I think long distance running is an excellent way to think about big, challenging goals. If you're out of shape and try to run a marathon immediately, you'll not only fail, but you'll probably seriously injure yourself. If, however, you take small steps, if you slowly start walking, then running short distances, then building to greater distances... over time, it's likely you'll find you can run a marathon.

The same method works for just about anything in life. Faced with a big challenge, you might get overwhelmed, or panic. You might even be afraid of succeeding. As a result, you might not even try. But you can overcome these mental traps by taking small-steps and practicing regularly.

It also helps to *imagine* your success. The mind is an amazing thing. If you focus your brain on success and you practice seriously, you'll slowly build the deep confidence you need to persevere in life. You'll be ready for the obstacles the world throws at you -- or at least you'll expect to encounter them. And, rather than panicking or freezing

next time you face a challenge, you'll continue to work toward your goals. Over many years, this type of approach tends to build lasting progress and, ultimately, success.

You need to set the bar high enough that achieving your goals will mean something to you in the long term. And you should ensure that your goals are at least broadly realistic. But you also should try to get on a train going in the right direction.

The Internet provides some great examples of the benefits of having the wind at your back:

If you want to be a journalist, you're likely to be far more successful over the next twenty years if you focus on new media versus trying to become a print specialist. You're also likely to do better designing graphics for the web than you would for magazines, and you're likely to be more successful selling ads for Internet properties and mobile applications than you would for newspapers and TV.

The skills and interests required to succeed in these endeavors are similar, but, if the field you enter is growing, your odds of success will be higher.

I know people who have chosen both paths. Even the most talented and hard-working folks I've observed are constrained by shrinking fields. So while you should pick something you love first, why not try to do that in an environment that will help you succeed?

Simple things can cause complicated outcomes, both good and bad. Persistent curiosity, combined with sustained focus on reasonable goals, will change your life over time. If you love what you do and work very hard, persevere, and take small steps, you likely will be in a dramatically different place ten years from now.

The same is true in your personal life. Picking the right partner - someone you respect, and with whom you can communicate, laugh and collaborate well - can make a huge difference in the quality of your life. However, like a career, long term relationship success requires perseverance and flexibility. People live happily ever after only in the movies.

No matter what your individual goals, hopes and dreams are, I hope you start immediately on your journey and keep going.

Life is short!

As Benjamin Franklin wrote: "*You may delay, but time will not*".



Whidbey Island, WA.

## **Epilogue: if this book were even shorter, here's what it might say**

*Everything should be made as simple as possible, but not simpler.*

*- Albert Einstein*

There are certain themes that run throughout the book. It may be useful for some readers to discuss them here.

*Know yourself.* To be happy, you need to pay attention to who you are, what you want, and how you feel, versus staying busy just doing 'stuff,' or doing what other people want or expect you to do. This requires both self awareness and introspection: if you pay attention to how you feel, what you like and what you want (as well as what makes you feel sad, angry, fearful and confused), the world is likely to look quite different. Many people are afraid of being introspective because they feel vulnerable. But without a willingness to open up, you won't understand yourself and you can't ultimately be truly happy.

*Act on that knowledge.* Simply understanding how you feel and what you want is vital, but insufficient. Progress depends on action. If your goal is to help other people, but you never do anything about it, you'll be unsatisfied. The same is true if you want to start a business, write a book, invent some new device, learn to play an instrument, get better at a sport, or be a good parent. Remember: take small steps. They work. Big steps often don't. Over time, small steps add up, and you end up in a different place.

*Observe.* It's incredibly hard to have a dispassionate view of the world, even if you try your hardest. Humans are emotional animals, and we all come at the world with our

own point of view based on our experience. It's impossible in many ways to get outside that frame of reference, although with diverse experience, a lot of reading, honest self-reflection on your failures, and some thinking, it's possible to stretch our perspective. Data and patterns matter, and you should pay close attention to them. But they're not enough to deeply understand the world, since history doesn't repeat itself exactly. Judgment and wisdom matter a great deal. To acquire them, and to be creative, it's important to slow down enough at times to notice what is going on around you.

*Focus.* Focus is important because time is limited and you can't do everything, let alone do everything well.

*Persevere.* Life doesn't come easily most of the time to most of us. Even if you have no major issues in your life, eventually you will. The way to succeed amidst obstacles is to not give up. Perseverance matters. I don't know anyone who has succeeded over time in any field or significant endeavor without it.

*Manage change.* Change happens whether you like it or not, both in our personal lives and in our world more broadly. With technology and globalization, the rate of change in society is accelerating. Being able to accept and manage change is an essential skill.

*Make friends.* Without true friends, most of us wouldn't enjoy our lives. To be happy, it's vitally important to be connected to other human beings whom you care about and who, in turn, care about you.

*Care.* If you don't take good care of yourself physically and psychologically, you won't be able to enjoy your life. And if

you don't care about others, you at least will be missing one of the great joys of being alive.

*Judgment matters.* This is not a recipe book. Many of these ideas conflict with others. For example, you can't both create space to let your mind wander and intensely focus at the same time. You need to use your judgment to figure out what's right for you at a given time in your life.

*Laugh.* We're all going to be dead anyway some day. So while you should try your hardest to make the most of your life, when something funny happens, when you make a mistake, or even (and perhaps especially) when bad things happen, it's easier if you can laugh about yourself and the world.



Hiking near Geneva, Switzerland.

## **afterword - the world beyond us**

*Money is better than poverty, if only for financial reasons.*  
- Woody Allen

This is a book about how to get the most out of life. But I don't want you to think I'm some sort of wild eyed optimist who only sees the positive in the world.

We all have problems. People get sick. We die. We get rejected from schools and we lose jobs. We fail at things we try to do. People disappoint us. Relationships and marriages fall apart. Some of us have financial troubles which can spread into other areas of our lives. And, on extremely rare occasions (which are far less likely to happen to you than you'd think reading the news), we're impacted by random acts of violence and terrorism. None of these things are fun; many are painful; and some can be debilitating.

Still, if you're reading this, it's likely you are lucky.

There aren't many statistics in this book, but it might be useful to put the world into a bit of context.

At least 80 percent of the world's population lives on less than \$10 per day (or less than \$3,650 per year). I don't know about you, but I could not imagine doing that.

About one in four people in the world lack electricity; and one in six people in the world don't have access to clean drinking water, nor can they read, or write, or sign their names. By way of contrast, I don't even think about getting water out of the tap or taking a shower.

Most of the world is not focused on a second car, or what certain Hollywood actors did in their personal lives. They would be grateful for a good meal.

Life is imperfect everywhere. There are real problems in the developed world, many of which you can read about regularly in the press.

The combination of record high levels of unemployment and government debt is a massive problem for citizens and governments from the U.S., to the E.U. to Japan. If you don't have a job, and you both want and are able to work, life is hard.

Environmental challenges are also growing as more of the world becomes industrialized. The U.S. is not leading in addressing this challenge today, but what happens in places like China and India -- with their nearly 2.5 billion people between them -- may matter a lot more.

Weapons of mass destruction could, in the hands of fanatics, severely impair civilized life on earth. The odds of an event happening are quite low, but the consequences of such an event could be catastrophic.

Education is another field that requires focus, as many people in our societies aren't getting access to the sort of educational opportunities that will allow them to compete in the world today, let alone the world in which our children will live in twenty years.

The income gap between the stars of the global, technology driven economy and average workers is growing in a way which could lead to societal instability over time.

Solving or even adequately addressing these issues is not easy. Solutions in a few areas may be unclear, and in other areas the solutions are apparent but they require pragmatic actions that will cause short term sacrifice.

Moreover, most families have two parents working outside the home in increasingly challenging jobs, with the result that many people have more demands on their time than ever before. And of course many households have single parent families and they, too, have increased pressures.

That being said, we in the developed world live dramatically better than even kings did hundreds of years ago. Technology and innovation are rapidly reshaping life in many ways. Both forces have made the world a more competitive place; in many fields today, the competition for your job is not simply coming from down the block or across the country, but from around the world or from automation. Few areas of the global economy will be sheltered from these forces, and in fact it's likely that the pace of change will only accelerate in our lifetimes.

There are risks to new technologies, including a potential loss of privacy and various forms of abuse and fraud. However, the same forces are also making our lives more efficient, more personal and, frequently, easier in many ways than they were even twenty years ago.

Job opportunities now exist in the U.S., in Europe and in places like Asia for people who have never had them; the rate of innovation is rising everywhere, and inventions

developed in other places will help us all live better too. In addition, global markets are now larger for both individuals with world class talent and U.S. and Western based corporations.

On a more personal level, it's much easier to buy things efficiently, to learn, to rapidly find answers to questions you may have, to stay informed, entertained, and stay in touch with your friends, no matter where they may live.

There's promise on the horizon of major advances in understanding the human brain and genetics which would significantly improve the quality of life for people everywhere. And it seems likely in our lifetimes that we will develop more efficient, greener energy sources which will help power our civilization for many years.

Importantly, we're free in much of the developed world -- something which has not been true for most of recorded history for most people.

While our lives are challenging and our world has many issues, some of which are quite serious, problems aren't new to our times, and there are also many great opportunities. Absent humans blowing each other up or some sort of biological catastrophe, life is likely to be much better for our children than it was for us.

# **acknowledgements**

Many of my teachers, bosses, colleagues and friends have taught me so much and encouraged me along the way. I deeply appreciate it.

I'm lucky. I was born in the U.S. to a family that valued education and I was equipped with the genetic material to do well in an information intensive world. I came of age in the time of the Internet. I've been surrounded throughout my life by smart and wise people who frequently have given me meaningful amounts of their time, and from whom I've learned a great deal. I've had multiple second chances, something possible in the U.S., but less so in other parts of the world. Had any of those things not been true, I wouldn't be in a position to have the time to learn, to think and to write.

I've had some great mentors. In particular I would like to thank my friend, Bob Goldfarb, for encouraging me to become a full time investor amidst the Internet bust and for his tremendous help and support since then. I would also like to thank my friend, Greg Alexander, from whom I've learned a great deal, and who has served as an informal partner for vigorous discussion and debate on a wide variety of topics. James Pan helped me understand the joys of running a small investing partnership and has been a source of inspiration and wisdom as well.

I'm grateful to various friends and colleagues, including April Roseman, Rebecca Rubin, Catherine Roche and Steve

Moore, for encouraging me to write a book. It wasn't easy, but it was fun.

My friends Lillie Stewart and Jamie Monberg both had unusually good insights and helpful suggestions. They're smart people, who work unbelievably hard and accomplish amazing things, and still take the time to care about their friends. I appreciate it.

Eric Perret, who is a first rate writer, did a masterful job in helping me edit the book. I'm sure the book is not up to Eric's standards, but that's my fault, not his.

Juli Douglas, who is talented in ways I will never be, did the beautiful cover art. Juli always does unbelievable work.

Paige Prill, who has a great book in her some day, was instrumental in helping me think about marketing possibilities and in giving me good editorial feedback on the book itself.

Dean King, an accomplished professional writer, whose books I've greatly enjoyed over the years, provided an interesting perspective on both writing and publishing.

My brother, John Atkins, who is a wonderful writer, a former editor and an experienced and talented business person offered cogent and direct advice, as he always does.

My former boss and friend, Matt Kursh, applied his incredible energy, creativity and great sense of humor to all of his suggestions.

And I'm indebted to the many friends, colleagues and family who took the time to read drafts, and/or encouraged me, and, in many cases, asked good questions and offered

comprehensive, insightful feedback and interesting ideas: Gabi, Steve A., Sandy A., Heidi, Lillie A., Sam A., April, David, Jamie, Mike, Pia, Sean, Tom, Nina, Brent, Alex, Jane, Evan, Harrison, Marilyn, Flo and Jo Ann.

If I've forgotten anyone - and I may have - I want to thank you as well. Any errors that you find are mine.

I also want to make one broader acknowledgement: sadly, many people in the world aren't in the position to be able to act on the advice in this book. You need to have water, food, shelter, and safety before anything I say here matters. I'm sensitive to these issues and I know I'm lucky not to be impacted by them.



## **about the author**



Peter Atkins is the managing director of Permian Partners, an investment fund he founded in 2001 amidst the Internet bust. Permian approaches buying stock the same way it would evaluate the purchase of an entire business.

Prior to Permian, Peter was a General Manager at Microsoft, where over the course of six years he helped to start, manage and, later, invest in various early consumer Internet businesses, including Sidewalk.com. Earlier in his career, Peter worked at Time Inc. in New York City.

Peter has a BA degree from Skidmore College, an MBA degree from Cornell University and did graduate work at Harvard University.

---

# **REWORK**

## **JASON FRIED**

### **INTRODUCTION**

FIRST The new reality

TAKEDOWNS Ignore the real world Learning from mistakes is overrated Planning is guessing Why grow? Workaholism Enough with "entrepreneurs"

GOMake a dent in the universe Scratch your own itch Start making something No time is no excuse Draw a line in the sand Mission statement impossible Outside money is Plan Z You need less than you think Start a business, not a startup Building to flip is building to flop Less mass

PROGRESS Embrace constraints Build half a product, not a half-assed product Start at the epicenter Ignore the details early on Making the call is making progress Be a curator Throw less at the problem Focus on what won't change Tone is in your fingers Sell your by-products Launch now

PRODUCTIVITY Illusions of agreement Reasons to quit Interruption is the enemy of productivity Meetings are toxic Good enough is fine Quick wins Don't be a hero Go to sleep Your estimates suck Long lists don't get done Make tiny decisions

COMPETITORS Don't copy De commoditize your product Pick a fight Underdo your competition Who cares what they're doing?

EVOLUTION Say no by default Let your customers outgrow you Don't confuse enthusiasm with priority Be at-home good Don't write it down

PROMOTION Welcome obscurity Build an audience Out-teach your competition Emulate chefs Go behind the scenes Nobody likes plastic flowers Press releases are spam Forget about the *Wall Street Journal* Drug dealers get it right Marketing is not a department The myth of the overnight sensation

HIRING Do it yourself first Hire when it hurts Pass on great people Strangers at a cocktail party Resumes are ridiculous Years of irrelevance Forget about formal education Everybody works Hire managers of one Hire great writers The best are everywhere Test-drive employees

DAMAGE CONTROL Own your bad news Speed changes everything How to say you're sorry Put everyone on the front lines Take a deep breath

CULTURE You don't create a culture Decisions are temporary Skip the rock stars They're not thirteen Send people home at 5 Don't scar on the first cut Sound like you Four-letter words ASAP is poison

### **CONCLUSION**

Inspiration is perishable

## CHAPTER INTRODUCTION

We have something new to say about building, running, and growing (or not growing) a business.

This book isn't based on academic theories. It's based on our experience. We've been in business for more than ten years. Along the way, we've seen two recessions, one burst bubble, business-model shifts, and doom-and-gloom predictions come and go--and we've remained profitable through it all.

We're an intentionally small company that makes software to help small companies and groups get things done the easy way. More than 3 million people around the world use our products.

We started out in 1999 as a three-person Web-design consulting firm. In 2004, we weren't happy with the project-management software used by the rest of the industry, so we created our own: Basecamp. When we showed the online tool to clients and colleagues, they all said the same thing: "We need this for our business too." Five years later, Basecamp generates millions of dollars a year in profits.

We now sell other online tools too. Highrise, our contact manager and simple CRM (customer relationship management) tool, is used by tens of thousands of small businesses to keep track of leads, deals, and more than 10 million contacts. More than 500,000 people have signed up for Backpack, our intranet and knowledge-sharing tool. And people have sent more than 100 million messages using Campfire, our real-time business chat tool. We also invented and open-sourced a computer-programming framework called Ruby on Rails that powers much of the Web 2.0 world.

Some people consider us an Internet company, but that makes us cringe. Internet companies are known for hiring compulsively, spending wildly, and failing spectacularly. That's not us. We're small (sixteen people as this book goes to press), frugal, and profitable.

A lot of people say we can't do what we do. They call us a fluke. They advise others to ignore our advice. Some have even called us irresponsible, reckless, and--gasp!--unprofessional.

These critics don't understand how a company can reject growth, meetings, budgets, boards of directors, advertising, salespeople, and "the real world," yet thrive. That's their problem, not ours. They say you need to sell to the Fortune 500. Screw that. We sell to the Fortune 5,000,000.

They don't think you can have employees who almost never see each other spread out across eight cities on two continents. They say you can't succeed without making financial projections and five-year plans. They're wrong.

They say you need a PR firm to make it into the pages of *Time*, *Business Week*, *Inc.*, *Fast Company*, the *New York Times*, the *Financial Times*, the *Chicago Tribune*, the

*Atlantic*, *Entrepreneur*, and *Wired*. They're wrong. They say you can't share your recipes and bare your secrets and still withstand the competition. Wrong again.

They say you can't possibly compete with the big boys without a hefty marketing and advertising budget. They say you can't succeed by building products that do less than your competition's. They say you can't make it all up as you go. But that's exactly what we've done.

They say a lot of things. We say they're wrong. We've *proved* it. And we wrote this book to show you how to prove them wrong too.

First, we'll start out by gutting business. We'll take it down to the studs and explain why it's time to throw out the traditional notions of what it takes to run a business. Then we'll rebuild it. You'll learn how to begin, why you need less than you think, when to launch, how to get the word out, whom (and when) to hire, and how to keep it all under control.

Now, let's get on with it.

## **CHAPTER FIRST**

# WORK WORK WORK **REWORK** WORK WORK WORK

## **The new reality**

This is a different kind of business book for different kinds of people--from those who have never dreamed of starting a business to those who already have a successful company up and running.

It's for hard-core entrepreneurs, the Type A go-getters of the business world. People who feel like they were born to start, lead, and conquer.

It's also for less intense small-business owners. People who may not be Type A but still have their business at the center of their lives. People who are looking for an edge that'll help them do more, work smarter, and kick ass.

It's even for people stuck in day jobs who have always dreamed about doing their own thing. Maybe they like what they do, but they don't like their boss. Or maybe they're just bored. They want to do something they love and get paid for it.

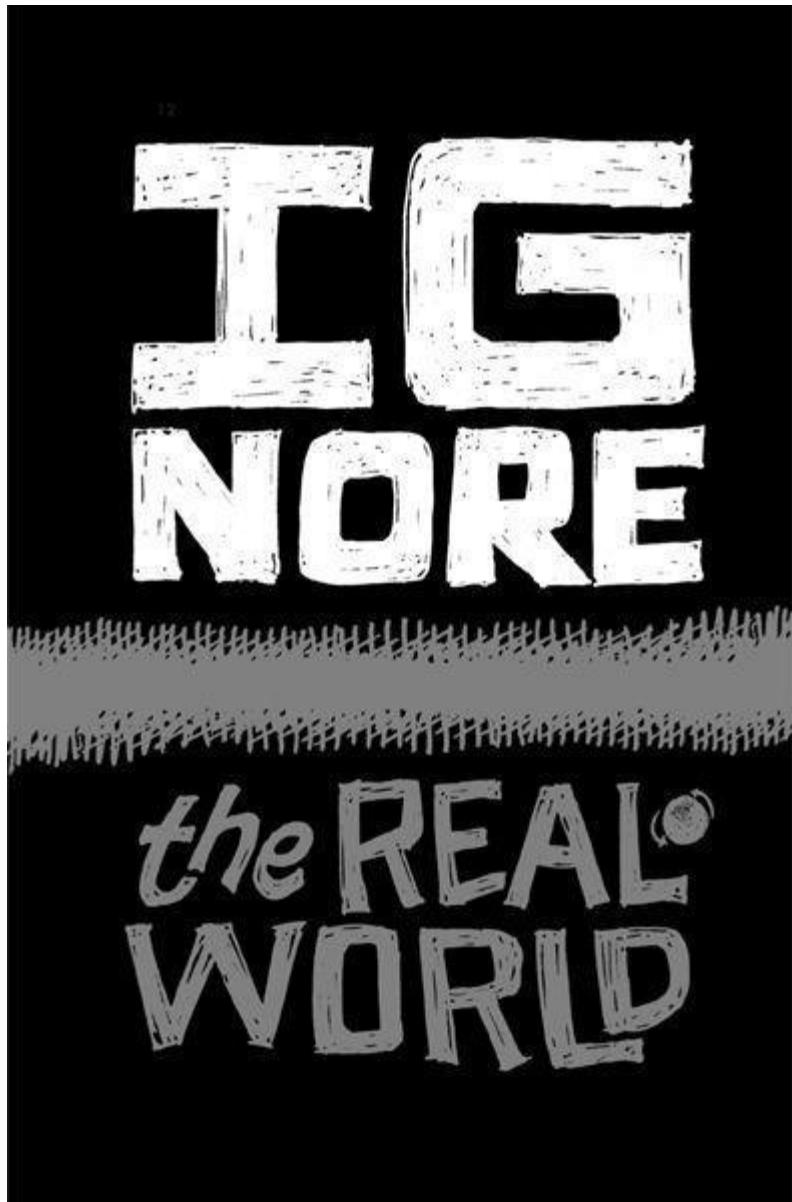
Finally, it's for all those people who've never considered going out on their own and starting a business. Maybe they don't think they're cut out for it. Maybe they don't think they have the time, money, or conviction to see it through. Maybe they're just afraid of putting themselves on the line. Or maybe they just think *business* is a dirty word. Whatever the reason, this book is for them, too.

There's a new reality. Today anyone can be in business. Tools that used to be out of reach are now easily accessible. Technology that cost thousands is now just a few bucks or even free. One person can do the job of two or three or, in some cases, an entire department. Stuff that was impossible just a few years ago is simple today.

You don't have to work miserable 60/80/100-hour weeks to make it work. 10-40 hours a week is plenty. You don't have to deplete your life savings or take on a boatload of risk. Starting a business on the side while keeping your day job can provide all the cash flow you need. You don't even need an office. Today you can work from home or collaborate with people you've never met who live thousands of miles away.

It's time to rework work. Let's get started.

## **CHAPTER TAKEDOWNS**



### **Ignore the real world**

"That would never work in the real world." You hear it all the time when you tell people about a fresh idea.

This real world sounds like an awfully depressing place to live. It's a place where new ideas, unfamiliar approaches, and foreign concepts *always* lose. The only things that win are what people already know and do, even if those things are flawed and inefficient.

Scratch the surface and you'll find these "real world" inhabitants are filled with pessimism and despair. They expect fresh concepts to fail. They assume society isn't ready for or capable of change.

Even worse, they want to drag others down into their tomb. If you're hopeful and ambitious, they'll try to convince you your ideas are impossible. They'll say you're wasting your time.

Don't believe them. That world may be real for them, but it doesn't mean you have to live in it.

We know because our company fails the real-world test in all kinds of ways. In the real world, you can't have more than a dozen employees spread out in eight different cities on two continents. In the real world, you can't attract millions of customers without any salespeople or advertising. In the real world, you can't reveal your formula for success to the rest of the world. But we've done all those things and prospered.

The real world isn't a place, it's an excuse. It's a justification for not trying. It has nothing to do with you.



**FAILURE  
IS NOT  
A RITE of PASSAGE**

#### **Learning from mistakes is overrated**

In the business world, failure has become an expected rite of passage. You hear all the time how nine out of ten new businesses fail. You hear that your business's

chances are slim to none. You hear that failure builds character. People advise, "Fail early and fail often."

With so much failure in the air, you can't help but breathe it in. Don't inhale. Don't get fooled by the stats. Other people's failures are just that: *other* people's failures.

If other people can't market their product, it has nothing to do with you. If other people can't build a team, it has nothing to do with you. If other people can't price their services properly, it has nothing to do with you. If other people can't earn more than they spend ... well, you get it.

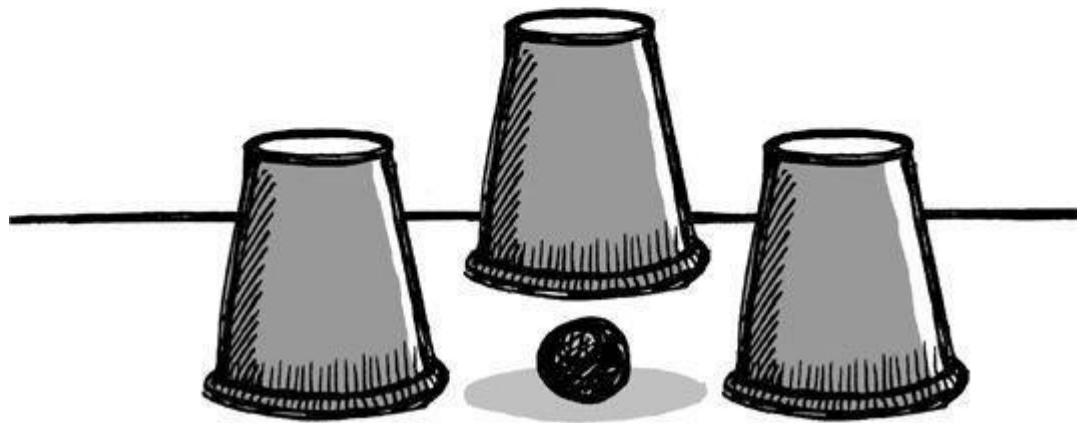
Another common misconception: You need to learn from your mistakes. What do you really learn from mistakes? You might learn what *not* to do again, but how valuable is that? You still don't know what you *should* do next.

Contrast that with learning from your successes. Success gives you real ammunition. When something succeeds, you know what worked--and you can do it again. And the next time, you'll probably do it even better.

Failure is not a prerequisite for success. A Harvard Business School study found already-successful entrepreneurs are far more likely to succeed again (the success rate for their future companies is 34 percent). But entrepreneurs whose companies failed the first time had almost the same follow-on success rate as people starting a company for the first time: just 23 percent. People who failed before have the same amount of success as people who have never tried at all.\* Success is the experience that actually counts.

That shouldn't be a surprise: It's exactly how nature works. Evolution doesn't linger on past failures, it's always building upon what worked. So should you.

# PLANNING IS GUESSING



**Planning is guessing**

Unless you're a fortune-teller, long-term business planning is a fantasy. There are just too many factors that are out of your hands: market conditions, competitors, customers, the economy, etc. Writing a plan makes you feel in control of things you can't actually control.

Why don't we just call plans what they really are: guesses. Start referring to your business plans as business guesses, your financial plans as financial guesses, and your strategic plans as strategic guesses. Now you can stop worrying about them as much. They just aren't worth the stress.

When you turn guesses into plans, you enter a danger zone. Plans let the past drive the future. They put blinders on you. "This is where we're going because, well, that's where we said we were going." And that's the problem: Plans are inconsistent with improvisation.

And you have to be able to improvise. You have to be able to pick up opportunities that come along. Sometimes you need to say, "We're going in a new direction because that's what makes sense *today*."

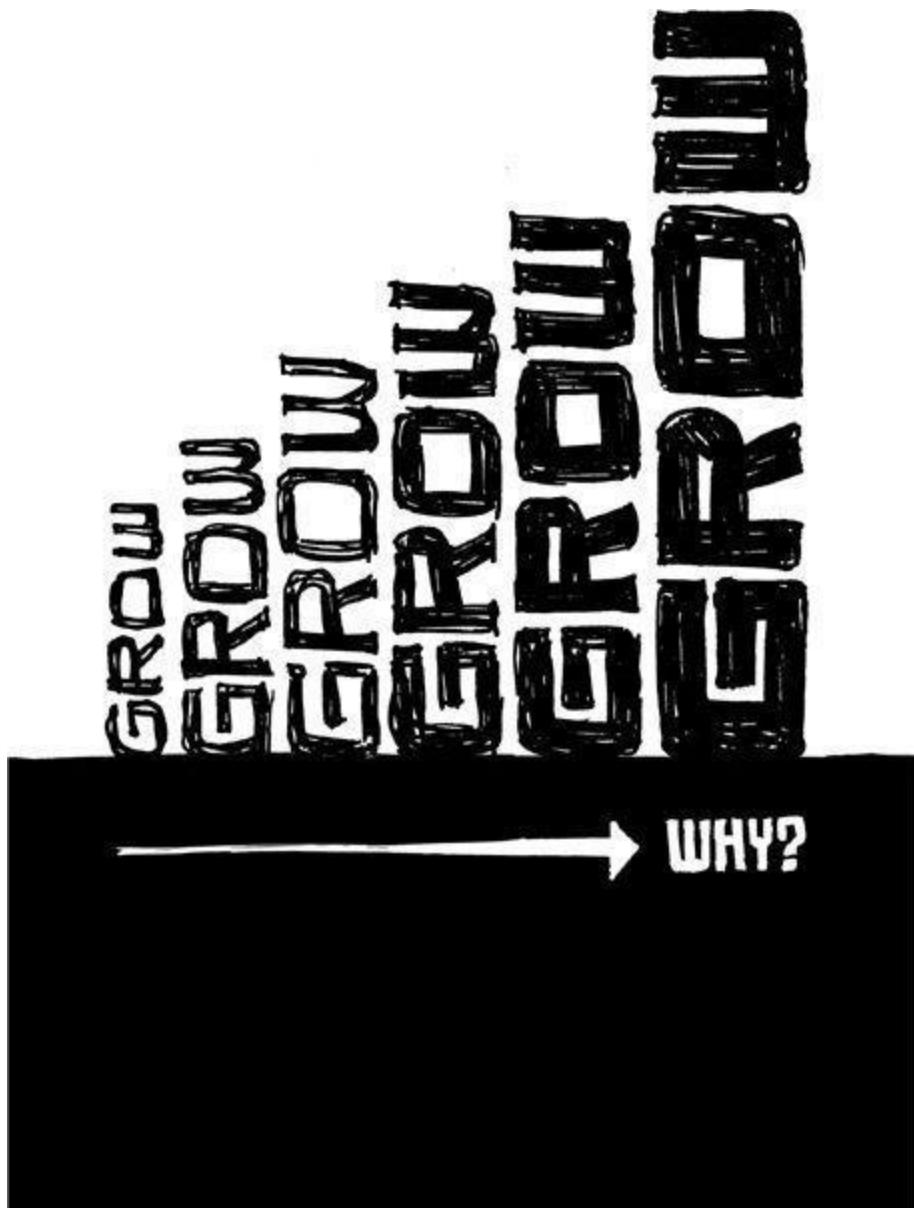
The timing of long-range plans is screwed up too. You have the most information when you're doing something, not *before* you've done it. Yet when do you write a plan? Usually it's before you've even begun. That's the worst time to make a big decision.

Now this isn't to say you shouldn't think about the future or contemplate how you might attack upcoming obstacles. That's a worthwhile exercise. Just don't feel you need to write it down or obsess about it. If you write a big plan, you'll most likely never look at it anyway. Plans more than a few pages long just wind up as fossils in your file cabinet.

Give up on the guesswork. Decide what you're going to do this week, not this year. Figure out the next most important thing and do that. Make decisions right before you do something, not far in advance.

It's OK to wing it. Just get on the plane and go. You can pick up a nicer shirt, shaving cream, and a toothbrush once you get there.

Working without a plan may seem scary. But blindly following a plan that has no relationship with reality is even scarier.



### Why grow?

People ask, "How big is your company?" It's small talk, but they're not looking for a small answer. The bigger the number, the more impressive, professional, and powerful you sound. "Wow, nice!" they'll say if you have a hundred-plus employees. If you're small, you'll get an "*Oh ...* that's nice." The former is meant as a compliment; the latter is said just to be polite.

Why is that? What is it about growth and business? Why is expansion always the goal? What's the attraction of big besides ego? (You'll need a better answer than "economies of scale.") What's wrong with finding the right size and staying there?

Do we look at Harvard or Oxford and say, "If they'd only expand and branch out and hire thousands more professors and go global and open other campuses all over the world ... *then* they'd be great schools." Of course not. That's not how we measure the

value of these institutions. So why is it the way we measure businesses?

Maybe the right size for your company is five people. Maybe it's forty. Maybe it's two hundred. Or maybe it's just you and a laptop. Don't make assumptions about how big you should be ahead of time. Grow slow and see what feels right--premature hiring is the death of many companies. And avoid huge growth spurts too--they can cause you to skip right over your appropriate size.

Small is not just a stepping-stone. Small is a great destination in itself.

Have you ever noticed that while small businesses wish they were bigger, big businesses dream about being more agile and flexible? And remember, once you get big, it's really hard to shrink without firing people, damaging morale, and changing the entire way you do business.

Ramping up doesn't have to be your goal. And we're not talking just about the number of employees you have either. It's also true for expenses, rent, IT infrastructure, furniture, etc. These things don't just happen to you. You decide whether or not to take them on. And if you do take them on, you'll be taking on new headaches, too. Lock in lots of expenses and you force yourself into building a complex business--one that's a lot more difficult and stressful to run.

Don't be insecure about aiming to be a small business. Anyone who runs a business that's sustainable and profitable, whether it's big or small, should be proud.



### **Workaholism**

Our culture celebrates the idea of the workaholic. We hear about people burning the midnight oil. They pull all-nighters and sleep at the office. It's considered a badge of honor to kill yourself over a project. No amount of work is too much work.

Not only is this workaholism unnecessary, it's stupid. Working more doesn't mean you care more or get more done. It just means you work more.

Workaholics wind up creating more problems than they solve. First off, working like that just isn't sustainable over time. When the burnout crash comes--and it will--it'll hit that much harder.

Workaholics miss the point, too. They try to fix problems by throwing sheer hours at them. They try to make up for intellectual laziness with brute force. This results in inelegant solutions.

They even create crises. They don't look for ways to be more efficient because they actually *like* working overtime. They enjoy feeling like heroes. They create problems (often unwittingly) just so they can get off on working more.

Workaholics make the people who don't stay late feel inadequate for "merely" working reasonable hours. That leads to guilt and poor morale all around. Plus, it leads to an ass-in-seat mentality--people stay late out of obligation, even if they aren't really being productive.

If all you do is work, you're unlikely to have sound judgments. Your values and decision making wind up skewed. You stop being able to decide what's worth extra effort and what's not. And you wind up just plain tired. No one makes sharp decisions when tired.

In the end, workaholics don't actually accomplish more than nonworkaholics. They may claim to be perfectionists, but that just means they're wasting time fixating on inconsequential details instead of moving on to the next task.

Workaholics aren't heroes. They don't save the day, they just use it up. The real hero is already home because she figured out a faster way to get things done.

BE  
a



## STARTER!

### Enough with "entrepreneurs"

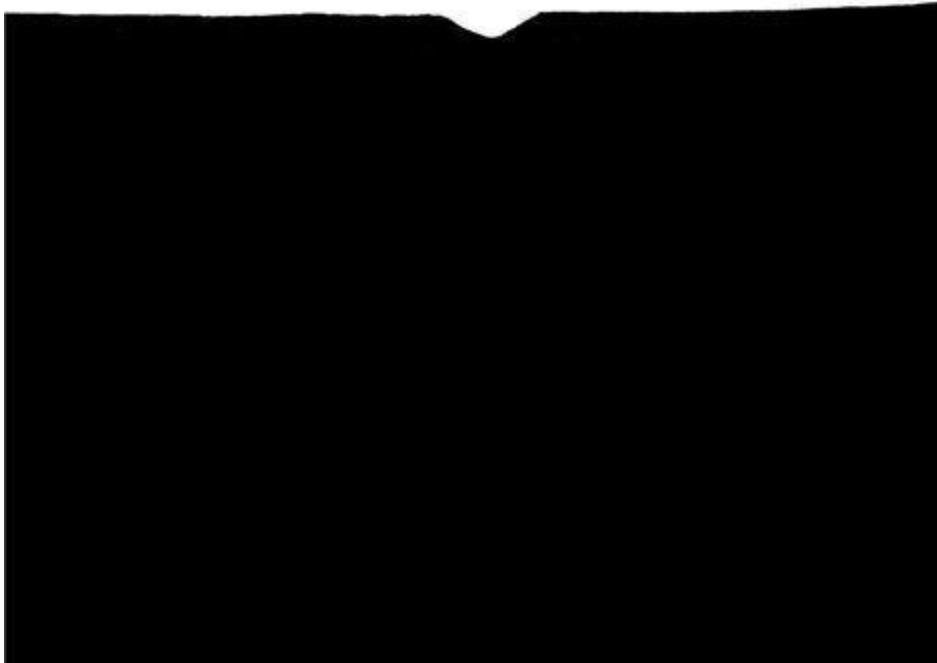
Let's retire the term *entrepreneur*. It's outdated and loaded with baggage. It smells like a members-only club. Everyone should be encouraged to start his own business, not just some rare breed that self-identifies as entrepreneurs.

There's a new group of people out there starting businesses. They're turning profits yet never think of themselves as entrepreneurs. A lot of them don't even think of themselves as business owners. They are just doing what they love on their own terms and getting paid for it.

So let's replace the fancy-sounding word with something a bit more down-to-earth. Instead of entrepreneurs, let's just call them starters. Anyone who creates a new business is a starter. You don't need an MBA, a certificate, a fancy suit, a briefcase, or an above-average tolerance for risk. You just need an idea, a touch of confidence, and a push to get started.\*Leslie Berlin, "Try, Try Again, or Maybe Not," *New York Times*, Mar. 21,

2009.

CHAPTER  
GO



**Make a dent in the universe**

To do great work, you need to feel that you're making a difference. That you're putting a meaningful dent in the universe. That you're part of something important.

This doesn't mean you need to find the cure for cancer. It's just that your efforts need to feel valuable. You want your customers to say, "This makes my life better." You want to feel that if you stopped doing what you do, people would notice.

You should feel an urgency about this too. You don't have forever. This is your

life's work. Do you want to build just another me-too product or do you want to shake things up? What you do is your legacy. Don't sit around and wait for someone else to make the change you want to see. And don't think it takes a huge team to make that difference either.

Look at Craigslist, which demolished the traditional classified-ad business. With just a few dozen employees, the company generates tens of millions in revenue, has one of the most popular sites on the Internet, and disrupted the entire newspaper business.

The Drudge Report, run by Matt Drudge, is just one simple page on the Web run by one guy. Yet it's had a huge impact on the news industry--television producers, radio talk show hosts and newspaper reporters routinely view it as the go-to place for new stories.\*

If you're going to do something, do something that matters. These little guys came out of nowhere and destroyed old models that had been around for decades. You can do the same in your industry.



SCRATCH  
YOUR OWN  
ITCH

## **Scratch your own itch**

The easiest, most straightforward way to create a great product or service is to make something *you* want to use. That lets you design what you know--and you'll figure out immediately whether or not what you're making is any good.

At 37signals, we build products we need to run our own business. For example, we wanted a way to keep track of whom we talked to, what we said, and when we need to follow up next. So we created Highrise, our contact-management software. There was no need for focus groups, market studies, or middlemen. We had the itch, so we scratched it.

When you build a product or service, you make the call on hundreds of tiny decisions each day. If you're solving someone else's problem, you're constantly stabbing in the dark. When you solve your own problem, the light comes on. You know exactly what the right answer is.

Inventor James Dyson scratched his own itch. While vacuuming his home, he realized his bag vacuum cleaner was constantly losing suction power--dust kept clogging the pores in the bag and blocking the airflow. It wasn't someone else's *imaginary* problem; it was a real one that he experienced firsthand. So he decided to solve the problem and came up with the world's first cyclonic, bagless vacuum cleaner.\*

Vic Firth came up with the idea of making a better drumstick while playing timpani for the Boston Symphony Orchestra. The sticks he could buy commercially didn't measure up to the job, so he began making and selling drumsticks from his basement at home. Then one day he dropped a bunch of sticks on the floor and heard all the different pitches. That's when he began to match up sticks by moisture content, weight, density, and pitch so they were identical pairs. The result became his product's tag line: "the perfect pair." Today, Vic Firth's factory turns out more than 85,000 drumsticks a day and has a 62 percent share in the drumstick market.+

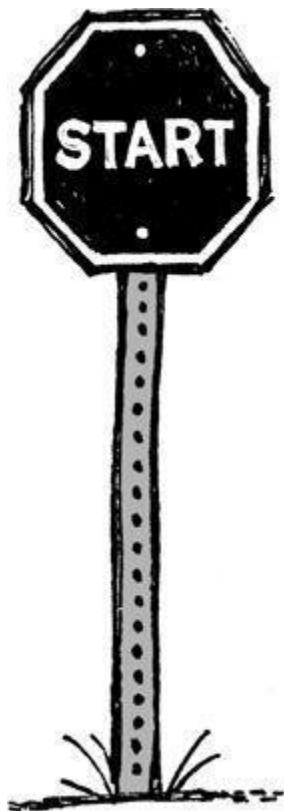
Track coach Bill Bowerman decided that his team needed better, lighter running shoes. So he went out to his workshop and poured rubber into the family waffle iron. That's how Nike's famous waffle sole was born.++

These people scratched their own itch and exposed a huge market of people who needed exactly what they needed. That's how you should do it too.

When you build what *you* need, you can also assess the quality of what you make quickly and directly, instead of by proxy.

Mary Kay Wagner, founder of Mary Kay Cosmetics, knew her skin-care products were great because she used them herself. She got them from a local cosmetologist who sold homemade formulas to patients, relatives, and friends. When the cosmetologist passed away, Wagner bought the formulas from the family. She didn't need focus groups or studies to know the products were good. She just had to look at her own skin.\*

Best of all, this "solve your own problem" approach lets you fall in love with what you're making. You know the problem and the value of its solution intimately. There's no substitute for that. After all, you'll (hopefully) be working on this for years to come. Maybe even the rest of your life. It better be something you really care about.



### **Start making something**

We all have that one friend who says, "I had the idea for eBay. If only I had acted on it, I'd be a billionaire!" That logic is pathetic and delusional. Having the idea for eBay has nothing to do with actually creating eBay. What you *do* is what matters, not what you think or say or plan.

Think your idea's that valuable? Then go try to sell it and see what you get for it. *Not much* is probably the answer. Until you actually start making something, your brilliant idea is just that, an idea. And everyone's got one of those.

Stanley Kubrick gave this advice to aspiring filmmakers: "Get hold of a camera and some film and make a movie of any kind at all."\* Kubrick knew that when you're new at something, you need to start creating. The most important thing is to begin. So get a camera, hit Record, and start shooting.

Ideas are cheap and plentiful. The original pitch idea is such a small part of a business that it's almost negligible. The real question is how well you execute.



### No time is no excuse

The most common excuse people give: "There's not enough time." They claim they'd love to start a company, learn an instrument, market an invention, write a book, or whatever, but there just aren't enough hours in the day.

Come on. There's always enough time if you spend it right. And don't think you have to quit your day job, either. Hang onto it and start work on your project at night.

Instead of watching TV or playing World of Warcraft, work on your idea. Instead of going to bed at ten, go to bed at eleven. We're not talking about all-nighters or sixteen-hour days--we're talking about squeezing out a few extra hours a week. That's enough time to get something going.

Once you do that, you'll learn whether your excitement and interest is real or just a passing phase. If it doesn't pan out, you just keep going to work every day like you've been doing all along. You didn't risk or lose anything, other than a bit of time, so it's no big deal.

When you want something bad enough, you make the time--regardless of your other obligations. The truth is most people just don't want it bad enough. Then they protect their ego with the excuse of time. Don't let yourself off the hook with excuses. It's entirely your responsibility to make your dreams come true.

Besides, the *perfect* time never arrives. You're always too young or old or busy or broke or something else. If you constantly fret about timing things perfectly, they'll never happen.



### **Draw a line in the sand**

As you get going, keep in mind *why* you're doing what you're doing. Great businesses have a point of view, not just a product or service. You have to believe in something. You need to have a backbone. You need to know what you're willing to fight for. And then you need to show the world.

A strong stand is how you attract superfans. They point to you and defend you. And they spread the word further, wider, and more passionately than any advertising could.

Strong opinions aren't free. You'll turn some people off. They'll accuse you of being arrogant and aloof. That's life. For everyone who loves you, there will be others who hate you. If no one's upset by what you're saying, you're probably not pushing hard enough. (And you're probably boring, too.)

Lots of people hate us because our products do less than the competition's. They're insulted when we refuse to include their pet feature. But we're just as proud of what our products don't do as we are of what they do.

We design them to be simple because we believe most software is too complex: too many features, too many buttons, too much confusion. So we build software that's the opposite of that. If what we make isn't right for everyone, that's OK. We're willing to lose some customers if it means that others love our products intensely. That's our line in the sand.

When you don't know what you believe, everything becomes an argument. Everything is debatable. But when you stand for something, decisions are obvious.

For example, Whole Foods stands for selling the highest quality natural and organic products available. They don't waste time deciding over and over again what's appropriate. No one asks, "Should we sell this product that has artificial flavors?" There's no debate. The answer is clear. That's why you can't buy a Coke or a Snickers there.

This belief means the food is more expensive at Whole Foods. Some haters even call it Whole Paycheck and make fun of those who shop there. But so what? Whole Foods is doing pretty damn well.

Another example is Vinnie's Sub Shop, just down the street from our office in Chicago. They put this homemade basil oil on subs that's just perfect. You better show up on time, though. Ask when they close and the woman behind the counter will respond, "We close when the bread runs out."

Really? "Yeah. We get our bread from the bakery down the street early in the morning, when it's the freshest. Once we run out (usually around two or three p.m.), we close up shop. We could get more bread later in the day, but it's not as good as the fresh-baked bread in the morning. There's no point in selling a few more sandwiches if the bread isn't good. A few bucks isn't going to make up for selling food we can't be proud of."

Wouldn't you rather eat at a place like that instead of some generic sandwich chain?



**LIVE IT  
OR LEAVE IT!**



### **Mission statement impossible**

There's a world of difference between truly standing for something and having a mission statement that *says* you stand for something. You know, those "providing the best service" signs that are created just to be posted on a wall. The ones that sound phony and disconnected from reality.

Imagine you're standing in a rental-car office. The room's cold. The carpet is dirty. There's no one at the counter. And then you see a tattered piece of paper with some clip art at the top of it pinned to a bulletin board. It's a mission statement: Our mission is to fulfill the automotive and commercial truck rental, leasing, car sales and related needs of our customers and, in doing so, exceed their expectations for service, quality and value. We will strive to earn our customers' long-term loyalty by working to deliver more than promised, being honest and fair and "going the extra mile" to provide exceptional

personalized service that creates a pleasing business experience. We must motivate our employees to provide exceptional service to our customers by supporting their development, providing opportunities for personal growth and fairly compensating them for their successes and achievements ... \*

And it drones on. And you're sitting there reading this crap and wondering, "What kind of idiot do they take me for?" The words on the paper are clearly disconnected from the reality of the experience.

It's like when you're on hold and a recorded voice comes on telling you how much the company values you as a customer. Really? Then maybe you should hire some more support people so I don't have to wait thirty minutes to get help.

Or just say nothing. But don't give me an automated voice that's telling me how much you care about me. It's a robot. I know the difference between genuine affection and a robot that's programmed to say nice things.

Standing for something isn't just about writing it down. It's about believing it and living it.



### Outside money is Plan Z

One of the first questions you'll probably ask: Where's the seed money going to come from? Far too often, people think the answer is to raise money from outsiders. If you're building something like a factory or restaurant, then you may indeed need that outside cash. But a lot of companies don't need expensive infrastructure--especially these days.

We're in a service economy now. Service businesses (e.g., consultants, software companies, wedding planners, graphic designers, and hundreds of others) don't require much to get going. If you're running a business like that, avoid outside funding.

In fact, no matter what kind of business you're starting, take on as little outside cash as you can. Spending other people's money may sound great, but there's a noose attached. Here's why: **You give up control.** When you turn to outsiders for funding, you

have to answer to them too. That's fine at first, when everyone agrees. But what happens down the road? Are you starting your own business to take orders from someone else? Raise money and that's what you'll wind up doing. **"Cashing out" begins to trump building a quality business.** Investors want their money back--and quickly (usually three to five years). Long-term sustainability goes out the window when those involved only want to cash out as soon as they can. **Spending other people's money is addictive.** There's nothing easier than spending other people's money. But then you run out and need to go back for more. And every time you go back, they take more of your company. **It's usually a bad deal.** When you're just beginning, you have no leverage. That's a terrible time to enter into any financial transaction. **Customers move down the totem pole.** You wind up building what *investors* want instead of what *customers* want. **Raising money is incredibly distracting.** Seeking funding is difficult and draining. It takes months of pitch meetings, legal maneuvering, contracts, etc. That's an enormous distraction when you should really be focused on building something great.

It's just not worth it. We hear over and over from business owners who have gone down this road and regret it. They usually give a variation on the investment-hangover story: First, you get that quick investment buzz. But then you start having meetings with your investors and/or board of directors, and you're like, "Oh man, what have I gotten myself into?" Now someone else is calling the shots.

Before you stick your head in that noose, look for another way.



**—DO YOU—  
REALLY  
NEED?**

**You need less than you think**

Do you really need ten people or will two or three do for now?

Do you really need \$500,000 or is \$50,000 (or \$5,000) enough for now?

Do you really need six months or can you make something in two?

Do you really need a big office or can you share office space (or work from home) for a while?

Do you really need a warehouse or can you rent a small storage space (or use your garage or basement) or outsource it completely?

Do you really need to buy advertising and hire a PR firm or are there other ways to get noticed?

Do you really need to build a factory or can you hire someone else to manufacture your products?

Do you really need an accountant or can you use Quicken and do it yourself?  
Do you really need an IT department or can you outsource it?  
Do you really need a full-time support person or can you handle inquiries on your own?

Do you really need to open a retail store or can you sell your product online?  
Do you really need fancy business cards, letterhead, and brochures or can you forego that stuff?

You get the point. Maybe eventually you'll need to go the bigger, more expensive route, but not right now.

There's nothing wrong with being frugal. When we launched our first product, we did it on the cheap. We didn't get our own office; we shared space with another company. We didn't get a bank of servers; we had only one. We didn't advertise; we promoted by sharing our experiences online. We didn't hire someone to answer customer e-mails; the company founder answered them himself. And everything worked out just fine.

Great companies start in garages all the time. Yours can too.



### **Start a business, not a startup**

Ah, the startup. It's a special breed of company that gets a lot of attention (especially in the tech world).

The start up is a magical place. It's a place where expenses are someone else's problem. It's a place where that pesky thing called revenue is never an issue. It's a place where you can spend other people's money until you figure out a way to make your own. It's a place where the laws of business physics don't apply.

The problem with this magical place is it's a fairy tale. The truth is every business, new or old, is governed by the same set of market forces and economic rules. Revenue in, expenses out. Turn a profit or wind up gone.

Startups try to ignore this reality. They are run by people trying to postpone the inevitable, i.e., that moment when their business has to grow up, turn a profit, and be a

real, sustainable business.

Anyone who takes a "we'll figure out how to profit in the future" attitude to business is being ridiculous. That's like building a rocket ship but starting off by saying, "Let's pretend gravity doesn't exist." *A business without a path to profit isn't a business, it's a hobby.*

So don't use the idea of a startup as a crutch. Instead, start an actual business. Actual businesses have to deal with actual things like bills and payroll. Actual businesses worry about profit from day one. Actual businesses don't mask deep problems by saying, "It's OK, we're a startup." Act like an actual business and you'll have a much better shot at succeeding.



### **Building to flip is building to flop**

Another thing you hear a lot: "What's your exit strategy?" You hear it even when you're just beginning. What is it with people who can't even start building something without knowing how they're going to leave it? What's the hurry? Your priorities are out of whack if you're thinking about getting out before you even dive in.

Would you go into a relationship planning the breakup? Would you write the prenup on a first date? Would you meet with a divorce lawyer the morning of your wedding? That would be ridiculous, right?

You need a commitment strategy, not an exit strategy. You should be thinking about how to make your project grow and succeed, not how you're going to jump ship. If your whole strategy is based on leaving, chances are you won't get far in the first place.

You see so many aspiring businesspeople pinning their hopes on selling out. But the odds of getting acquired are so tiny. There's only a slim chance that some big suitor will come along and make it all worthwhile. Maybe 1 in 1,000? Or 1 in 10,000?

Plus, when you build a company with the intention of being acquired, you emphasize the wrong things. Instead of focusing on getting customers to love you, you

worry about who's going to buy you. That's the wrong thing to obsess over.

And let's say you ignore this advice and do pull off a flip. You build your business, sell it, and get a nice payday. Then what? Move to an island and sip pina coladas all day? Will that really satisfy you? Will money alone truly make you happy? Are you sure you'll like that more than running a business you actually enjoy and believe in?

That's why you often hear about business owners who sell out, retire for six months, and then get back in the game. They miss the thing they gave away. And usually, they're back with a business that isn't nearly as good as their first.

Don't be that guy. If you do manage to get a good thing going, keep it going. Good things don't come around that often. Don't let your business be the one that got away.



### **Less mass**

Embrace the idea of having less mass. Right now, you're the smallest, the leanest, and the fastest you'll ever be. From here on out, you'll start accumulating mass. And the more massive an object, the more energy required to change its direction. It's as true in the business world as it is in the physical world. Mass is increased by ...

- Long-term contracts
- Excess staff
- Permanent decisions
- Meetings
- Thick process
- Inventory (physical or mental)
- Hardware, software, and technology lock-ins
- Long-term road maps
- Office politics

Avoid these things whenever you can. That way, you'll be able to change direction easily. The more expensive it is to make a change, the less likely you are to make it.

Huge organizations can take years to pivot. They talk instead of act. They meet instead of do. But if you keep your mass low, you can quickly change anything: your entire business model, product, feature set, and/or marketing message. You can make mistakes and fix them quickly. You can change your priorities, product mix, or focus. And most important, you can change your mind.\*Jim Rutenberg, "Clinton Finds Way to Play Along with Drudge," *New York Times*, Oct. 22, 2007. \*\*"Fascinating Facts About James Dyson, Inventor of the Dyson Vacuum Cleaner in 1978," [www.ideafinder.com/history/inventors/dyson.htm](http://www.ideafinder.com/history/inventors/dyson.htm)+Russ Mitchell, "The Beat Goes On," CBS News, *Sunday Morning*, Mar. 29, 2009, [www.tinyurl.com/cd8gjq++](http://www.tinyurl.com/cd8gjq++)Eric Ransdell, "The Nike Story? Just Tell It!" *Fast Company*, Dec. 19, 2007, [www.fastcompany.com/magazine/31/nike.html](http://www.fastcompany.com/magazine/31/nike.html)\*"Mary Kay Ash: Mary Kay Cosmetics," *Journal of Business Leadership* 1, no. 1 (Spring 1988); American National Business Hall of Fame, [www.anbhf.org/laureates/mkash.html](http://www.anbhf.org/laureates/mkash.html)\*"Stanley Kubrick--Biography," IMDB, [www.imdb.com/name/nm00004o/bio](http://www.imdb.com/name/nm00004o/bio)\*Mission, Enterprise Rent-a-Car, [http://aboutus.enterprise.com/who\\_we\\_are/mission.html](http://aboutus.enterprise.com/who_we_are/mission.html)

## **CHAPTER PROGRESS**



## **Embrace constraints**

"I don't have enough time/money/people/experience." Stop whining. Less is a good thing. Constraints are advantages in disguise. Limited resources force you to make do with what you've got. There's no room for waste. And that forces you to be creative.

Ever seen the weapons prisoners make out of soap or a spoon? They make do with what they've got. Now we're not saying you should go out and shank somebody--but get creative and you'll be amazed at what you can make with just a little.

Writers use constraints to force creativity all the time. Shakespeare reveled in the limitations of sonnets (fourteen-line lyric poems in iambic pentameter with a specific rhyme scheme). Haiku and limericks also have strict rules that lead to creative results. Writers like Ernest Hemingway and Raymond Carver found that forcing themselves to use simple, clear language helped them deliver maximum impact.

*The Price Is Right*, the longest-running game show in history, is also a great example of creativity born from embracing constraints. The show has more than a hundred games, and each one is based on the question "How much does this item cost?" That simple formula has attracted fans for more than thirty years.

Southwest--unlike most other airlines, which fly multiple aircraft models--flies only Boeing 737s. As a result, every Southwest pilot, flight attendant, and ground-crew member can work any flight. Plus, all of Southwest's parts fit all of its planes. All that means lower costs and a business that's easier to run. They made it easy on themselves.

When we were building Basecamp, we had plenty of limitations. We had a design firm to run with existing client work, a seven-hour time difference between principals (David was doing the programming in Denmark, the rest of us were in the States), a small team, and no outside funding. These constraints forced us to keep the product simple.

These days, we have more resources and people, but we still force constraints. We make sure to have only one or two people working on a product at a time. And we always keep features to a minimum. Boxing ourselves in this way prevents us from creating bloated products.

So before you sing the "not enough" blues, see how far you can get with what you have.

YOU'RE BETTER OFF  
— *with a* —  
**KICK-ASS  
HALF**

— *than a* —  
**HALF-ASSED  
WHOLE**

**Build half a product, not a half-assed product**

You can turn a bunch of great ideas into a crappy product real fast by trying to do them all at once. You just can't do *everything* you want to do and do it well. You have limited time, resources, ability, and focus. It's hard enough to do one thing right. Trying to do ten things well at the same time? Forget about it.

So sacrifice some of your darlings for the greater good. Cut your ambition in half. You're better off with a kick-ass half than a half-assed whole.

Most of your great ideas won't seem all that great once you get some perspective, anyway. And if they truly are that fantastic, you can always do them later.

Lots of things get better as they get shorter. Directors cut good scenes to make a great movie. Musicians drop good tracks to make a great album. Writers eliminate good pages to make a great book. We cut this book in half between the next-to-last and final

drafts. From 57,000 words to about 27,000 words. Trust us, it's better for it.

So start chopping. Getting to great starts by cutting out stuff that's merely good.



### Start at the epicenter

When you start anything new, there are forces pulling you in a variety of directions. There's the stuff you *could* do, the stuff you *want* to do, and the stuff you *have* to do. The stuff you *have* to do is where you should begin. Start at the epicenter.

For example, if you're opening a hot dog stand, you could worry about the condiments, the cart, the name, the decoration. But the first thing you should worry about is the hot dog. The hot dogs are the epicenter. Everything else is secondary.

The way to find the epicenter is to ask yourself this question: "If I took this away, would what I'm selling still exist?" A hot dog stand isn't a hot dog stand without the hot dogs. You can take away the onions, the relish, the mustard, etc. Some people may not

like your toppings-less dogs, but you'd still have a hot dog stand. But you simply cannot have a hot dog stand without any hot dogs.

So figure out your epicenter. Which part of your equation can't be removed? If you can continue to get by without this thing or that thing, then those things aren't the epicenter. When you find it, you'll know. Then focus all your energy on making it the best it can be. Everything else you do depends on that foundation.



### **Ignore the details early on**

Architects don't worry about which tiles go in the shower or which brand of dishwasher to install in the kitchen until *after* the floor plan is finalized. They know it's better to decide these details later.

You need to approach your idea the same way. Details make the difference. But getting infatuated with details too early leads to disagreement, meetings, and delays. You

get lost in things that don't really matter. You waste time on decisions that are going to change anyway. So ignore the details--for a while. Nail the basics first and worry about the specifics later.

When we start designing something, we sketch out ideas with a big, thick Sharpie marker, instead of a ballpoint pen. Why? Pen points are too fine. They're too high-resolution. They encourage you to worry about things that you shouldn't worry about yet, like perfecting the shading or whether to use a dotted or dashed line. You end up focusing on things that should still be out of focus.

A Sharpie makes it impossible to drill down that deep. You can only draw shapes, lines, and boxes. That's good. The big picture is all you should be worrying about in the beginning.

Walt Stanchfield, famed drawing instructor for Walt Disney Studios, used to encourage animators to "forget the detail" at first. The reason: Detail just doesn't buy you anything in the early stages.\*

Besides, you often can't recognize the details that matter most until *after* you start building. That's when you see what needs more attention. You feel what's missing. And that's when you need to pay attention, not sooner.

# DECISIONS



are



# PROGRESS

### **Making the call is making progress**

When you put off decisions, they pile up. And piles end up ignored, dealt with in haste, or thrown out. As a result, the individual problems in those piles stay unresolved.

Whenever you can, swap "Let's think about it" for "Let's decide on it." Commit to making decisions. Don't wait for the perfect solution. Decide and move forward.

You want to get into the rhythm of making choices. When you get in that flow of making decision after decision, you build momentum and boost morale. Decisions are progress. Each one you make is a brick in your foundation. You can't build on top of "We'll decide later," but you *can* build on top of "Done."

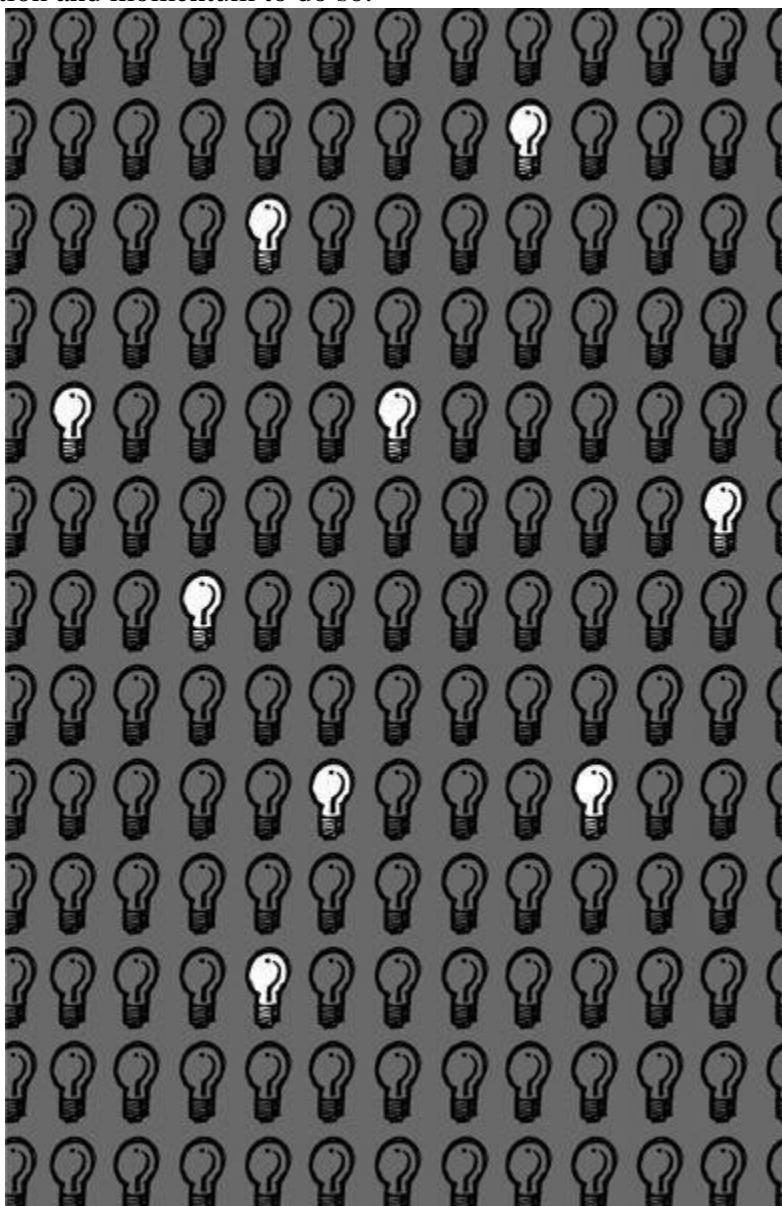
The problem comes when you postpone decisions in the hope that a perfect answer will come to you later. It won't. You're as likely to make a great call today as you are tomorrow.

An example from our world: For a long time, we avoided creating an affiliate program for our products because the "perfect" solution seemed way too complicated: We'd have to automate payments, mail out checks, figure out foreign tax laws for overseas affiliates, etc. The breakthrough came when we asked, "What can we easily do right now that's good enough?" The answer: Pay affiliates in credit instead of cash. So that's what we did.

We stuck with that approach for a while and then eventually implemented a system that pays cash. And that's a big part of this: You don't have to live with a decision forever. If you make a mistake, you can correct it later.

It doesn't matter how much you plan, you'll still get some stuff wrong anyway. Don't make things worse by overanalyzing and delaying before you even get going.

Long projects zap morale. The longer it takes to develop, the less likely it is to launch. Make the call, make progress, and get something out now--while you've got the motivation and momentum to do so.



### **Be a curator**

You don't make a great museum by putting all the art in the world into a single room. That's a warehouse. What makes a museum great is the stuff that's *not* on the walls. Someone says no. A curator is involved, making conscious decisions about what should stay and what should go. There's an editing process. There's a lot more stuff *off* the walls than *on* the walls. The best is a sub-sub-subset of all the possibilities.

It's the stuff you leave out that matters. So constantly look for things to remove, simplify, and streamline. Be a curator. Stick to what's truly essential. Pare things down until you're left with only the most important stuff. Then do it again. You can always add stuff back in later if you need to.

Zingerman's is one of America's best-known delis. And it got that way because its owners think of themselves as curators. They're not just filling their shelves. They're *curating* them.

There's a reason for every olive oil the team at Zingerman's sells: They believe each one is great. Usually, they've known the supplier for years. They've visited and picked olives with them. That's why they can vouch for each oil's authentic, full-bodied flavor.

For example, look how the owner of Zingerman's describes Pasolivo Olive Oil on the company Web site:I tasted this oil for the first time years ago, on a random recommendation and sample. There are plenty of oils that come in nice bottles with very endearing stories to tell--this was no exception--but most simply aren't that great. By contrast Pasolivo got my attention as soon as I tasted it. It's powerful, full and fruity. Everything I like in an oil, without any drawbacks. It still stands as one of America's best oils, on par with the great rustic oils of Tuscany. Strongly recommended.\*

The owner actually tried the oil and chooses to carry it based on its taste. It's not about packaging, marketing, or price. It's about quality. He tried it and knew his store had to carry it. That's the approach you should take too.



### Throw less at the problem

Watch chef Gordon Ramsay's *Kitchen Nightmares* and you'll see a pattern. The menus at failing restaurants offer too many dishes. The owners think making every dish under the sun will broaden the appeal of the restaurant. Instead it makes for crappy food (and creates inventory headaches).

That's why Ramsay's first step is nearly always to trim the menu, usually from thirty-plus dishes to around ten. Think about that. Improving the current menu doesn't come first. Trimming it down comes first. Then he polishes what's left.

When things aren't working, the natural inclination is to throw more at the problem. More people, time, and money. All that ends up doing is making the problem bigger. The right way to go is the opposite direction: Cut back.

So do less. Your project won't suffer nearly as much as you fear. In fact, there's a

good chance it'll end up even better. You'll be forced to make tough calls and sort out what truly matters.

If you start pushing back deadlines and increasing your budget, you'll never stop.



### **Focus on what won't change**

A lot of companies focus on the next big thing. They latch on to what's hot and new. They follow the latest trends and technology.

That's a fool's path. You start focusing on fashion instead of substance. You start paying attention to things that are constantly changing instead of things that last.

The core of your business should be built around things that won't change. Things that people are going to want today *and* ten years from now. Those are the things you should invest in.

Amazon.com focuses on fast (or free) shipping, great selection, friendly return

policies, and affordable prices. These things will always be in high demand.

Japanese automakers also focus on core principles that don't change: reliability, affordability, and practicality. People wanted those things thirty years ago, they want them today, and they'll want them thirty years from now.

For 37signals, things like speed, simplicity, ease of use, and clarity are our focus. Those are timeless desires. People aren't going to wake up in ten years and say, "Man, I wish software was harder to use." They won't say, "I wish this application was slower."

Remember, fashion fades away. When you focus on *permanent* features, you're in bed with things that never go out of style.



### Tone is in your fingers

Guitar gurus say, "Tone is in your fingers." You can buy the same guitar, effects pedals, and amplifier that Eddie Van Halen uses. But when you play that rig, it's still going to sound like you.

Likewise, Eddie could plug into a crappy Strat/Pignose setup at a pawn shop, and you'd still be able to recognize that it's Eddie Van Halen playing. Fancy gear can help, but the truth is your tone comes from you.

It's tempting for people to obsess over tools instead of what they're going to do with those tools. You know the type: Designers who use an avalanche of funky typefaces and fancy Photoshop filters but don't have anything to say. Amateur photographers who

want to debate film versus digital endlessly instead of focusing on what actually makes a photograph great.

Many amateur golfers think they need expensive clubs. But it's the swing that matters, not the club. Give Tiger Woods a set of cheap clubs and he'll still destroy you.

People use equipment as a crutch. They don't want to put in the hours on the driving range so they spend a ton in the pro shop. They're looking for a shortcut. But you just don't need the best gear in the world to be good. And you definitely don't need it to get started.

In business, too many people obsess over tools, software tricks, scaling issues, fancy office space, lavish furniture, and other frivolities instead of what really matters. And what really matters is how to actually get customers and make money.

You also see it in people who want to blog, podcast, or shoot videos for their business but get hung up on which tools to use. The content is what matters. You can spend tons on fancy equipment, but if you've got nothing to say ... well, you've got nothing to say.

Use whatever you've got already or can afford cheaply. Then go. It's not the gear that matters. It's playing what you've got as well as you can. Your tone is in your fingers.



### Sell your by-products

When you make something, you always make something else. You can't make just one thing. Everything has a by-product. Observant and creative business minds spot these by-products and see opportunities.

The lumber industry sells what used to be waste--sawdust, chips, and shredded wood--for a pretty profit. You'll find these by-products in synthetic fireplace logs, concrete, ice strengtheners, mulch, particleboard, fuel, and more.

But you're probably not manufacturing anything. That can make it tough to spot your by-products. People at a lumber company see their waste. They can't ignore sawdust. But you don't see yours. Maybe you don't even think you produce any by-products. But that's myopic.

Our last book, *Getting Real*, was a by-product. We wrote that book without even

knowing it. The experience that came from building a company and building software was the waste from actually doing the work. We swept up that knowledge first into blog posts, then into a workshop series, then into a .pdf, and then into a paperback. That by-product has made 37signals more than \$1 million directly and probably more than another \$1 million indirectly. The book you're reading right now is a by-product too.

The rock band Wilco found a valuable by-product in its recording process. The band filmed the creation of an album and released it as a documentary called *I Am Trying to Break Your Heart*. It offered an uncensored and fascinating look at the group's creative process and infighting. The band made money off the movie and also used it as a stepping-stone toward reaching a wider audience.

Henry Ford learned of a process for turning wood scraps from the production of Model T's into charcoal briquets. He built a charcoal plant and Ford Charcoal was created (later renamed Kingsford Charcoal). Today, Kingsford is still the leading manufacturer of charcoal in America.\*

Software companies don't usually think about writing books. Bands don't usually think about filming the recording process. Car manufacturers don't usually think about selling charcoal. There's probably something you haven't thought about that you could sell too.



# GET IT OUT THERE!



## Launch now

When is your product or service finished? When should you put it out on the market? When is it safe to let people have it? Probably a lot sooner than you're comfortable with. Once your product does what it needs to do, get it out there.

Just because you've still got a list of things to do doesn't mean it's not done. Don't hold everything else up because of a few leftovers. You can do them later. And doing them later may mean doing them better, too.

Think about it this way: If you had to launch your business in two weeks, what would you cut out? Funny how a question like that forces you to focus. You suddenly realize there's a lot of stuff you don't need. And what you *do* need seems obvious. When you impose a deadline, you gain clarity. It's the best way to get to that gut instinct that tells you, "We don't need this."

Put off anything you don't need for launch. Build the necessities now, worry about the luxuries later. If you really think about it, there's a whole lot you don't need on day one.

When we launched Basecamp, we didn't even have the ability to bill customers! Because the product billed in monthly cycles, we knew we had a thirty-day gap to figure it out. So we used the time before launch to solve more urgent problems that actually mattered on day one. Day 30 could wait.

Camper, a brand of shoes, opened a store in San Francisco before construction was even finished and called it a Walk in Progress. Customers could draw on the walls of the empty store. Camper displayed shoes on cheap plywood laid over dozens of shoe boxes. The most popular message written by customers on the walls: "Keep the store just the way it is."<sup>\*</sup>

Likewise, the founders of Crate and Barrel didn't wait to build fancy displays when they opened their first store. They turned over the crates and barrels that the merchandise came in and stacked products on top of them.<sup>+</sup>

Don't mistake this approach for skimping on quality, either. You still want to make something great. This approach just recognizes that the best way to get there is through iterations. Stop imagining what's going to work. Find out for real.<sup>\*</sup>Walt Stanchfield, *Drawn to Life: 20 Golden Years of Disney Master Classes*, vol. 1, *The Walt Stanchfield Lectures*, Oxford, UK: Focal Press, 2009. <sup>\*</sup>Pasolivo Olive Oil, Zingerman's, [www.zingermans.com/product.aspx?productid=o-psl](http://www.zingermans.com/product.aspx?productid=o-psl)<sup>\*</sup>"About Kingsford: Simply a Matter of Taste," Kingsford, [www.kingsford.com/about/index.htm](http://www.kingsford.com/about/index.htm)<sup>\*</sup>Fara Warner, "Walk in Progress," *Fast Company*, Dec. 19, 2007, [www.fastcompany.com/magazine/58/lookfeel.html](http://www.fastcompany.com/magazine/58/lookfeel.html)+Matt Valley, "The Crate and Barrel Story," *Retail Traffic*, June 1, 2001, [retailtrafficmag.com/mag/retail\\_crate\\_barrel\\_story](http://retailtrafficmag.com/mag/retail_crate_barrel_story)

## CHAPTER PRODUCTIVITY

# GET REAL!

## **Illusions of agreement**

The business world is littered with dead documents that do nothing but waste people's time. Reports no one reads, diagrams no one looks at, and specs that never resemble the finished product. These things take forever to make but only seconds to forget.

If you need to explain something, try getting real with it. Instead of describing what something looks like, draw it. Instead of explaining what something sounds like, hum it. Do everything you can to remove layers of abstraction.

The problem with abstractions (like reports and documents) is that they create illusions of agreement. A hundred people can read the same words, but in their heads, they're imagining a hundred different things.

That's why you want to get to something real right away. That's when you get true

understanding. It's like when we read about characters in a book--we each picture them differently in our heads. But when we actually *see* people, we all know exactly what they look like.

When the team at Alaska Airlines wanted to build a new Airport of the Future, they didn't rely on blueprints and sketches. They got a warehouse and built mock-ups using cardboard boxes for podiums, kiosks, and belts. The team then built a small prototype in Anchorage to test systems with real passengers and employees. The design that resulted from this getting-real process has significantly reduced wait times and increased agent productivity.\*

Widely admired furniture craftsman Sam Maloof felt it was impossible to make a working drawing to show all the intricate and fine details that go into a chair or stool. "Many times I do not know how a certain area is to be done until I start working with a chisel, rasp, or whatever tool is needed for that particular job," he said.+

That's the path we all should take. Get the chisel out and start making something real. Anything else is just a distraction.



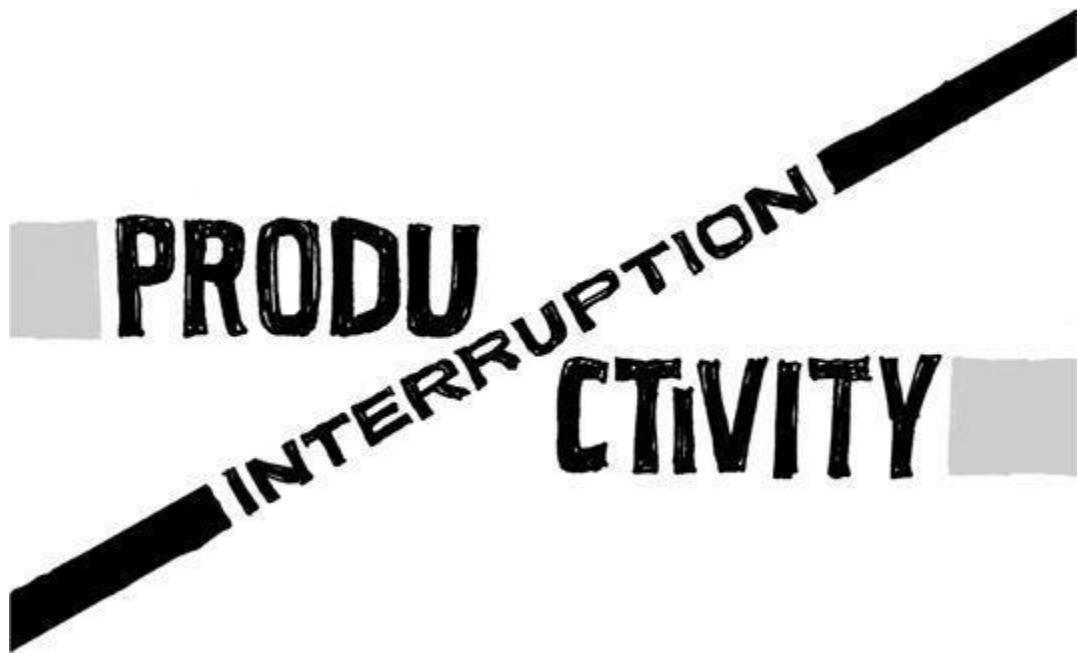
### Reasons to quit

It's easy to put your head down and just work on what you *think* needs to be done. It's a lot harder to pull your head up and ask why. Here are some important questions to ask yourself to ensure you're doing work that matters: **Why are you doing this?** Ever find yourself working on something without knowing exactly why? Someone just told you to do it. It's pretty common, actually. That's why it's important to ask why you're working on \_\_\_\_\_. What is this for? Who benefits? What's the motivation behind it? Knowing the answers to these questions will help you better understand the work itself. **What problem are you solving?** What's the problem? Are customers confused? Are you confused? Is something not clear enough? Was something not possible before that should be possible now? Sometimes when you ask these questions, you'll find you're solving an *imaginary* problem. That's when it's time to stop and reevaluate what the hell

you're doing. **Is this actually useful?** Are you making something useful or just making something? It's easy to confuse enthusiasm with usefulness. Sometimes it's fine to play a bit and build something cool. But eventually you've got to stop and ask yourself if it's useful, too. Cool wears off. Useful never does. **Are you adding value?** Adding something is easy; adding *value* is hard. Is this thing you're working on actually making your product more valuable for customers? Can they get more out of it than they did before? Sometimes things you think are adding value actually subtract from it. Too much ketchup can ruin the fries. Value is about balance. **Will this change behavior?** Is what you're working on really going to change anything? Don't add something unless it has a real impact on how people use your product. **Is there an easier way?** Whenever you're working on something, ask, "Is there an easier way?" You'll often find this easy way is more than good enough for now. Problems are usually pretty simple. We just imagine that they require hard solutions. **What could you be doing instead?** What can't you do because you're doing this? This is especially important for small teams with constrained resources. That's when prioritization is even more important. If you work on A, can you still do B and C before April? If not, would you rather have B and C instead of A? If you're stuck on something for a long period of time, that means there are other things you're not getting done. **Is it really worth it?** Is what you're doing really worth it? Is this meeting worth pulling six people off their work for an hour? Is it worth pulling an all-nighter tonight, or could you just finish it up tomorrow? Is it worth getting all stressed out over a press release from a competitor? Is it worth spending your money on advertising? Determine the real value of what you're about to do before taking the plunge.

Keep asking yourself (and others) the questions listed above. You don't need to make it a formal process, but don't let it slide, either.

Also, don't be timid about your conclusions. Sometimes abandoning what you're working on is the right move, even if you've already put in a lot of effort. Don't throw good time after bad work.



## **Interruption is the enemy of productivity**

If you're constantly staying late and working weekends, it's not because there's too much work to be done. It's because you're not getting enough done at work. And the reason is interruptions.

Think about it: When do you get most of your work done? If you're like most people, it's at night or early in the morning. It's no coincidence that these are the times when nobody else is around.

At 2 p.m., people are usually in a meeting or answering e-mail or chatting with colleagues. Those taps on the shoulder and little impromptu get-togethers may seem harmless, but they're actually corrosive to productivity. Interruption is not collaboration, it's just interruption. And when you're interrupted, you're not getting work done.

Interruptions break your workday into a series of work moments. Forty-five minutes and then you have a call. Fifteen minutes and then you have lunch. An hour later, you have an afternoon meeting. Before you know it, it's five o'clock, and you've only had a couple uninterrupted hours to get your work done. You can't get meaningful things done when you're constantly going start, stop, start, stop.

Instead, you should get in the alone zone. Long stretches of alone time are when you're most productive. When you don't have to mind-shift between various tasks, you get a boatload done. (Ever notice how much work you get done on a plane since you're offline and there are zero outside distractions?)

Getting into that zone takes time and requires avoiding interruptions. It's like REM sleep: You don't just go directly into REM sleep. You go to sleep first and then make your way to REM. Any interruptions force you to start over. And just as REM is when the real sleep magic happens, the alone zone is where the real productivity magic happens.

Your alone zone doesn't have to be in the wee hours, though. You can set up a rule at work that half the day is set aside for alone time. Decree that from 10 a.m. to 2 p.m., people can't talk to each other (except during lunch). Or make the first or last half of the day *your* alone-time period. Or instead of casual Fridays, try no-talk Thursdays. Just make sure this period is unbroken in order to avoid productivity-zapping interruptions.

And go all the way with it. A successful alone-time period means letting go of communication addiction. During alone time, give up instant messages, phone calls, e-mail, and meetings. Just shut up and get to work. You'll be surprised how much more you get done.

Also, when you do collaborate, try to use passive communication tools, like e-mail, that don't require an instant reply, instead of interruptive ones, like phone calls and face-to-face meetings. That way people can respond when it's convenient for them, instead of being forced to drop everything right away.

Your day is under siege by interruptions. It's on you to fight back.



### **Meetings are toxic**

The worst interruptions of all are meetings. Here's why:

They're usually about words and abstract concepts, not real things.

They usually convey an abysmally small amount of information per minute.

They drift off-subject easier than a Chicago cab in a snowstorm.

They require thorough preparation that most people don't have time for.

They frequently have agendas so vague that nobody is really sure of the goal.

They often include at least one moron who inevitably gets his turn to waste everyone's time with nonsense.

Meetings procreate. One meeting leads to another meeting leads to another ...

It's also unfortunate that meetings are typically scheduled like TV shows. You set aside thirty minutes or an hour because that's how scheduling software works (you'll never see anyone schedule a seven-minute meeting with Outlook). Too bad. If it only takes seven minutes to accomplish a meeting's goal, then that's all the time you should spend. Don't stretch seven into thirty.

When you think about it, the true cost of meetings is staggering. Let's say you're going to schedule a meeting that lasts one hour, and you invite ten people to attend.

That's actually a ten-hour meeting, not a one-hour meeting. You're trading ten hours of productivity for one hour of meeting time. And it's probably more like fifteen hours,

because there are mental switching costs that come with stopping what you're doing, going somewhere else to meet, and then resuming what you were doing beforehand.

Is it ever OK to trade ten or fifteen hours of productivity for one hour of meeting? Sometimes, maybe. But that's a pretty hefty price to pay. Judged on a pure cost basis, meetings of this size quickly become liabilities, not assets. Think about the time you're actually losing and ask yourself if it's really worth it.

If you decide you absolutely *must* get together, try to make your meeting a productive one by sticking to these simple rules:

Set a timer. When it rings, meeting's over. Period.

Invite as few people as possible.

Always have a clear agenda.

Begin with a specific problem.

Meet at the site of the problem instead of a conference room. Point to real things and suggest real changes.

End with a solution and make someone responsible for implementing it.



### **Good enough is fine**

A lot of people get off on solving problems with complicated solutions. Flexing your intellectual muscles can be intoxicating. Then you start looking for another big challenge that gives you that same rush, regardless of whether it's a good idea or not.

A better idea: Find a judo solution, one that delivers maximum efficiency with

minimum effort. Judo solutions are all about getting the most out of doing the least. Whenever you face an obstacle, look for a way to judo it.

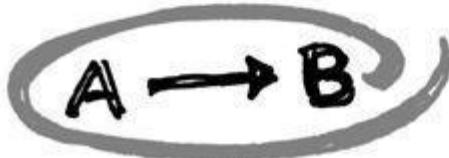
Part of this is recognizing that problems are negotiable. Let's say your challenge is to get a bird's-eye view. One way to do it is to climb Mount Everest. That's the ambitious solution. But then again, you could take an elevator to the top of a tall building. That's a judo solution.

Problems can usually be solved with simple, mundane solutions. That means there's no glamorous work. You don't get to show off your amazing skills. You just build something that gets the job done and then move on. This approach may not earn you oohs and aahs, but it lets you get on with it.

Look at political campaign ads. A big issue pops up, and politicians have an ad about it on the air the next day. The production quality is low. They use photos instead of live footage. They have static, plain-text headlines instead of fancy animated graphics. The only audio is a voice-over done by an unseen narrator. Despite all that, the ad is still good enough. If they waited weeks to perfect it, it would come out too late. It's a situation where timeliness is more important than polish or even quality.

When good enough gets the job done, go for it. It's way better than wasting resources or, even worse, doing nothing because you can't afford the complex solution. And remember, you can usually turn good enough into great later.

# QUICK WINS



## **Quick wins**

Momentum fuels motivation. It keeps you going. It drives you. Without it, you can't go anywhere. If you aren't motivated by what you're working on, it won't be very good.

The way you build momentum is by getting something done and then moving on to the next thing. No one likes to be stuck on an endless project with no finish line in sight. Being in the trenches for nine months and not having anything to show for it is a real buzzkill. Eventually it just burns you out. To keep your momentum and motivation up, get in the habit of accomplishing small victories along the way. Even a tiny improvement can give you a good jolt of momentum.

The longer something takes, the less likely it is that you're going to finish it.

Excitement comes from doing something and then letting customers have at it. Planning a menu for a year is boring. Getting the new menu out, serving the food, and getting feedback is exciting. So don't wait too long--you'll smother your sparks if you do.

If you absolutely have to work on long-term projects, try to dedicate one day a week (or every two weeks) to small victories that generate enthusiasm. Small victories let you celebrate and release good news. And you want a steady stream of good news. When there's something new to announce every two weeks, you energize your team and give your customers something to be excited about.

So ask yourself, "What can we do in two weeks?" And then do it. Get it out there and let people use it, taste it, play it, or whatever. The quicker it's in the hands of customers, the better off you'll be.



### **Don't be a hero**

A lot of times it's better to be a quitter than a hero.

For example, let's say you think a task can be done in two hours. But four hours into it, you're still only a quarter of the way done. The natural instinct is to think, "But I can't give up now, I've already spent four hours on this!"

So you go into hero mode. You're determined to make it work (and slightly embarrassed that it isn't already working). You grab your cape and shut yourself off from the world.

And sometimes that kind of sheer effort overload works. But is it worth it? Probably not. The task was worth it when you thought it would cost two hours, not sixteen. In those sixteen hours, you could have gotten a bunch of other things done. Plus, you cut yourself off from feedback, which can lead you even further down the wrong path. Even heroes need a fresh pair of eyes sometimes--someone else to give them a reality check.

We've experienced this problem firsthand. So we decided that if anything takes

one of us longer than two weeks, we've got to bring other people in to take a look. They might not do any work on the task, but at least they can review it quickly and give their two cents. Sometimes an obvious solution is staring you right in the face, but you can't even see it.

Keep in mind that the obvious solution might very well be quitting. People automatically associate quitting with failure, but sometimes that's *exactly* what you should do. If you already spent too much time on something that wasn't worth it, walk away. You can't get that time back. The worst thing you can do now is waste even more time.



### **Go to sleep**

Forgoing sleep is a bad idea. Sure, you get those extra hours right now, but you

pay in spades later: You destroy your creativity, morale, and attitude.

Once in a while, you can pull an all-nighter if you fully understand the consequences. Just don't make it a habit. If it becomes a constant, the costs start to mount:**Stubbornness:** When you're really tired, it always seems easier to plow down whatever bad path you happen to be on instead of reconsidering the route. The finish line is a constant mirage and you wind up walking in the desert way too long. **Lack of creativity:** Creativity is one of the first things to go when you lose sleep. What distinguishes people who are ten times more effective than the norm is not that they work ten times as hard; it's that they use their creativity to come up with solutions that require one-tenth of the effort. Without sleep, you stop coming up with those one-tenth solutions. **Diminished morale:** When your brain isn't firing on all cylinders, it loves to feed on less demanding tasks. Like reading yet another article about stuff that doesn't matter. When you're tired, you lose motivation to attack the big problems. **Irritability:** Your ability to remain patient and tolerant is severely reduced when you're tired. If you encounter someone who's acting like a fool, there's a good chance that person is suffering from sleep deprivation.

These are just some of the costs you incur when not getting enough sleep. Yet some people still develop a masochistic sense of honor about sleep deprivation. They even brag about how tired they are. Don't be impressed. It'll come back to bite them in the ass.



## Your estimates suck

We're all terrible estimators. We think we can guess how long something will take, when we really have no idea. We see everything going according to a best-case scenario, without the delays that inevitably pop up. Reality never sticks to best-case scenarios.

That's why estimates that stretch weeks, months, and years into the future are fantasies. The truth is you just don't know what's going to happen that far in advance.

How often do you think a quick trip to the grocery store will take only a few minutes and then it winds up taking an hour? And remember when cleaning out the attic took you all day instead of just the couple of hours you thought it would? Or sometimes it's the opposite, like that time you planned on spending four hours raking the yard only to have it take just thirty-five minutes. We humans are just plain *bad* at estimating.

Even with these simple tasks, our estimates are often off by a factor of two or more. If we can't be accurate when estimating a few hours, how can we expect to accurately predict the length of a "six-month project"?

Plus, we're not just a little bit wrong when we guess how long something will take--we're a lot wrong. That means if you're guessing six months, you might be *way* off: We're not talking seven months instead of six, we're talking one year instead of six months.

That's why Boston's "Big Dig" highway project finished five years late and billions over budget. Or the Denver International Airport opened sixteen months late, at a cost overrun of \$2 billion.

The solution: Break the big thing into smaller things. The smaller it is, the easier it is to estimate. You're probably still going to get it wrong, but you'll be a lot less wrong than if you estimated a big project. If something takes twice as long as you expected, better to have it be a small project that's a couple *weeks* over rather than a long one that's a couple *months* over.

Keep breaking your time frames down into smaller chunks. Instead of one twelve-week project, structure it as twelve one-week projects. Instead of guesstimating at tasks that take thirty hours or more, break them down into more realistic six-to-ten-hour chunks. Then go one step at a time.



### **Long lists don't get done**

Start making smaller to-do lists too. Long lists collect dust. When's the last time you finished a long list of things? You might have knocked off the first few, but chances are you eventually abandoned it (or blindly checked off items that weren't really done properly).

Long lists are guilt trips. The longer the list of unfinished items, the worse you feel about it. And at a certain point, you just stop looking at it because it makes you feel bad. Then you stress out and the whole thing turns into a big mess.

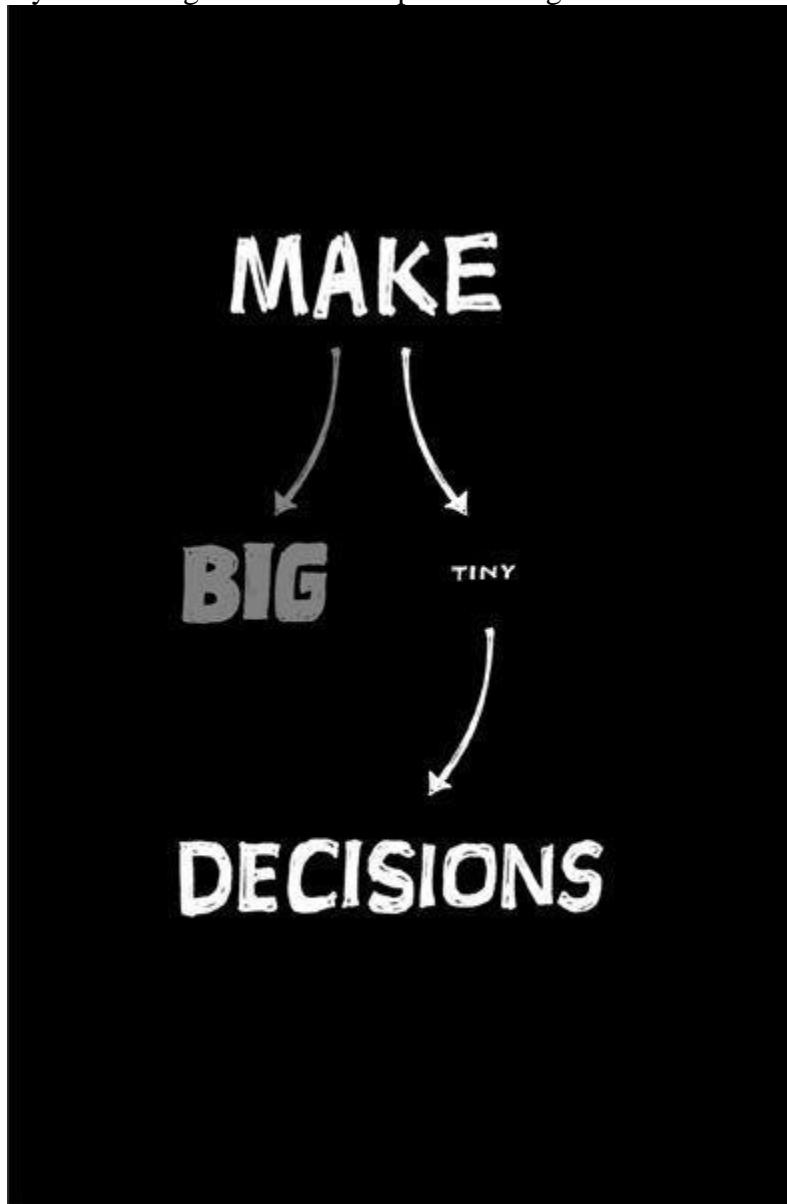
There's a better way. Break that long list down into a bunch of smaller lists. For example, break a single list of a hundred items into ten lists of ten items. That means when you finish an item on a list, you've completed 10 percent of that list, instead of 1 percent.

Yes, you still have the same amount of stuff left to do. But now you can look at the small picture and find satisfaction, motivation, and progress. That's a lot better than staring at the huge picture and being terrified and demoralized.

Whenever you can, divide problems into smaller and smaller pieces until you're able to deal with them completely and quickly. Simply rearranging your tasks this way can have an amazing impact on your productivity and motivation.

And a quick suggestion about prioritization: Don't prioritize with numbers or labels. Avoid saying, "This is high priority, this is low priority." Likewise, don't say, "This is a three, this is a two, this is a one, this is a three," etc. Do that and you'll almost always end up with a ton of really high-priority things. That's not really prioritizing.

Instead, prioritize visually. Put the most important thing at the top. When you're done with that, the next thing on the list becomes the next most important thing. That way you'll only have a single next most important thing to do at a time. And that's enough.



### **Make tiny decisions**

Big decisions are hard to make and hard to change. And once you make one, the tendency is to continue believing you made the right decision, even if you didn't. You stop being objective.

Once ego and pride are on the line, you can't change your mind without looking bad. The desire to save face trumps the desire to make the right call. And then there's inertia too: The more steam you put into going in one direction, the harder it is to change course.

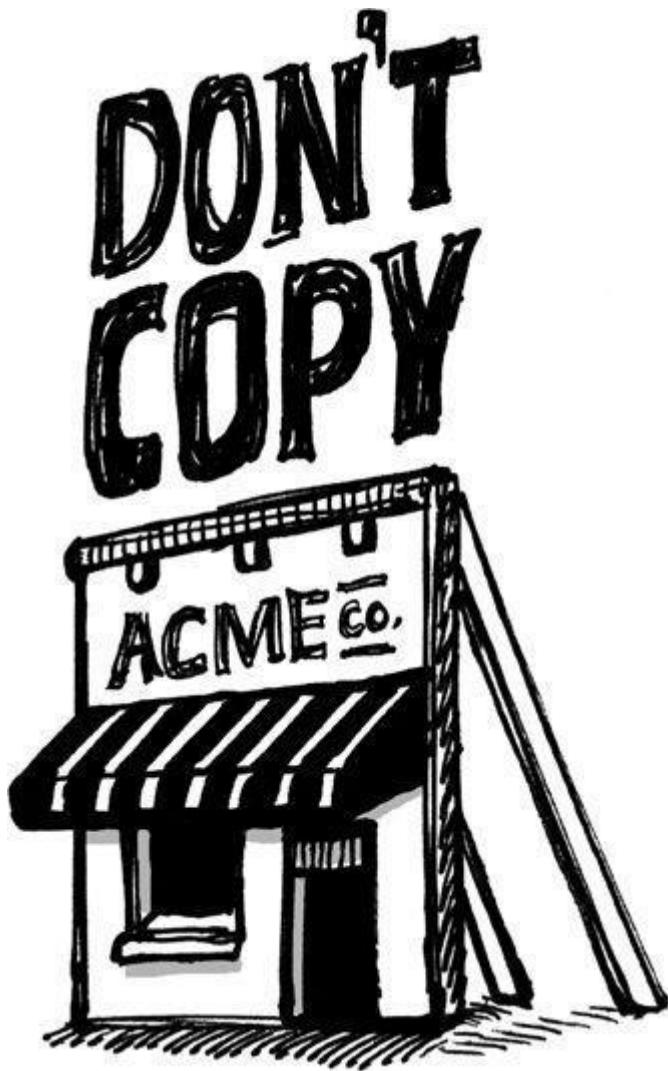
Instead, make choices that are small enough that they're effectively temporary. When you make tiny decisions, you can't make big mistakes. These small decisions mean you can afford to change. There's no big penalty if you mess up. You just fix it.

Making tiny decisions doesn't mean you can't make big plans or think big ideas. It just means you believe the best way to achieve those big things is one tiny decision at a time.

Polar explorer Ben Saunders said that during his solo North Pole expedition (thirty-one marathons back-to-back, seventy-two days alone) the "huge decision" was often so horrifically overwhelming to contemplate that his day-to-day decision making rarely extended beyond "getting to that bit of ice a few yards in front of me."

Attainable goals like that are the best ones to have. Ones you can actually accomplish and build on. You get to say, "We nailed it. Done!" Then you get going on the next one. That's a lot more satisfying than some pie-in-the-sky fantasy goal you never meet.\*Dave Demerjian, "Hustle & Flow," *Fast Company*, [www.fastcompany.com/magazine/123/hustle-and-flow.html](http://www.fastcompany.com/magazine/123/hustle-and-flow.html)+"Maloof on Maloof: Quotations and Works of Sam Maloof," Smithsonian American Art Museum, [americanart.si.edu/exhibitions/online/maloof/introduction](http://americanart.si.edu/exhibitions/online/maloof/introduction)

## **CHAPTER COMPETITORS**



### Don't copy

Sometimes copying can be part of the learning process, like when you see an art student replicating a painting in a museum or a drummer playing along to John Bonham's solo on Led Zeppelin's "Moby Dick." When you're a student, this sort of imitation can be a helpful tool on the path to discovering your own voice.

Unfortunately, copying in the business arena is usually more nefarious. Maybe it's because of the copy-and-paste world we live in these days. You can steal someone's words, images, or code instantly. And that means it's tempting to try to build a business by being a copycat.

That's a formula for failure, though. The problem with this sort of copying is it skips understanding--and understanding is how you grow. You have to understand why something works or why something is the way it is. When you just copy and paste, you miss that. You just repurpose the last layer instead of understanding all the layers underneath.

So much of the work an original creator puts into something is invisible. It's buried beneath the surface. The copycat doesn't really know why something looks the

way it looks or feels the way it feels or reads the way it reads. The copy is a faux finish. It delivers no substance, no understanding, and nothing to base future decisions on.

Plus, if you're a copycat, you can never keep up. You're always in a passive position. You never lead; you always follow. You give birth to something that's already behind the times--just a knockoff, an inferior version of the original. That's no way to live.

How do you know if you're copying someone? If someone else is doing the bulk of the work, you're copying. Be influenced, but don't steal.



### **Decommoditize your product**

If you're successful, people will try to copy what you do. It's just a fact of life. But there's a great way to protect yourself from copycats: Make *you* part of your product or service. Inject what's unique about the way you think into what you sell. Decommoditize

your product. Make it something no one else can offer.

Look at Zappos.com, a billion-dollar online shoe retailer. A pair of sneakers from Zappos is the same as a pair from Foot Locker or any other retailer. But Zappos sets itself apart by injecting CEO Tony Hsieh's obsession with customer service into everything it does.

At Zappos, customer-service employees don't use scripts and are allowed to talk at length with customers. The call center and the company's headquarters are in the same place, not oceans apart. And all Zappos employees--even those who don't work in customer service or fulfillment--start out by spending four weeks answering phones and working in the warehouse. It's this devotion to customer service that makes Zappos unique among shoe sellers.\*

Another example is Polyface, an environmentally friendly Virginia farm owned by Joel Salatin. Salatin has a strong set of beliefs and runs his business accordingly. Polyface sells the idea that it does things a bigger agribusiness can't do. Even though it's more expensive to do so, it feeds cows grass instead of corn and never gives them antibiotics. It never ships food. Anyone is welcome to visit the farm anytime and go anywhere (try that at a typical meat-processing plant). Polyface doesn't just sell chickens, it sells a way of thinking. And customers love Polyface for it. Some customers routinely drive from 150 miles away to get "clean" meat for their families.\*

Pour yourself into your product and everything *around* your product too: how you sell it, how you support it, how you explain it, and how you deliver it. Competitors can never copy the *you* in your product.



### Pick a fight

If you think a competitor sucks, say so. When you do that, you'll find that others who agree with you will rally to your side. Being the anti-\_\_\_\_\_ is a great way to differentiate yourself and attract followers.

For example, Dunkin' Donuts likes to position itself as the anti-Starbucks. Its ads mock Starbucks for using "Fritalian" terms instead of small, medium, and large. Another Dunkin' campaign is centered on a taste test in which it beat Starbucks. There's even a site called [DunkinBeatStarbucks.com](http://DunkinBeatStarbucks.com) where visitors can send e-cards with statements like "Friends don't let friends drink Starbucks."

Audi is another example. It's been taking on the old guard of car manufacturers. It puts "old luxury" brands like Rolls-Royce and Mercedes "on notice" in ads touting Audi as the fresh luxury alternative. Audi takes on Lexus's automatic parking systems with ads that say Audi drivers know how to park their own cars. Another ad gives a side-by-side

comparison of BMW and Audi owners: The BMW owner uses the rearview mirror to adjust his hair while the Audi driver uses the mirror to see what's behind him.

Apple jabs at Microsoft with ads that compare Mac and PC owners, and 7UP bills itself as the Uncola. Under Armour positions itself as Nike for a new generation.

All these examples show the power and direction you can gain by having a target in your sights. Who do you want to take a shot at?

You can even pit yourself as the opponent of an entire industry. Dyson's Airblade starts with the premise that the hand-dryer industry is a failure and then sells itself as faster and more hygienic than the others. I Can't Believe It's Not Butter puts its enemy right there in its product name.

Having an enemy gives you a great story to tell customers, too. Taking a stand always stands out. People get stoked by conflict. They take sides. Passions are ignited. And that's a good way to get people to take notice.

UNDERDO  
your  
COMPETITION

## **Underdo your competition**

Conventional wisdom says that to beat your competitors, you need to one-up them. If they have four features, you need five (or fifteen, or twenty-five). If they're spending \$20,000, you need to spend \$30,000. If they have fifty employees, you need a hundred.

This sort of one-upping, Cold War mentality is a dead end. When you get suckered into an arms race, you wind up in a never-ending battle that costs you massive amounts of money, time, and drive. And it forces you to constantly be on the defensive, too. Defensive companies can't think ahead; they can only think behind. They don't lead; they follow.

So what do you do instead? Do less than your competitors to beat them. Solve the simple problems and leave the hairy, difficult, nasty problems to the competition. Instead of one-upping, try one-downing. Instead of outdoing, try underdoing.

The bicycle world provides a great example. For years, major bicycle brands focused on the latest in hightech equipment: mountain bikes with suspension and ultrastrong disc brakes, or lightweight titanium road bikes with carbon-fiber everything. And it was assumed that bikes should have multiple gears: three, ten, or twenty-one.

But recently, fixed-gear bicycles have boomed in popularity, despite being as low-tech as you can get. These bikes have just one gear. Some models don't have brakes. The advantage: They're simpler, lighter, cheaper, and don't require as much maintenance.

Another great example of a product that is succeeding by underdoing the competition: the Flip--an ultrasimple, point-and-shoot, compact camcorder that's taken a significant percentage of the market in a short time. Look at all the things the Flip does *not* deliver:

No big screen (and the tiny screen doesn't swing out for self-portraits either)

No photo-taking ability

No tapes or discs (you have to offload the videos to a computer)

No menus

No settings

No video light

No viewfinder

No special effects

No headphone jack

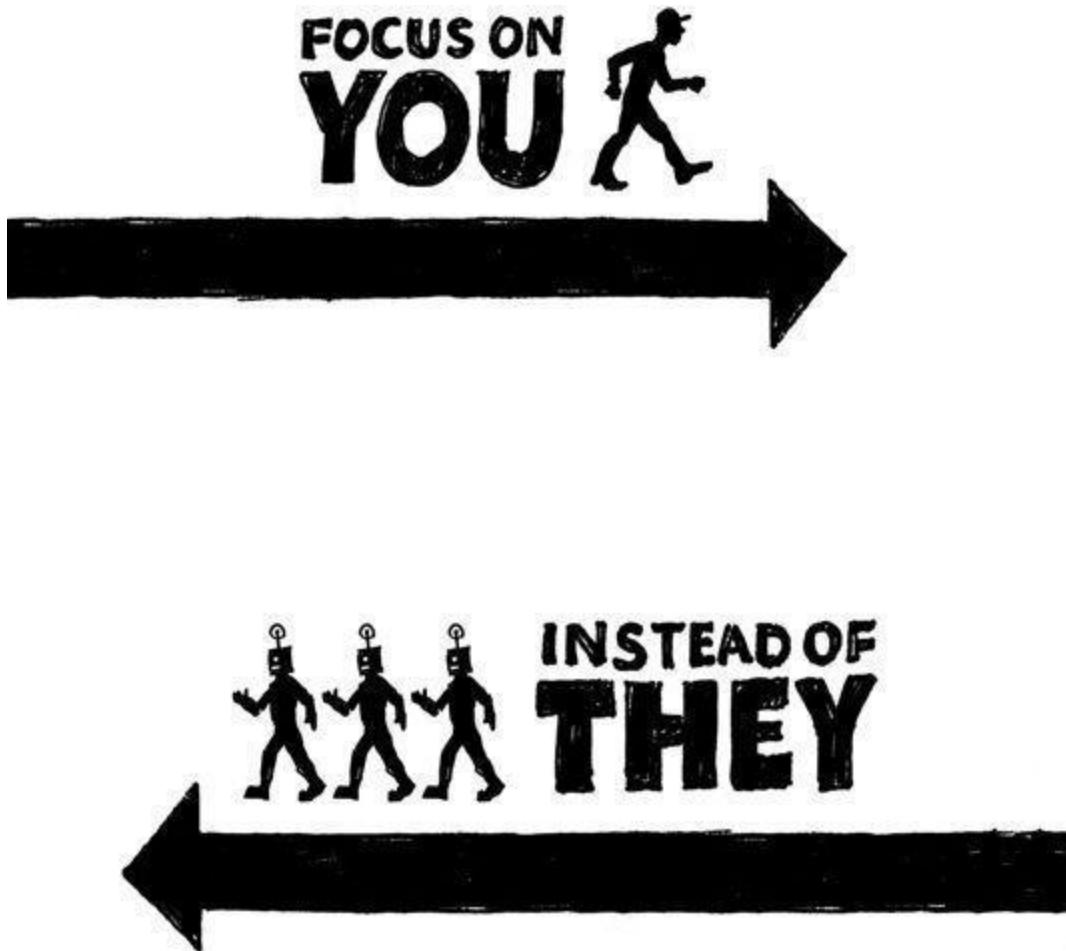
No lens cap

No memory card

No optical zoom

The Flip wins fans because it only does a few simple things and it does them well. It's easy and fun to use. It goes places a bigger camera would never go and gets used by people who would never use a fancier camera.

Don't shy away from the fact that your product or service does less. Highlight it. Be proud of it. Sell it as aggressively as competitors sell their extensive feature lists.



### **Who cares what they're doing?**

In the end, it's not worth paying much attention to the competition anyway. Why not? Because worrying about the competition quickly turns into an obsession. What are they doing right now? Where are they going next? How should we react?

Every little move becomes something to be analyzed. And that's a terrible mind-set. It leads to overwhelming stress and anxiety. That state of mind is bad soil for growing anything.

It's a pointless exercise anyway. The competitive landscape changes all the time. Your competitor tomorrow may be completely different from your competitor today. It's out of your control. What's the point of worrying about things you can't control?

Focus on yourself instead. What's going on in here is way more important than what's going on out there. When you spend time worrying about someone else, you can't spend that time improving yourself.

Focus on competitors too much and you wind up diluting your own vision. Your chances of coming up with something fresh go way down when you keep feeding your brain other people's ideas. You become reactionary instead of visionary. You wind up

offering your competitor's products with a different coat of paint.

If you're planning to build "the iPod killer" or "the next Pokemon," you're already dead. You're allowing the competition to set the parameters. You're not going to out-Apple Apple. They're defining the rules of the game. And you can't beat someone who's making the rules. You need to redefine the rules, not just build something slightly better.

Don't ask yourself whether you're "beating" Apple (or whoever the big boy is in your industry). That's the wrong question to ask. It's not a win-or-lose battle. Their profits and costs are theirs. Yours are yours.

If you're just going to be like everyone else, why are you even doing this? If you merely replicate competitors, there's no point to your existence. Even if you wind up losing, it's better to go down fighting for what you believe in instead of just imitating others.\*"A Shine on Their Shoes," *Business Week*, Dec. 5, 2005,  
[www.businessweek.com/magazine/content/05\\_49/b3962118.htm](http://www.businessweek.com/magazine/content/05_49/b3962118.htm)\*"The Polyface Story,"  
[www.polyfacefarms.com/story.aspx](http://www.polyfacefarms.com/story.aspx)

## CHAPTER EVOLUTION



**Say no by default***If I'd listened to customers,  
I'd have given them a faster horse.* --HENRY FORD

It's so easy to say yes. Yes to another feature, yes to an overly optimistic deadline,

yes to a mediocre design. Soon, the stack of things you've said yes to grows so tall you can't even see the things you should really be doing.

Start getting into the habit of saying no--even to many of your best ideas. Use the power of no to get your priorities straight. You rarely regret saying no. But you often wind up regretting saying yes.

People avoid saying no because confrontation makes them uncomfortable. But the alternative is even worse. You drag things out, make things complicated, and work on ideas you don't believe in.

It's like a relationship: Breaking one up is hard to do, but staying in it just because you're too chicken to drop the ax is even worse. Deal with the brief discomfort of confrontation up front and avoid the long-term regret.

Don't believe that "customer is always right" stuff, either. Let's say you're a chef. If enough of your customers say your food is too salty or too hot, you change it. But if a few persnickety patrons tell you to add bananas to your lasagna, you're going to turn them down, and that's OK. Making a few vocal customers happy isn't worth it if it ruins the product for everyone else.

ING Direct has built the fastest-growing bank in America by saying no. When customers ask for a credit card, the answer is no. When they ask for an online brokerage, the answer is no. When they ask if they can open an account with a million dollars in it, the answer is no (the bank has a strict deposit maximum). ING wants to keep things simple. That's why the bank offers just a few savings accounts, certificates of deposit, and mutual funds--and that's it.

Don't be a jerk about saying no, though. Just be honest. If you're not willing to yield to a customer request, be polite and explain why. People are surprisingly understanding when you take the time to explain your point of view. You may even win them over to your way of thinking. If not, recommend a competitor if you think there's a better solution out there. It's better to have people be happy using someone else's product than disgruntled using yours.

Your goal is to make sure your product stays right for you. You're the one who has to believe in it most. That way, you can say, "I think you'll love it because I love it."



# LET YOUR CUSTOMERS **OUTGROW** *you*

## **Let your customers outgrow you**

Maybe you've seen this scenario: There's a customer that's paying a company a lot of money. The company tries to please that customer in any way possible. It tweaks and changes the product per this one customer's requests and starts to alienate its general customer base.

Then one day that big customer winds up leaving and the company is left holding the bag--and the bag is a product that's ideally suited to someone who's not there anymore. And now it's a bad fit for everyone else.

When you stick with your current customers come hell or high water, you wind up cutting yourself off from new ones. Your product or service becomes so tailored to your current customers that it stops appealing to fresh blood. And that's how your company starts to die.

After our first product had been around for a while, we started getting some heat from folks who had been with us from the beginning. They said they were starting to grow out of the application. Their businesses were changing and they wanted us to change our product to mirror their newfound complexity and requirements.

We said no. Here's why: We'd rather our customers grow out of our products eventually than never be able to grow into them in the first place. Adding power-user features to satisfy some can intimidate those who aren't on board yet. Scaring away new customers is worse than losing old customers.

When you let customers outgrow you, you'll most likely wind up with a product that's basic--and that's fine. Small, simple, basic needs are constant. There's an endless supply of customers who need exactly that.

And there are always more people who are *not* using your product than people who are. Make sure you make it easy for these people to get on board. That's where your continued growth potential lies.

People and situations change. You can't be everything to everyone. Companies need to be true to a *type* of customer more than a specific individual customer with changing needs.



### **Don't confuse enthusiasm with priority**

Coming up with a great idea gives you a rush. You start imagining the possibilities and the benefits. And of course, you want all that right away. So you drop everything else you're working on and begin pursuing your latest, greatest idea.

Bad move. The enthusiasm you have for a new idea is not an accurate indicator of its true worth. What seems like a sure-fire hit right now often gets downgraded to just a "nice to have" by morning. And "nice to have" isn't worth putting everything else on hold.

We have ideas for new features all the time. On top of that, we get dozens of interesting ideas from customers every day too. Sure, it'd be fun to immediately chase all these ideas to see where they lead. But if we did that, we'd just wind up running on a treadmill and never get anywhere.

So let your latest grand ideas cool off for a while first. By all means, have as many great ideas as you can. Get excited about them. Just don't act in the heat of the moment. Write them down and park them for a few days. Then, evaluate their actual priority with a calm mind.



### **Be at-home good**

You know what it feels like. You go to a store. You're comparing a few different products, and you're sold on the one that sounds like it's the best deal. It's got the most features. It looks the coolest. The packaging looks hot. There's sensational copy on the box. Everything seems great.

But then you get it home, and it doesn't deliver. It's not as easy to use as you thought it'd be. It has too many features you don't need. You end up feeling that you've been taken. You didn't really get what you needed and you realize you spent too much.

You just bought an in-store-good product. That's a product you're more excited about in the store than you are after you've actually used it.

Smart companies make the opposite: something that's at-home good. When you get the product home, you're actually more impressed with it than you were at the store.

You live with it and grow to like it more and more. And you tell your friends, too.

When you create an at-home-good product, you may have to sacrifice a bit of in-store sizzle. A product that executes on the basics beautifully may not seem as sexy as competitors loaded with bells and whistles. Being great at a few things often doesn't look all that flashy from afar. That's OK. You're aiming for a long-term relationship, not a one-night stand.

This is as true for advertising as it is for in-store packaging or displays. We've all seen a TV ad for some "revolutionary" gadget that will change your life. But when the actual product arrives in the mail, it turns out to be a disappointment. In-media good isn't nearly as important as at-home good. You can't paint over a bad experience with good advertising or marketing.



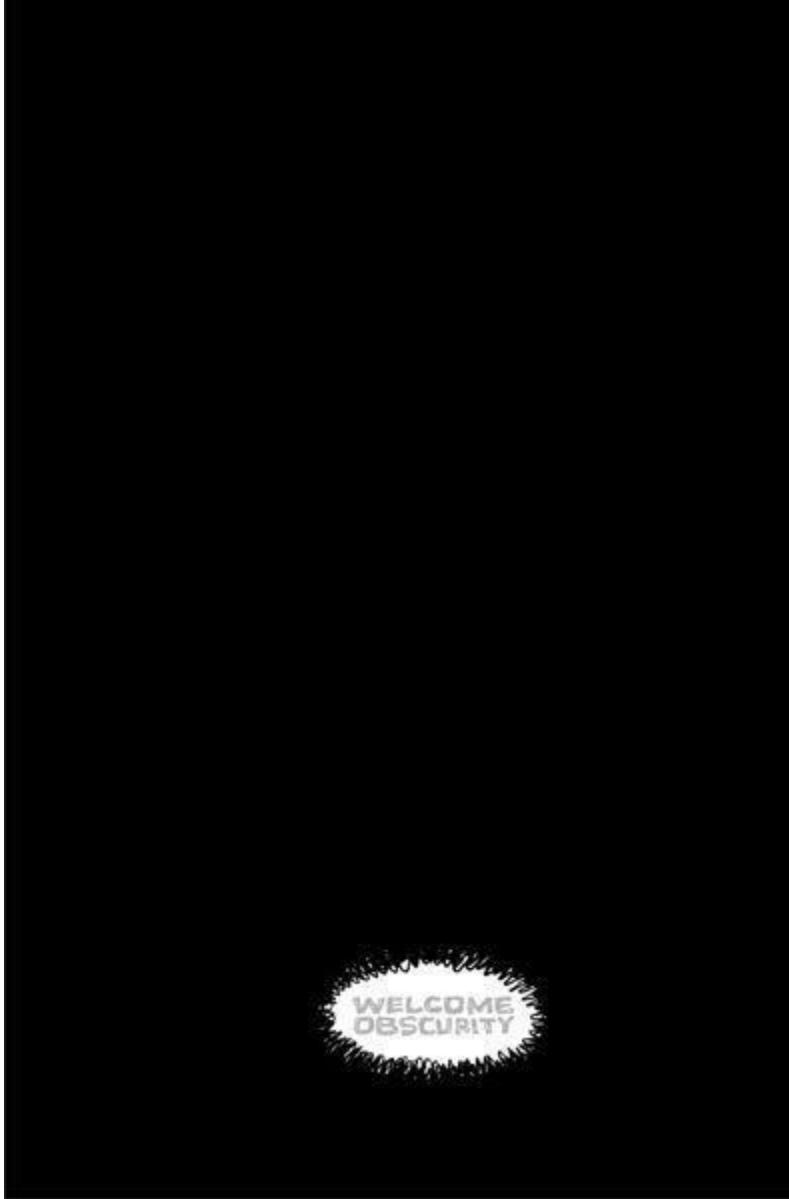
### **Don't write it down**

How should you keep track of what customers want? Don't. Listen, but then forget what people said. Seriously.

There's no need for a spreadsheet, database, or filing system. The requests that really matter are the ones you'll hear over and over. After a while, you won't be able to forget them. Your customers will be your memory. They'll keep reminding you. They'll show you which things you truly need to worry about.

If there's a request that you keep forgetting, that's a sign that it isn't very important. The really important stuff doesn't go away.

## CHAPTER PROMOTION



### Welcome obscurity

No one knows who you are right now. And that's just fine. Being obscure is a great position to be in. Be happy you're in the shadows.

Use this time to make mistakes without the whole world hearing about them. Keep tweaking. Work out the kinks. Test random ideas. Try new things. No one knows you, so it's no big deal if you mess up. Obscurity helps protect your ego and preserve your confidence.

Retailers experiment with test markets all the time for this reason. When Dunkin'

Donuts thought about selling pizza, hot dogs, and other hot sandwiches, it test-marketed the products at just ten select locations.

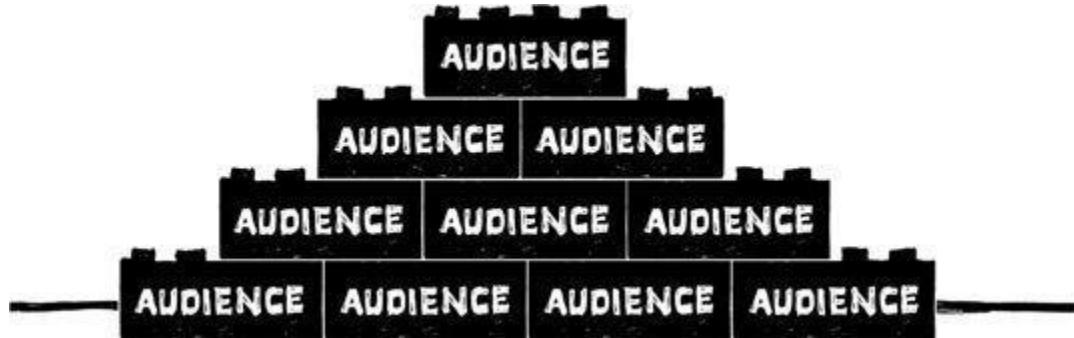
Broadway shows also provide a great example of testing ideas on a small stage first. They routinely do a trial run in a smaller city before coming to New York. Testing out of town lets actors get some reps in front of a live audience before the show goes up in front of harsher critics and tastemakers.

Would you want the whole world to watch you the first time you do anything? If you've never given a speech before, do you want your first speech to be in front of ten thousand people or ten people? You don't want everyone to watch you *starting* your business. It makes no sense to tell everyone to look at you if you're not ready to be looked at yet.

And keep in mind that once you do get bigger and more popular, you're inevitably going to take fewer risks. When you're a success, the pressure to maintain predictability and consistency builds. You get more conservative. It's harder to take risks. That's when things start to fossilize and change becomes difficult.

If millions of people are using your product, every change you make will have a much bigger impact. Before, you might have upset a hundred people when you changed something. Now you might upset thousands. You can reason with a hundred people, but you need riot gear to deal with ten thousand angry customers.

These early days of obscurity are something you'll miss later on, when you're really under the microscope. Now's the time to take risks without worrying about embarrassing yourself.



### **Build an audience**

All companies have customers. Lucky companies have fans. But the most fortunate companies have *audiences*. An audience can be your secret weapon.

A lot of businesses still spend big bucks to reach people. Every time they want to say something, they dip into their budgets, pull out a huge wad of cash, and place some ads. But this approach is both expensive and unreliable. As they say, you waste half of

your ad budget--you just don't know which half.

Today's smartest companies know better. Instead of going out to reach people, you want people to come to you. An audience returns often--on its own--to see what you have to say. This is the most receptive group of customers and potential customers you'll ever have.

Over the past ten years, we've built an audience of more than a hundred thousand daily readers for our Signal vs. Noise blog. Every day they come back to see what we have to say. We may talk about design or business or software or psychology or usability or our industry at large. Whatever it is, these people are interested enough to come back to hear more. And if they like what we have to say, they'll probably also like what we have to sell.

How much would it cost us to reach those hundred thousand people every day the old-fashioned way? Hundreds of thousands? Millions? And how would we have done it? Running ads? Buying radio spots? Sending direct mail?

When you build an audience, you don't have to buy people's attention--they give it to you. This is a huge advantage.

So build an audience. Speak, write, blog, tweet, make videos--whatever. Share information that's valuable and you'll slowly but surely build a loyal audience. Then when you need to get the word out, the right people will already be listening.



*don't*  
**OUT-SPEND**  
**OUT-TEACH**

### **Out-teach your competition**

You can advertise. You can hire salespeople. You can sponsor events. But your competitors are doing the same things. How does that help you stand out?

Instead of trying to outspend, outsell, or outsponsor competitors, try to out-teach them. Teaching probably isn't something your competitors are even thinking about. Most businesses focus on selling or servicing, but teaching never even occurs to them.

The Hoefler Type Foundry teaches designers about type at [Typography.com](http://Typography.com). Etsy, an online store for things handmade, holds entrepreneurial workshops that explain "best practices" and promotional ideas to people who sell at the site. Gary Vaynerchuk, who owns a large wine shop, teaches people about wine online at Wine Library TV, and tens of thousands of people watch every day.

Teach and you'll form a bond you just don't get from traditional marketing tactics.

Buying people's attention with a magazine or online banner ad is one thing. Earning their loyalty by teaching them forms a whole different connection. They'll trust you more. They'll respect you more. Even if they don't use your product, they can still be your fans.

Teaching is something individuals and small companies can do that bigger competitors can't. Big companies can afford a Super Bowl ad; you can't. But you can afford to teach, and that's something they'll never do, because big companies are obsessed with secrecy. Everything at those places has to get filtered through a lawyer and go through layers of red tape. Teaching is your chance to outmaneuver them.



### **Emulate chefs**

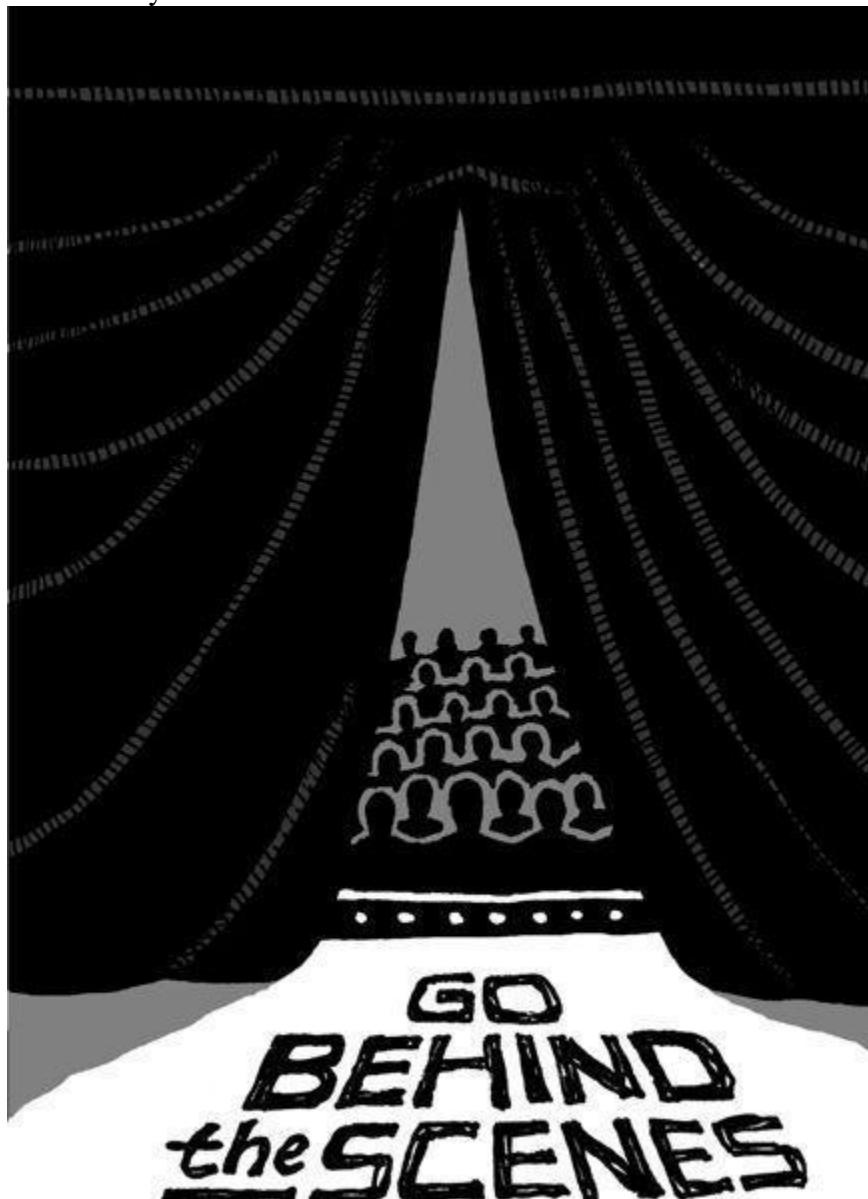
You've probably heard of Emeril Lagasse, Mario Batali, Bobby Flay, Julia Child, Paula Deen, Rick Bayless, or Jacques Pepin. They're great chefs, but there are a lot of great chefs out there. So why do you know these few better than others? Because they share everything they know. They put their recipes in cookbooks and show their techniques on cooking shows.

As a business owner, you should share everything you know too. This is anathema to most in the business world. Businesses are usually paranoid and secretive.

They think they have proprietary this and competitive advantage that. Maybe a rare few do, but most don't. And those that don't should stop acting like those that do. Don't be afraid of sharing.

A recipe is much easier to copy than a business. Shouldn't that scare Mario Batali? Why would he go on TV and show you how he does what he does? Why would he put all his recipes in cookbooks where anyone can buy and replicate them? Because he knows those recipes and techniques aren't enough to beat him at his own game. No one's going to buy his cookbook, open a restaurant next door, and put him out of business. It just doesn't work like that. Yet this is what many in the business world think will happen if their competitors learn how they do things. Get over it.

So emulate famous chefs. They cook, so they write cookbooks. What do you do? What are your "recipes"? What's your "cookbook"? What can you tell the world about how you operate that's informative, educational, and promotional? This book is our cookbook. What's yours?



### **Go behind the scenes**

Give people a backstage pass and show them how your business works. Imagine that someone wanted to make a reality show about your business. What would they share? Now stop waiting for someone else and do it yourself.

Think no one will care? Think again. Even seemingly boring jobs can be fascinating when presented right. What could be more boring than commercial fishing and trucking? Yet the Discovery Channel and History Channel have turned these professions into highly rated shows: *Deadliest Catch* and *Ice Road Truckers*.

It doesn't need to be a dangerous job, either. People love finding out the little secrets of all kinds of businesses, even one that makes those tiny marshmallows in breakfast cereals. That's why the Food Network's *Unwrapped*--which explores the secrets behind lunch-box treats, soda pop, movie candy, and more--is such a popular program.

People are curious about how things are made. It's why they like factory tours or behind-the-scenes footage on DVDs. They want to see how the sets are built, how the animation is done, how the director cast the film, etc. They want to know how and why other people make decisions.

Letting people behind the curtain changes your relationship with them. They'll feel a bond with you and see you as human beings instead of a faceless company. They'll see the sweat and effort that goes into what you sell. They'll develop a deeper level of understanding and appreciation for what you do.



### Nobody likes plastic flowers

The business world is full of "professionals" who wear the uniform and try to seem perfect. In truth, they just come off as stiff and boring. No one can relate to people like that.

Don't be afraid to show your flaws. Imperfections are real and people respond to real. It's why we like real flowers that wilt, not perfect plastic ones that never change. Don't worry about how you're supposed to sound and how you're supposed to act. Show the world what you're really like, warts and all.

There's a beauty to imperfection. This is the essence of the Japanese principle of *wabi-sabi*. *Wabi-sabi* values character and uniqueness over a shiny facade. It teaches that cracks and scratches in things should be embraced. It's also about simplicity. You strip things down and then use what you have. Leonard Koren, author of a book on *wabi-sabi*, gives this advice: Pare down to the essence, but don't remove the poetry. Keep things clean and unencumbered but don't sterilize. \*

It's a beautiful way to put it: Leave the poetry in what you make. When something

becomes too polished, it loses its soul. It seems robotic.

So talk like you really talk. Reveal things that others are unwilling to discuss. Be upfront about your shortcomings. Show the latest version of what you're working on, even if you're not done yet. It's OK if it's not perfect. You might not seem as professional, but you will seem a lot more genuine.



### **Press releases are spam**

What do you call a generic pitch sent out to hundreds of strangers hoping that one will bite? Spam. That's what press releases are too: generic pitches for coverage sent out to hundreds of journalists you don't know, hoping that one will write about you.

Let's dissect the purpose of a press release for a moment: It's something you send out because you want to be noticed. You want the press to pick up on your new company, product, service, announcement, or whatever. You want them to be excited enough to write a story about you.

But press releases are a terrible way to accomplish that. They're tired and formulaic. There's nothing exciting about them. Journalists sift through dozens a day. They wind up buried under an avalanche of hyperbolic headlines and fake quotes from

CEOs. Everything is labeled sensational, revolutionary, groundbreaking, and amazing. It's numbing.

If you want to get someone's attention, it's silly to do exactly the same thing as everyone else. You need to stand out. So why issue press releases like everyone else does? Why spam journalists when their inbox is already filled with other people's spam?

Furthermore, a press release is generic. You write it once and then send it to tons of reporters--people whom you don't know and who don't know you. And your first introduction is this vague, generic note you also send to everyone else? Is that the impression you want to make? Is that really going to get you the story?

Instead, call someone. Write a personal note. If you read a story about a similar company or product, contact the journalist who wrote it. Pitch her with some passion, some interest, some life. Do something meaningful. Be remarkable. Stand out. Be unforgettable. That's how you'll get the best coverage.

# NICHE MEDIA OVER MASS MEDIA



### **Forget about the *Wall Street Journal***

Forget about *Time*, *Forbes*, *Newsweek*, *Business Week*, the *New York Times*, and the *Wall Street Journal*. Pitching a reporter at one of these places is practically impossible. Good luck even getting ahold of that guy. And even if you do, he probably won't care anyway. You're not big enough to matter.

You're better off focusing on getting your story into a trade publication or picked up by a niche blogger. With these outlets, the barrier is much lower. You can send an e-mail and get a response (and maybe even a post) the same day. There's no editorial board or PR person involved. There's no pipeline your message has to go through.

These guys are actually hungry for fresh meat. They thrive on being tastemakers, finding the new thing, and getting the ball rolling. That's why many big-time reporters now use these smaller sites to find new stories. Stories that start on the fringe can go mainstream quickly.

We've been written up in big mainstream publications like *Wired* and *Time*, but we've found that we actually get more hits when we're profiled on sites like Daring Fireball, a site for Mac nerds, or Lifehacker, a productivity site. Links from these places result in notable spikes in our traffic and sales. Articles in big-time publications are nice, but they don't result in the same level of direct, instant activity.



# *Emulate* **DRUG DEALERS**

## **Drug dealers get it right**

Drug dealers are astute businesspeople. They know their product is so good they're willing to give a little away for free upfront. They know you'll be back for more--with money.

Emulate drug dealers. Make your product so good, so addictive, so "can't miss" that giving customers a small, free taste makes them come back with cash in hand.

This will force you to make something about your product bite-size. You want an easily digestible introduction to what you sell. This gives people a way to try it without investing any money or a lot of time.

Bakeries, restaurants, and ice cream shops have done this successfully for years. Car dealers let you test-drive cars before buying them. Software firms are also getting on board, with free trials or limited-use versions. How many other industries could benefit

from the drug-dealer model?

Don't be afraid to give a little away for free--as long as you've got something else to sell. Be confident in what you're offering. You should know that people will come back for more. If you're not confident about that, you haven't created a strong enough product.



### **Marketing is not a department**

Do you have a marketing department? If not, good. If you do, don't think these are the only people responsible for marketing. Accounting is a department. Marketing isn't. Marketing is something everyone in your company is doing 24/7/365.

Just as you cannot not communicate, you cannot not market:

Every time you answer the phone, it's marketing.

Every time you send an e-mail, it's marketing.

Every time someone uses your product, it's marketing.

Every word you write on your Web site is marketing.

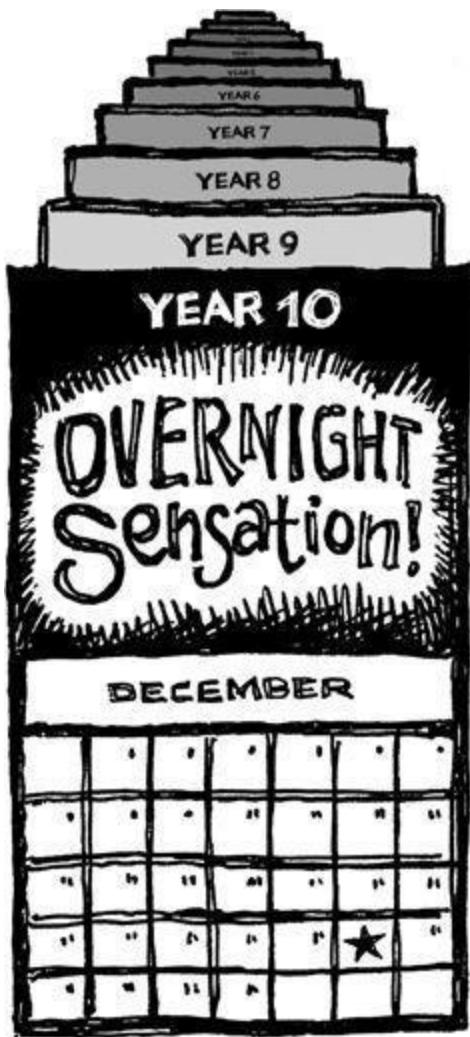
If you build software, every error message is marketing.

If you're in the restaurant business, the after-dinner mint is marketing.

If you're in the retail business, the checkout counter is marketing.

If you're in a service business, your invoice is marketing.

Recognize that all of these little things are more important than choosing which piece of swag to throw into a conference goodie bag. Marketing isn't just a few individual events. It's the sum total of everything you do.



### The myth of the overnight sensation

You will not be a big hit right away. You will not get rich quick. You are not so special that everyone else will instantly pay attention. No one cares about you. At least not yet. Get used to it.

You know those overnight-success stories you've heard about? It's not the whole story. Dig deeper and you'll usually find people who have busted their asses for years to get into a position where things could take off. And on the rare occasion that instant success does come along, it usually doesn't last--there's no foundation there to support it.

Trade the dream of overnight success for slow, measured growth. It's hard, but you have to be patient. You have to grind it out. You have to do it for a long time before the right people notice.

You may think you can speed up the process by hiring a PR firm. Don't bother. You're just not ready for that yet. For one thing, it's too expensive. Good PR firms can cost upward of \$10,000 per month. That's a waste of money right now.

Plus, you're still just a no-name with a product no one's ever heard about. Who's going to write about that? Once you have some customers and a history, you'll have a

story to tell. But just launching isn't a good story.

And remember, great brands launch without PR campaigns all the time. Starbucks, Apple, Nike, Amazon, Google, and Snapple all became great brands over time, not because of a big PR push upfront.

Start building your audience today. Start getting people interested in what you have to say. And then keep at it. In a few years, you too will get to chuckle when people discuss your "overnight" success.\*Pilar Viladas, "The Talk: The Slow Lane," *New York Times Magazine*, Oct. 9, 2005, [www.tinyurl.com/ychqtup](http://www.tinyurl.com/ychqtup)

## CHAPTER HIRING



### **Do it yourself first**

Never hire anyone to do a job until you've tried to do it yourself first. That way, you'll understand the nature of the work. You'll know what a job well done looks like. You'll know how to write a realistic job description and which questions to ask in an interview. You'll know whether to hire someone full-time or part-time, outsource it, or keep doing it yourself (the last is preferable, if possible).

You'll also be a much better manager, because you'll be supervising people who are doing a job you've done before. You'll know when to criticize and when to support.

At 37signals, we didn't hire a system administrator until one of us had spent a whole summer setting up a bunch of servers on his own. For the first three years, one of us did all of our customer support. Then we hired a dedicated support person. We ran

with the ball as far as we could before handing it off. That way, we knew what we were looking for once we did decide to hire.

You may feel out of your element at times. You might even feel like you suck. That's all right. You can hire your way out of that feeling or you can learn your way out of it. Try learning first. What you give up in initial execution will be repaid many times over by the wisdom you gain.

Plus, you should want to be intimately involved in all aspects of your business. Otherwise you'll wind up in the dark, putting your fate solely in the hands of others. That's dangerous.



### **Hire when it hurts**

Don't hire for pleasure; hire to kill pain. Always ask yourself: What if we don't hire anyone? Is that extra work that's burdening us really necessary? Can we solve the problem with a slice of software or a change of practice instead? What if we just don't do it?

Similarly, if you lose someone, don't replace him immediately. See how long you can get by without that person and that position. You'll often discover you don't need as many people as you think.

The right time to hire is when there's more work than you can handle for a sustained period of time. There should be things you can't do anymore. You should notice the quality level slipping. That's when you're hurting. And that's when it's time to hire, not earlier.



### **Pass on great people**

Some companies are addicted to hiring. Some even hire when they aren't hiring. They'll hear about someone great and invent a position or title just to lure them in. And there they'll sit--parked in a position that doesn't matter, doing work that isn't important.

Pass on hiring people you don't need, even if you think that person's a great catch.

You'll be doing your company more harm than good if you bring in talented people who have nothing important to do.

Problems start when you have more people than you need. You start inventing work to keep everyone busy. Artificial work leads to artificial projects. And those artificial projects lead to real costs and complexity.

Don't worry about "the one that got away." It's much worse to have people on staff who aren't doing anything meaningful. There's plenty of talent out there. When you do have a real need, you'll find someone who fits well.

Great has nothing to do with it. If you don't need someone, you don't need someone.



### **Strangers at a cocktail party**

If you go to a cocktail party where everyone is a stranger, the conversation is dull

and stiff. You make small talk about the weather, sports, TV shows, etc. You shy away from serious conversations and controversial opinions.

A small, intimate dinner party among old friends is a different story, though. There are genuinely interesting conversations and heated debates. At the end of the night, you feel you actually got something out of it.

Hire a ton of people rapidly and a "strangers at a cocktail party" problem is exactly what you end up with. There are always new faces around, so everyone is unfailingly polite. Everyone tries to avoid any conflict or drama. No one says, "This idea sucks." People appease instead of challenge.

And that appeasement is what gets companies into trouble. You need to be able to tell people when they're full of crap. If that doesn't happen, you start churning out something that doesn't offend anyone but also doesn't make anyone fall in love.

You need an environment where everyone feels safe enough to be honest when things get tough. You need to know how far you can push someone. You need to know what people really mean when they say something.

So hire slowly. It's the only way to avoid winding up at a cocktail party of strangers.



### Resumes are ridiculous

We all know resumes are a joke. They're exaggerations. They're filled with "action verbs" that don't mean anything. They list job titles and responsibilities that are vaguely accurate at best. And there's no way to verify most of what's on there. The whole thing is a farce.

Worst of all, they're too easy. Anyone can create a decent-enough resume. That's why half-assed applicants love them so much. They can shotgun out hundreds at a time to potential employers. It's another form of spam. They don't care about landing *your* job; they just care about landing *any* job.

If someone sends out a resume to three hundred companies, that's a huge red flag right there. There's no way that applicant has researched you. There's no way he knows what's different about your company.

If you hire based on this garbage, you're missing the point of what hiring is about. You want a specific candidate who cares specifically about your company, your products, your customers, and your job.

So how do you find these candidates? First step: Check the cover letter. In a cover letter, you get actual communication instead of a list of skills, verbs, and years of irrelevance. There's no way an applicant can churn out hundreds of personalized letters. That's why the cover letter is a much better test than a resume. You hear someone's actual voice and are able recognize if it's in tune with you and your company.

Trust your gut reaction. If the first paragraph sucks, the second has to work that much harder. If there's no hook in the first three, it's unlikely there's a match there. On the other hand, if your gut is telling you there's a chance at a real match, then move on to the interview stage.



**Years of irrelevance**

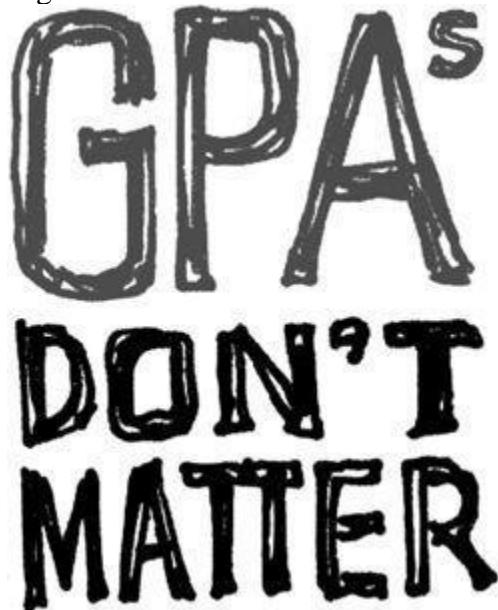
We've all seen job ads that say, "Five years of experience required." That may give you a number, but it tells you nothing.

Of course, requiring some baseline level of experience can be a good idea when hiring. It makes sense to go after candidates with six months to a year of experience. It takes that long to internalize the idioms, learn how things work, understand the relevant tools, etc.

But after that, the curve flattens out. There's surprisingly little difference between a candidate with six months of experience and one with six years. The real difference comes from the individual's dedication, personality, and intelligence.

How do you really measure this stuff anyway? What does five years of experience mean? If you spent a couple of weekends experimenting with something a few years back, can you count that as a year of experience? How is a company supposed to verify these claims? These are murky waters.

How long someone's been doing it is overrated. What matters is how *well* they've been doing it.



**Forget about formal education***I have never let my schooling interfere with my education.* --MARK TWAIN

There are plenty of companies out there who have educational requirements. They'll only hire people with a college degree (sometimes in a specific field) or an advanced degree or a certain GPA or certification of some sort or some other requirement.

Come on. There are plenty of intelligent people who don't excel in the classroom. Don't fall into the trap of thinking you need someone from one of the "best" schools in order to get results. Ninety percent of CEOs currently heading the top five hundred American companies did not receive undergraduate degrees from Ivy League colleges. In

fact, more received their undergraduate degrees from the University of Wisconsin than from Harvard (the most heavily represented Ivy school, with nine CEOs).\*

Too much time in academia can actually do you harm. Take writing, for example. When you get out of school, you have to unlearn so much of the way they teach you to write there. Some of the misguided lessons you learn in academia:

The longer a document is, the more it matters.

Stiff, formal tone is better than being conversational.

Using big words is impressive.

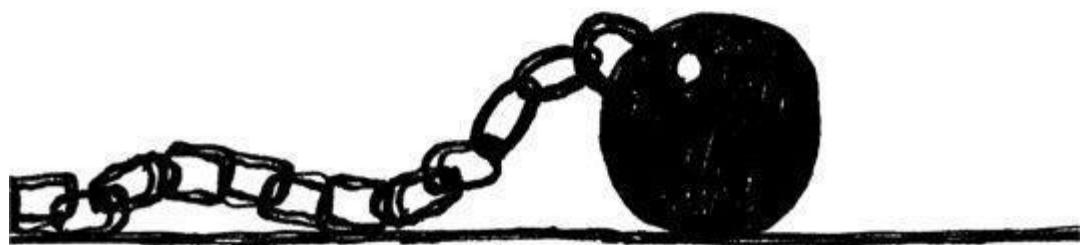
You need to write a certain number of words or pages to make a point.

The format matters as much (or more) than the content of what you write.

It's no wonder so much business writing winds up dry, wordy, and dripping with nonsense. People are just continuing the bad habits they picked up in school. It's not just academic writing, either. There are a lot of skills that are useful in academia that aren't worth much outside of it.

Bottom line: The pool of great candidates is far bigger than just people who completed college with a stellar GPA. Consider dropouts, people who had low GPAs, community-college students, and even those who just went to high school.

# **DELEGATORS ARE DEAD WEIGHT**



### **Everybody works**

With a small team, you need people who are going to *do* work, not delegate work. Everyone's got to be producing. No one can be above the work.

That means you need to avoid hiring delegators, those people who love telling others what to do. Delegators are dead weight for a small team. They clog the pipes for others by coming up with busywork. And when they run out of work to assign, they make up more--regardless of whether it needs to be done.

Delegators love to pull people into meetings, too. In fact, meetings are a delegator's best friend. That's where he gets to seem important. Meanwhile, everyone else who attends is pulled away from getting real work done.



### **Hire managers of one**

Managers of one are people who come up with their own goals and execute them. They don't need heavy direction. They don't need daily check-ins. They do what a manager would do--set the tone, assign items, determine what needs to get done, etc.--but they do it by themselves and for themselves.

These people free you from oversight. They set their own direction. When you

leave them alone, they surprise you with how much they've gotten done. They don't need a lot of hand-holding or supervision.

How can you spot these people? Look at their backgrounds. They have set the tone for how they've worked at other jobs. They've run something on their own or launched some kind of project.

You want someone who's capable of building something from scratch and seeing it through. Finding these people frees the rest of your team to work more and manage less.

**HIRE  
THE  
BETTER  
WRITER**



### **Hire great writers**

If you are trying to decide among a few people to fill a position, hire the best writer. It doesn't matter if that person is a marketer, salesperson, designer, programmer, or whatever; their writing skills will pay off.

That's because being a good writer is about more than writing. Clear writing is a sign of clear thinking. Great writers know how to communicate. They make things easy to understand. They can put themselves in someone else's shoes. They know what to

omit. And those are qualities you want in any candidate.

Writing is making a comeback all over our society. Look at how much people e-mail and text-message now rather than talk on the phone. Look at how much communication happens via instant messaging and blogging. Writing is today's currency for good ideas.

## THE BEST ARE



## EVERYWHERE

### The best are everywhere

It's crazy not to hire the best people just because they live far away. Especially now that there's so much technology out there making it easier to bring everyone together online.

Our headquarters are in Chicago, but more than half of our team lives elsewhere. We've got people in Spain, Canada, Idaho, Oklahoma, and elsewhere. Had we limited our search only to people in Chicago, we would have missed out on half of the great people we have.

To make sure your remote team stays in touch, have at least a few hours a day of real-time overlap. Working in time zones where there's no workday overlap at all is tough. If you face that situation, someone might need to shift hours a bit so they start a little later or earlier in the day, so you're available at the same time. You don't need eight hours of overlap, though. (Actually, we've found it preferable to *not* have complete

overlap--you get more alone time that way.) Two to four hours of overlap should be plenty.

Also, meet in person once in a while. You should see each other at least every few months. We make sure our whole team gets together a few times a year. These are great times to review progress, discuss what's going right or wrong, plan for the future, and get reacquainted with one another on a personal level.

Geography just doesn't matter anymore. Hire the best talent, regardless of where it is.



### **Test-drive employees**

Interviews are only worth so much. Some people sound like pros but don't work like pros. You need to evaluate the work they can do now, not the work they say they did in the past.

The best way to do that is to actually see them work. Hire them for a miniproject, even if it's for just twenty or forty hours. You'll see how they make decisions. You'll see if you get along. You'll see what kind of questions they ask. You'll get to judge them by their actions instead of just their words.

You can even make up a fake project. In a factory in South Carolina, BMW built a simulated assembly line where job candidates get ninety minutes to perform a variety of work-related tasks.\*

Cessna, the airplane manufacturer, has a role-playing exercise for prospective managers that simulates the day of an executive. Candidates work through memos, deal with (phony) irate customers, and handle other problems. Cessna has hired more than a hundred people using this simulation.+

These companies have realized that when you get into a real work environment, the truth comes out. It's one thing to look at a portfolio, read a resume, or conduct an interview. It's another to actually work with someone.\*Carol Hymowitz, "Any College Will Do," *Wall Street Journal*, Sept. 18, 2006,  
[online.wsj.com/article/SB115853818747665842.html](http://online.wsj.com/article/SB115853818747665842.html)\*Peter Carbonara, "Hire for Attitude, Train for Skill," *Fast Company*, Dec. 18, 2007,  
[www.fastcompany.com/magazine/04/hiring.html](http://www.fastcompany.com/magazine/04/hiring.html)+Ibid.

## **CHAPTER DAMAGE CONTROL**

# OWN YOUR BAD NEWS



## Own your bad news

When something goes wrong, someone is going to tell the story. You'll be better off if it's you. Otherwise, you create an opportunity for rumors, hearsay, and false information to spread.

When something bad happens, tell your customers (even if they never noticed in the first place). Don't think you can just sweep it under the rug. You can't hide anymore. These days, someone else will call you on it if you don't do it yourself. They'll post about it online and everyone will know. There are no more secrets.

People will respect you more if you are open, honest, public, and responsive during a crisis. Don't hide behind spin or try to keep your bad news on the down low. You want your customers to be as informed as possible.

Back in 1989, the *Exxon Valdez* oil tanker spilled 11 million gallons of oil into

Alaska's Prince William Sound. Exxon made the mistake of waiting a long time before responding to the spill and sending aid to Alaska. Exxon's chairman failed to go there until two weeks after the spill. The company held news briefings in Valdez, a remote Alaskan town that was difficult for the press to reach. The result: a PR disaster for Exxon that led the public to believe the company was either hiding something or didn't really care about what had happened. \*

Contrast that Exxon story to the rupture of an Ashland Oil storage tank that spilled oil into a river near Pittsburgh around the same time. Ashland Oil's chairman, John Hall, went to the scene of the Ashland spill and took charge. He pledged to clean everything up. He visited news bureaus to explain what the company would do and answer any questions. Within a day, he had shifted the story from a rotten-oil-company-does-evil narrative to a good-oil-company-tries-to-clean-up story. +

Here are some tips on how you can own the story:

The message should come from the top. The highest-ranking person available should take control in a forceful way.

Spread the message far and wide. Use whatever megaphone you have. Don't try to sweep it under the rug.

"No comment" is not an option.

Apologize the way a real person would and explain what happened in detail.

Honestly be concerned about the fate of your customers--then prove it.



### **Speed changes everything**

"Your call is very important to us. We appreciate your patience. The average hold time right now is sixteen minutes." Give me a fucking break.

Getting back to people quickly is probably the most important thing you can do when it comes to customer service. It's amazing how much that can defuse a bad situation and turn it into a good one.

Have you ever sent an e-mail and it took days or weeks for the company to get back to you? How did it make you feel? These days, that's what people have come to expect. They're used to being put on hold. They're used to platitudes about "caring" that aren't backed up.

That's why so many support queries start off with an antagonistic tone. Some people may even make threats or call you names. Don't take it personally. They think

that's the only way to be heard. They're only trying to be a squeaky wheel in hopes it'll get them a little grease.

Once you answer quickly, they shift 180 degrees. They light up. They become extra polite. Often they thank you profusely.

It's especially true if you offer a personal response. Customers are so used to canned answers, you can really differentiate yourself by answering thoughtfully and showing that you're listening. And even if you don't have a perfect answer, say something. "Let me do some research and get back to you" can work wonders.



### How to say you're sorry

There's never really a great way to say you're sorry, but there are plenty of terrible ways.

One of the worst ways is the non-apology apology, which sounds like an apology

but doesn't really accept any blame. For example, "We're sorry if this upset you." Or "I'm sorry that you don't feel we lived up to your expectations." Whatever.

A good apology accepts responsibility. It has no conditional *if* phrase attached. It shows people that the buck stops with you. And then it provides real details about what happened and what you're doing to prevent it from happening again. And it seeks a way to make things right.

Here's another bad one: "We apologize for any inconvenience this may have caused." Oh, please. Let's break down why that's bad:

**"We apologize..."** If you spilled coffee on someone while riding the subway, would you say, "I apologize"? No, you'd say, "I'm so, so sorry!" Well, if your service is critical to your customers, an interruption to that service is like spilling hot coffee all over them. So use the appropriate tone and language to show that you understand the severity of what happened. Also, the person in charge should take personal responsibility. An "I" apology is a lot stronger than a "we" apology.

**"... any inconvenience..."** If customers depend on your service and can't get to it, it's not merely an inconvenience. It's a crisis. An inconvenience is a long line at the grocery store. This ain't that.

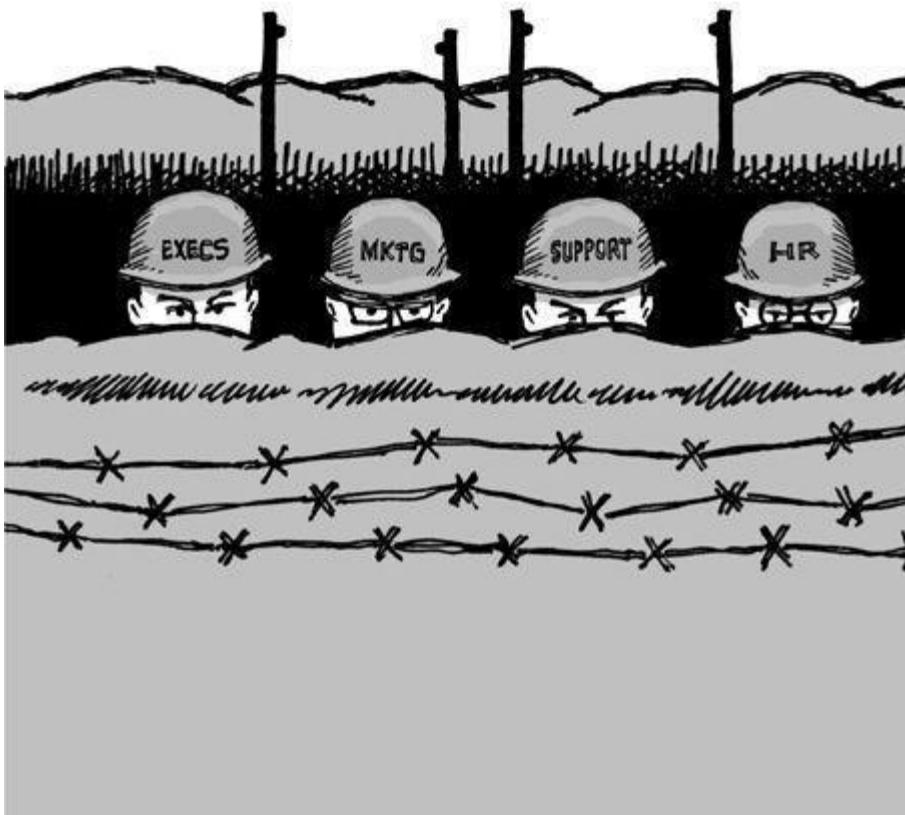
**"... this may have caused"** The "may" here implies there might not be *anything* wrong at all. That's a classic non-apology apology move. It slighted the very real problem(s) that customers are experiencing. If this didn't affect them, you don't really need to say anything. If it did affect them, then there's no need for "may" here. Stop wavering.

So what's the perfect way to say you're sorry? There's no magic bullet. Any stock answer will sound generic and hollow. You're going to have to take it on a case-by-case basis.

The number-one principle to keep in mind when you apologize: How would you feel about the apology if you were on the other end? If someone said those words to you, would you believe them?

Keep in mind that you can't apologize your way out of being an ass. Even the best apology won't rescue you if you haven't earned people's trust. Everything you do before things go wrong matters far more than the actual words you use to apologize. If you've built rapport with customers, they'll cut you some slack and trust you when you say you're sorry.

# **EVERYONE ON THE FRONT LINES**



## **Put everyone on the front lines**

In the restaurant business, there's a world of difference between working in the kitchen and dealing with customers. Cooking schools and smart restaurateurs know it's important for both sides to understand and empathize with each other. That's why they often have chefs work out front as waiters for a stretch. That way, the kitchen staff can interact with customers and see what it's actually like on the front lines.

A lot of companies have a similar front-of-house/back-of-house split. The people who make the product work in the "kitchen" while support handles the customers. Unfortunately, that means the product's chefs never get to directly hear what customers are saying. Too bad. Listening to customers is the best way to get in tune with a product's strengths and weaknesses.

Think about the children's game Telephone. There are ten kids sitting in a circle.

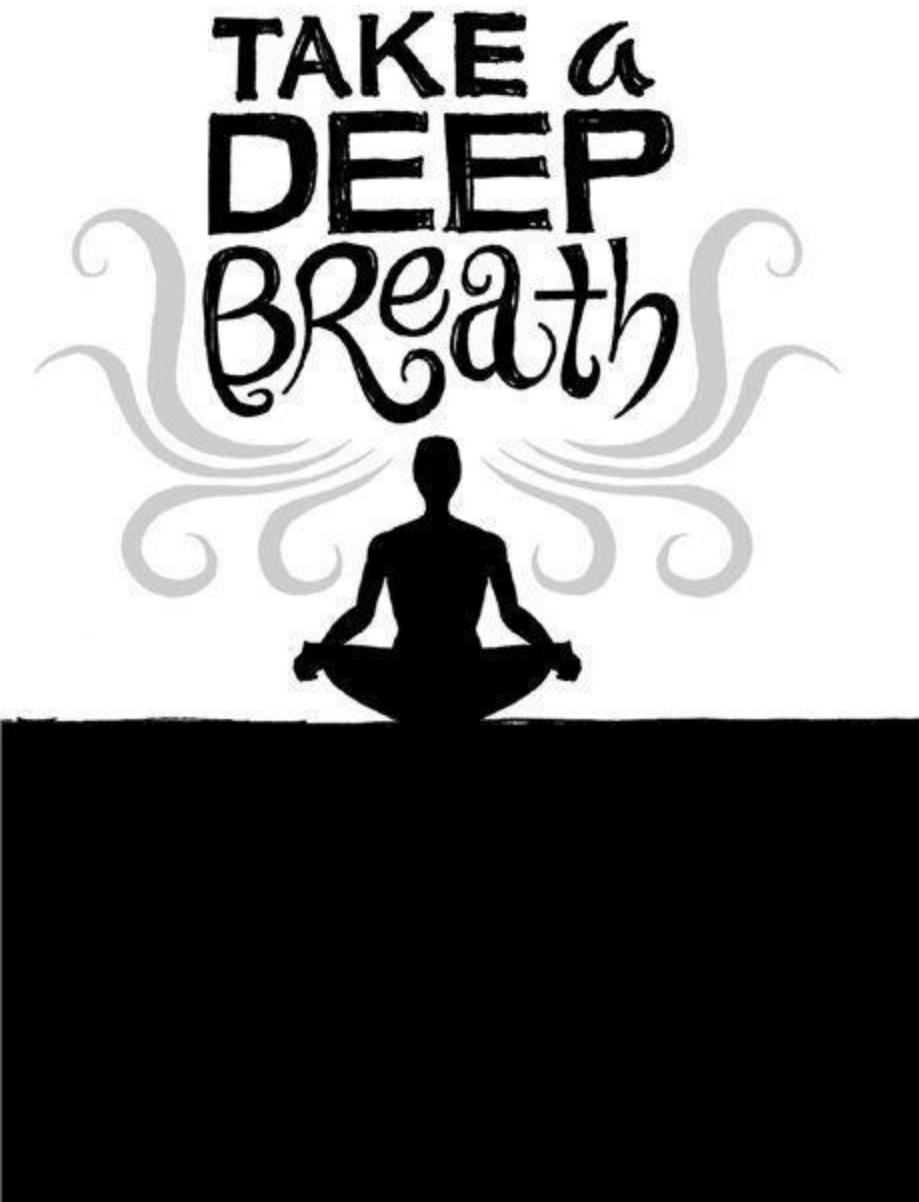
A message starts and is whispered from one child to another. By the time it gets all the way around, the message is completely distorted--to the point where it's usually hilarious. A sentence that makes sense at first comes out the other end as "Macaroni cantaloupe knows the future." And the more people you have in the circle, the more distorted the message gets.

The same thing is true at your company. The more people you have between your customers' words and the people doing the work, the more likely it is that the message will get lost or distorted along the way.

Everyone on your team should be connected to your customers--maybe not every day, but at least a few times throughout the year. That's the only way your team is going to feel the hurt your customers are experiencing. It's feeling the hurt that really motivates people to fix the problem. And the flip side is true too: The joy of happy customers or ones who have had a problem solved can also be wildly motivating.

So don't protect the people doing the work from customer feedback. No one should be shielded from direct criticism.

Maybe you think you don't have time to interact with customers. Then make time. Craigslist founder Craig Newmark still answers support e-mails today (often within minutes). He also deletes racist comments from the site's discussion boards and pesters New York City Realtors who post apartments for rent that don't exist.\* If he can devote this kind of attention to customer service, you can too.



### **Take a deep breath**

When you rock the boat, there will be waves. After you introduce a new feature, change a policy, or remove something, knee-jerk reactions will pour in. Resist the urge to panic or make rapid changes in response. Passions flare in the beginning. That's normal. But if you ride out that first rocky week, things usually settle down.

People are creatures of habit. That's why they react to change in such a negative way. They're used to using something in a certain way and any change upsets the natural order of things. So they push back. They complain. They demand that you revert to the way things were.

But that doesn't mean you should act. Sometimes you need to go ahead with a decision you believe in, even if it's unpopular at first.

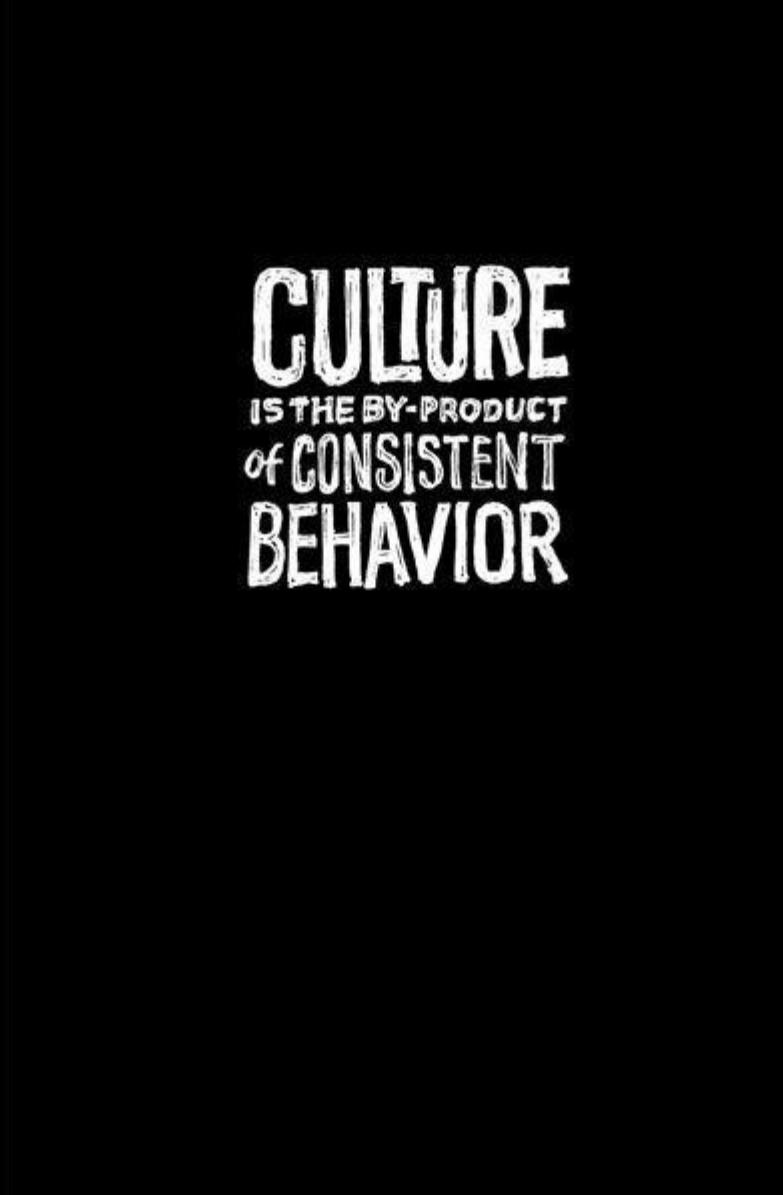
People often respond before they give a change a fair chance. Sometimes that

initial negative reaction is more of a primal response. That's why you'll sometimes hear things like, "It's the worst thing I've ever seen." No, it's not. It's a minor change. Come on.

Also, remember that negative reactions are almost always louder and more passionate than positive ones. In fact, you may hear only negative voices even when the majority of your customers are happy about a change. Make sure you don't foolishly backpedal on a necessary but controversial decision.

So when people complain, let things simmer for a while. Let them know you're listening. Show them you're aware of what they're saying. Let them know you understand their discontent. But explain that you're going to let it go for a while and see what happens. You'll probably find that people will adjust eventually. They may even wind up liking the change more than the old way, once they get used to it.\*Reyna Susi, "The Exxon Crisis, 1989," Effective Crisis Management, [iml.jou.ufl.edu/projects/Fall02/Susi/exxon.htm](http://iml.jou.ufl.edu/projects/Fall02/Susi/exxon.htm) +John Holusha, "Exxon's Public-Relations Problem," *New York Times*, Apr. 21, 1989, [www.tinyurl.com/yg2bgff](http://www.tinyurl.com/yg2bgff)\*Scott Kirsner, "Craigslist's Unorthodox Path," *Boston Globe*, June 15, 2008, [www.tinyurl.com/4vkg58](http://www.tinyurl.com/4vkg58)

## CHAPTER CULTURE



**CULTURE**  
IS THE BY-PRODUCT  
of CONSISTENT  
**BEHAVIOR**

### **You don't create a culture**

Instant cultures are artificial cultures. They're big bangs made of mission statements, declarations, and rules. They are obvious, ugly, and plastic. Artificial culture is paint. Real culture is patina.

You don't create a culture. It happens. This is why new companies don't have a culture. Culture is the byproduct of consistent behavior. If you encourage people to share, then sharing will be built into your culture. If you reward trust, then trust will be built in. If you treat customers right, then treating customers right becomes your culture.

Culture isn't a foosball table or trust falls. It isn't policy. It isn't the Christmas party or the company picnic. Those are objects and events, not culture. And it's not a slogan, either. Culture is action, not words.

So don't worry too much about it. Don't force it. You can't install a culture. Like a

fine scotch, you've got to give it time to develop.



### **Decisions are temporary**

"But what if ...?" "What happens when ...?" "Don't we need to plan for ...?"

Don't make up problems you don't have yet. It's not a problem until it's a *real* problem. Most of the things you worry about never happen anyway.

Besides, the decisions you make today don't need to last forever. It's easy to shoot down good ideas, interesting policies, or worthwhile experiments by assuming that whatever you decide now needs to work for years on end. It's just not so, especially for a small business. If circumstances change, your decisions can change. Decisions are temporary.

At this stage, it's silly to worry about whether or not your concept will scale from five to five thousand people (or from a hundred thousand to 100 million people). Getting a product or service off the ground is hard enough without inventing even more obstacles. Optimize for now and worry about the future later.

The ability to change course is one of the big advantages of being small. Compared with larger competitors, you're way more capable of making quick, sweeping changes. Big companies just can't move that fast. So pay attention to today and worry about later when it gets here. Otherwise you'll waste energy, time, and money fixating on problems that may never materialize.

# BUILD A ROCKSTAR ENVIRONMENT



## Skip the rock stars

A lot of companies post help-wanted ads seeking "rock stars" or "ninjas." Lame. Unless your workplace is filled with groupies and throwing stars, these words have nothing to do with your business.

Instead of thinking about how you can land a roomful of rock stars, think about the room instead. We're all capable of bad, average, and great work. The environment has a lot more to do with great work than most people realize.

That's not to say we're all created equal and you'll unlock star power in anyone with a rock star environment. But there's a ton of untapped potential trapped under lame policies, poor direction, and stifling bureaucracies. Cut the crap and you'll find that people are waiting to do great work. They just need to be given the chance.

This isn't about casual Fridays or bring-your-dog-to-work day. (If those are such good things, then why aren't you doing them every day of the week?)

Rockstar environments develop out of trust, autonomy, and responsibility. They're a result of giving people the privacy, workspace, and tools they deserve. Great environments show respect for the people who do the work and how they do it.



### **They're not thirteen**

When you treat people like children, you get children's work. Yet that's exactly how a lot of companies and managers treat their employees. Employees need to ask permission before they can do anything. They need to get approval for every tiny expenditure. It's surprising they don't have to get a hall pass to go take a shit.

When everything constantly needs approval, you create a culture of nonthinkers. You create a boss-versus-worker relationship that screams, "I don't trust you."

What do you gain if you ban employees from, say, visiting a social-networking site or watching YouTube while at work? You gain nothing. That time doesn't magically convert to work. They'll just find some other diversion.

And look, you're not going to get a full eight hours a day out of people anyway. That's a myth. They might be at the office for eight hours, but they're not actually working eight hours. People *need* diversions. It helps disrupt the monotony of the workday. A little YouTube or Facebook time never hurt anyone.

Then there's all the money and time you spend policing this stuff. How much does it cost to set up surveillance software? How much time do IT employees waste on

monitoring other employees instead of working on a project that's actually valuable? How much time do you waste writing rule books that never get read? Look at the costs and you quickly realize that failing to trust your employees is awfully expensive.



SEND PEOPLE  
**HOME**  
at **FIVE**

### **Send people home at 5**

The dream employee for a lot of companies is a twenty-something with as little of a life as possible outside of work--someone who'll be fine working fourteen-hour days and sleeping under his desk.

But packing a room full of these burn-the-midnight-oil types isn't as great as it seems. It lets you get away with lousy execution. It perpetuates myths like "This is the only way we can compete against the big guys." You don't need more hours; you need *better* hours.

When people have something to do at home, they get down to business. They get

their work done at the office because they have somewhere else to be. They find ways to be more efficient because they have to. They need to pick up the kids or get to choir practice. So they use their time wisely.

As the saying goes, "If you want something done, ask the busiest person you know." You want busy people. People who have a life outside of work. People who care about more than one thing. You shouldn't expect the job to be someone's entire life--at least not if you want to keep them around for a long time.



### **Don't scar on the first cut**

The second something goes wrong, the natural tendency is to create a policy. "Someone's wearing shorts!? We need a dress code!" No, you don't. You just need to tell John not to wear shorts again.

Policies are organizational scar tissue. They are codified overreactions to

situations that are unlikely to happen again. They are collective punishment for the misdeeds of an individual.

This is how bureaucracies are born. No one sets out to create a bureaucracy. They sneak up on companies slowly. They are created one policy--one scar--at a time.

So don't scar on the first cut. Don't create a policy because one person did something wrong once. Policies are only meant for situations that come up over and over again.



### **Sound like you**

What is it with businesspeople trying to sound big? The stiff language, the formal announcements, the artificial friendliness, the legalese, etc. You read this stuff and it sounds like a robot wrote it. These companies talk *at* you, not *to* you.

This mask of professionalism is a joke. We all know this. Yet small companies still try to emulate it. They think sounding big makes them appear bigger and more "professional." But it really just makes them sound ridiculous. Plus, you sacrifice one of a small company's greatest assets: the ability to communicate simply and directly, without running every last word through a legal-and PR-department sieve.

There's nothing wrong with sounding your own size. Being honest about who you are is smart business, too. Language is often your first impression--why start it off with a lie? Don't be afraid to be you.

That applies to the language you use everywhere--in e-mail, packaging, interviews, blog posts, presentations, etc. Talk to customers the way you would to friends. Explain things as if you were sitting next to them. Avoid jargon or any sort of corporate-speak. Stay away from buzzwords when normal words will do just fine. Don't talk about "monetization" or being "transparent;" talk about making money and being honest. Don't use seven words when four will do.

And don't force your employees to end e-mails with legalese like "This e-mail message is for the sole use of the intended recipient(s) and may contain confidential and privileged information." That's like ending all your company e-mails with a signature that says, "We don't trust you and we're ready to prove it in court." Good luck making friends that way.

Write to be read, don't write just to write. Whenever you write something, read it out loud. Does it sound the way it would if you were actually talking to someone? If not, how can you make it more conversational?

Who said writing needs to be formal? Who said you have to strip away your personality when putting words on paper? Forget rules. Communicate!

And when you're writing, don't think about all the people who may read your words. Think of one person. Then write for that one person. Writing for a mob leads to generalities and awkwardness. When you write to a specific target, you're a lot more likely to hit the mark.



### Four-letter words

There are four-letter words you should never use in business. They're not *fuck* or *shit*. They're *need*, *must*, *can't*, *easy*, *just*, *only*, and *fast*. These words get in the way of healthy communication. They are red flags that introduce animosity, torpedo good discussions, and cause projects to be late.

When you use these four-letter words, you create a black-and-white situation. But the truth is rarely black and white. So people get upset and problems ensue. Tension and conflict are injected unnecessarily.

Here's what's wrong with some of them:**Need**. Very few things actually need to get done. Instead of saying "need," you're better off saying "maybe" or "What do you think about this?" or "How does this sound?" or "Do you think we could get away with that?" **Can't**. When you say "can't," you probably can. Sometimes there are even

opposing can'ts: "We can't launch it like that, because it's not quite right" versus "We can't spend any more time on this because we have to launch." Both of those statements can't be true. Or wait a minute, can they? **Easy.** *Easy* is a word that's used to describe other people's jobs. "That should be easy for you to do, right?" But notice how rarely people describe their own tasks as easy. For you, it's "Let me look into it"--but for others, it's "Get it done."

These four-letter words often pop up during debates (and also watch out for their cousins: *everyone*, *no one*, *always*, and *never*). Once uttered, they make it tough to find a solution. They box you into a corner by pitting two absolutes against each other. That's when head-butting occurs. You squeeze out any middle ground.

And these words are especially dangerous when you string them together: "We need to add this feature now. We can't launch without this feature. Everyone wants it. It's only one little thing so it will be easy. You should be able to get it in there fast!" Only thirty-six words, but a hundred assumptions. That's a recipe for disaster.



### ASAP is poison

Stop saying ASAP. We get it. It's implied. Everyone wants things done as soon as they can be done.

When you turn into one of these people who adds ASAP to the end of every request, you're saying everything is high priority. And when everything is high priority, nothing is. (Funny how everything is a top priority until you actually have to prioritize things.)

ASAP is inflationary. It devalues any request that doesn't say ASAP. Before you know it, the only way to get anything done is by putting the ASAP sticker on it.

Most things just don't warrant that kind of hysteria. If a task doesn't get done this very instant, nobody is going to die. Nobody's going to lose their job. It won't cost the company a ton of money. What it will do is create artificial stress, which leads to burnout and worse.

So reserve your use of emergency language for true emergencies. The kind where there are direct, measurable consequences to inaction. For everything else, chill out.

## CHAPTER CONCLUSION



### **Inspiration is perishable**

We all have ideas. Ideas are immortal. They last forever.

What doesn't last forever is inspiration. Inspiration is like fresh fruit or milk: It has an expiration date.

If you want to do something, you've got to do it now. You can't put it on a shelf and wait two months to get around to it. You can't just say you'll do it later. Later, you won't be pumped up about it anymore.

If you're inspired on a Friday, swear off the weekend and dive into the project. When you're high on inspiration, you can get two weeks of work done in twenty-four hours. Inspiration is a time machine in that way.

Inspiration is a magical thing, a productivity multiplier, a motivator. But it won't wait for you. Inspiration is a now thing. If it grabs you, grab it right back and put it to work.

## **Thank you for reading our book**

We hope it inspires you to rework how you do things. If so, drop a line to [rework@37signals.com](mailto:rework@37signals.com) and let us know how it's going. We look forward to hearing from you.

## **CHAPTER RESOURCES**

### **About 37signals**

#### **37signals**

[www.37signals.com](http://www.37signals.com)

About 37signals and our products.

#### **Rework site**

[www.37signals.com/rework](http://www.37signals.com/rework)

The official book site.

#### **Signal vs. Noise**

[www.37signals.com/svn](http://www.37signals.com/svn)

Our company blog about business, design, culture, and more.

#### **37signals video**

[www.37signals.com/speaks](http://www.37signals.com/speaks)

Presentations and rants by 37signals.

#### **Subscribe to 37signals newsletters**

[www.37signals.com/subscribe](http://www.37signals.com/subscribe)

Newsletter about new products, discounts, and more (sent out roughly twice a month).

#### **Stuff we like**

[www.37signals.com/stuffwelike](http://www.37signals.com/stuffwelike)

A list of books, sites, and other things that we enjoy.

#### **E-mail**

[rework@37signals.com](mailto:rework@37signals.com)

### **37signals products**

#### **Basecamp**

[www.basecamphq.com](http://www.basecamphq.com)

Manage projects and collaborate with your team and clients.

#### **Highrise**

[www.highrisehq.com](http://www.highrisehq.com)

Track your contacts, leads, and deals. Always be prepared.

#### **Backpack**

[www.backpackit.com](http://www.backpackit.com)

Organize and share information across your business.

#### **Campfire**

[www.campfirenow.com](http://www.campfirenow.com)

Real-time chat and file and code sharing for remote teams.

### **Ta-da List**

[www.tadalist.com](http://www.tadalist.com)

Ta-da List makes it easy to create and share your to-do's.

### **Writeboard**

[www.writeboard.com](http://www.writeboard.com)

Writeboard is a collaborative writing tool.

### **Getting Real**

[gettingreal.37signals.com](http://gettingreal.37signals.com)

This book by 37signals will help you discover the smarter, faster, easier way to build a successful Web-based application.

### **Ruby on Rails**

[www.rubyonrails.org](http://www.rubyonrails.org)

An open-source Web framework created by 37signals.

### **Acknowledgments**

Very special thanks go to Matthew Linderman. Matt was 37signals' first employee in 1999--and he's still with the company today. This book wouldn't have come together without Matt. In addition to writing original content, he helped merge the distinctly different writing styles of the coauthors into a focused, cohesive book. He made it look easy, but it wasn't easy work. Thank you, Matt.

We also want to thank our families, our customers, and everyone at 37signals. And here's a list of some of the people we know, and don't know, who have inspired us in one way or another:Frank Lloyd Wright Seth Godin Warren Buffett Jamie Larson Clayton Christensen Ralph Nader Jim Coudal Benjamin Franklin Ernest Kim Jeff Bezos Scott Heiferman Antoni Gaudi Carlos Segura Larry David Steve Jobs Dean Kamen Bill Maher Thomas Jefferson Mies van der Rohe Ricardo Semler Christopher Alexander James Dyson Kent Beck Thomas Paine Gerald Weinberg Kathy Sierra Julia Child Marc Hedlund Nicholas Karavites Michael Jordan Richard Bird Jeffrey Zeldman Dieter Rams Judith Sheindlin Ron Paul Timothy Ferriss

Copyright (c) 2010 by 37signals, LLC.

All rights reserved.

Published in the United States by Crown Business of the Crown Publishing Group, a division of Random House, Inc., New York.

[www.crownpublishing.com](http://www.crownpublishing.com)

CROWN and the Crown colophon are registered trademarks of Random House, Inc.

This book is available for special discounts for bulk purchases for sales promotions or premiums. Special editions, including personalized covers, excerpts of existing books, and corporate imprints, can be created in large quantities for special needs. For more information, write to Random House, Inc.

Library of Congress Cataloging-in-Publication Data

Fried, Jason.

Rework / Jason Fried and David Hansson.--1st ed.

p. cm.

1. Industrial management. 2. 37signals--company.

I. Hansson, David Heinemeier. II. Title.

HD31.F755 2010

658.22--dc22 2009036114

eISBN: 978-0-307-46376-0

rohdesign.com

v3.0

# REWORK

*Jason Fried and  
David Heinemeier Hansson*

A stylized crown logo composed of a red circle with eight sharp, upward-pointing red spikes or points around its perimeter.

To subscribe to the free Crown Business E-Newsletter,  
e-mail: [CrownBusiness@RandomHouse.com](mailto:CrownBusiness@RandomHouse.com)

# **REWORK**

## **JASON FRIED**

### **INTRODUCTION**

FIRST The new reality

TAKEDOWNS Ignore the real world Learning from mistakes is overrated Planning is guessing Why grow? Workaholism Enough with "entrepreneurs"

GOMake a dent in the universe Scratch your own itch Start making something No time is no excuse Draw a line in the sand Mission statement impossible Outside money is Plan Z You need less than you think Start a business, not a startup Building to flip is building to flop Less mass

PROGRESS Embrace constraints Build half a product, not a half-assed product Start at the epicenter Ignore the details early on Making the call is making progress Be a curator Throw less at the problem Focus on what won't change Tone is in your fingers Sell your by-products Launch now

PRODUCTIVITY Illusions of agreement Reasons to quit Interruption is the enemy of productivity Meetings are toxic Good enough is fine Quick wins Don't be a hero Go to sleep Your estimates suck Long lists don't get done Make tiny decisions

COMPETITORS Don't copy De commoditize your product Pick a fight Underdo your competition Who cares what they're doing?

EVOLUTION Say no by default Let your customers outgrow you Don't confuse enthusiasm with priority Be at-home good Don't write it down

PROMOTION Welcome obscurity Build an audience Out-teach your competition Emulate chefs Go behind the scenes Nobody likes plastic flowers Press releases are spam Forget about the *Wall Street Journal* Drug dealers get it right Marketing is not a department The myth of the overnight sensation

HIRING Do it yourself first Hire when it hurts Pass on great people Strangers at a cocktail party Resumes are ridiculous Years of irrelevance Forget about formal education Everybody works Hire managers of one Hire great writers The best are everywhere Test-drive employees

DAMAGE CONTROL Own your bad news Speed changes everything How to say you're sorry Put everyone on the front lines Take a deep breath

CULTURE You don't create a culture Decisions are temporary Skip the rock stars They're not thirteen Send people home at 5 Don't scar on the first cut Sound like you Four-letter words ASAP is poison

### **CONCLUSION**

Inspiration is perishable

## CHAPTER INTRODUCTION

We have something new to say about building, running, and growing (or not growing) a business.

This book isn't based on academic theories. It's based on our experience. We've been in business for more than ten years. Along the way, we've seen two recessions, one burst bubble, business-model shifts, and doom-and-gloom predictions come and go--and we've remained profitable through it all.

We're an intentionally small company that makes software to help small companies and groups get things done the easy way. More than 3 million people around the world use our products.

We started out in 1999 as a three-person Web-design consulting firm. In 2004, we weren't happy with the project-management software used by the rest of the industry, so we created our own: Basecamp. When we showed the online tool to clients and colleagues, they all said the same thing: "We need this for our business too." Five years later, Basecamp generates millions of dollars a year in profits.

We now sell other online tools too. Highrise, our contact manager and simple CRM (customer relationship management) tool, is used by tens of thousands of small businesses to keep track of leads, deals, and more than 10 million contacts. More than 500,000 people have signed up for Backpack, our intranet and knowledge-sharing tool. And people have sent more than 100 million messages using Campfire, our real-time business chat tool. We also invented and open-sourced a computer-programming framework called Ruby on Rails that powers much of the Web 2.0 world.

Some people consider us an Internet company, but that makes us cringe. Internet companies are known for hiring compulsively, spending wildly, and failing spectacularly. That's not us. We're small (sixteen people as this book goes to press), frugal, and profitable.

A lot of people say we can't do what we do. They call us a fluke. They advise others to ignore our advice. Some have even called us irresponsible, reckless, and--gasp!--unprofessional.

These critics don't understand how a company can reject growth, meetings, budgets, boards of directors, advertising, salespeople, and "the real world," yet thrive. That's their problem, not ours. They say you need to sell to the Fortune 500. Screw that. We sell to the Fortune 5,000,000.

They don't think you can have employees who almost never see each other spread out across eight cities on two continents. They say you can't succeed without making financial projections and five-year plans. They're wrong.

They say you need a PR firm to make it into the pages of *Time*, *Business Week*, *Inc.*, *Fast Company*, the *New York Times*, the *Financial Times*, the *Chicago Tribune*, the

*Atlantic*, *Entrepreneur*, and *Wired*. They're wrong. They say you can't share your recipes and bare your secrets and still withstand the competition. Wrong again.

They say you can't possibly compete with the big boys without a hefty marketing and advertising budget. They say you can't succeed by building products that do less than your competition's. They say you can't make it all up as you go. But that's exactly what we've done.

They say a lot of things. We say they're wrong. We've *proved* it. And we wrote this book to show you how to prove them wrong too.

First, we'll start out by gutting business. We'll take it down to the studs and explain why it's time to throw out the traditional notions of what it takes to run a business. Then we'll rebuild it. You'll learn how to begin, why you need less than you think, when to launch, how to get the word out, whom (and when) to hire, and how to keep it all under control.

Now, let's get on with it.

## **CHAPTER FIRST**

# WORK WORK WORK **REWORK** WORK WORK WORK

## **The new reality**

This is a different kind of business book for different kinds of people--from those who have never dreamed of starting a business to those who already have a successful company up and running.

It's for hard-core entrepreneurs, the Type A go-getters of the business world. People who feel like they were born to start, lead, and conquer.

It's also for less intense small-business owners. People who may not be Type A but still have their business at the center of their lives. People who are looking for an edge that'll help them do more, work smarter, and kick ass.

It's even for people stuck in day jobs who have always dreamed about doing their own thing. Maybe they like what they do, but they don't like their boss. Or maybe they're just bored. They want to do something they love and get paid for it.

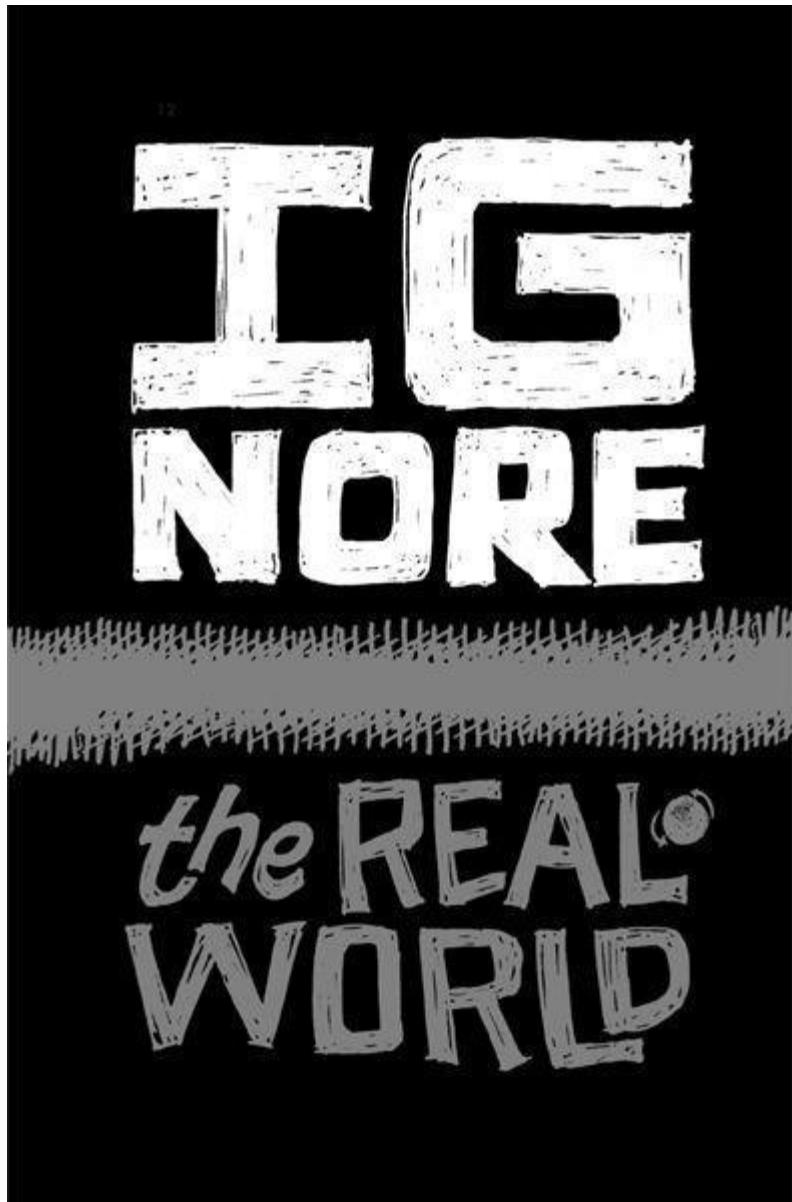
Finally, it's for all those people who've never considered going out on their own and starting a business. Maybe they don't think they're cut out for it. Maybe they don't think they have the time, money, or conviction to see it through. Maybe they're just afraid of putting themselves on the line. Or maybe they just think *business* is a dirty word. Whatever the reason, this book is for them, too.

There's a new reality. Today anyone can be in business. Tools that used to be out of reach are now easily accessible. Technology that cost thousands is now just a few bucks or even free. One person can do the job of two or three or, in some cases, an entire department. Stuff that was impossible just a few years ago is simple today.

You don't have to work miserable 60/80/100-hour weeks to make it work. 10-40 hours a week is plenty. You don't have to deplete your life savings or take on a boatload of risk. Starting a business on the side while keeping your day job can provide all the cash flow you need. You don't even need an office. Today you can work from home or collaborate with people you've never met who live thousands of miles away.

It's time to rework work. Let's get started.

## **CHAPTER TAKEDOWNS**



### **Ignore the real world**

"That would never work in the real world." You hear it all the time when you tell people about a fresh idea.

This real world sounds like an awfully depressing place to live. It's a place where new ideas, unfamiliar approaches, and foreign concepts *always* lose. The only things that win are what people already know and do, even if those things are flawed and inefficient.

Scratch the surface and you'll find these "real world" inhabitants are filled with pessimism and despair. They expect fresh concepts to fail. They assume society isn't ready for or capable of change.

Even worse, they want to drag others down into their tomb. If you're hopeful and ambitious, they'll try to convince you your ideas are impossible. They'll say you're wasting your time.

Don't believe them. That world may be real for them, but it doesn't mean you have to live in it.

We know because our company fails the real-world test in all kinds of ways. In the real world, you can't have more than a dozen employees spread out in eight different cities on two continents. In the real world, you can't attract millions of customers without any salespeople or advertising. In the real world, you can't reveal your formula for success to the rest of the world. But we've done all those things and prospered.

The real world isn't a place, it's an excuse. It's a justification for not trying. It has nothing to do with you.



**FAILURE  
IS NOT  
A RITE of PASSAGE**

#### **Learning from mistakes is overrated**

In the business world, failure has become an expected rite of passage. You hear all the time how nine out of ten new businesses fail. You hear that your business's

chances are slim to none. You hear that failure builds character. People advise, "Fail early and fail often."

With so much failure in the air, you can't help but breathe it in. Don't inhale. Don't get fooled by the stats. Other people's failures are just that: *other* people's failures.

If other people can't market their product, it has nothing to do with you. If other people can't build a team, it has nothing to do with you. If other people can't price their services properly, it has nothing to do with you. If other people can't earn more than they spend ... well, you get it.

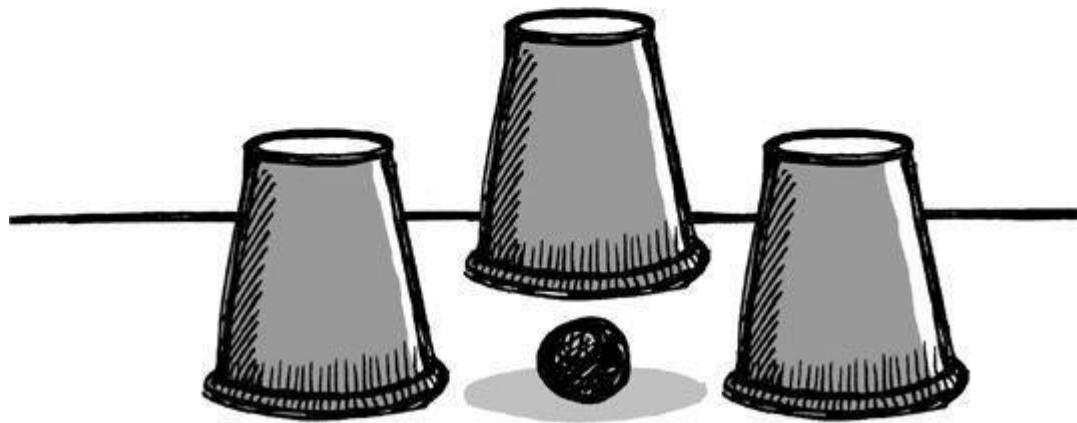
Another common misconception: You need to learn from your mistakes. What do you really learn from mistakes? You might learn what *not* to do again, but how valuable is that? You still don't know what you *should* do next.

Contrast that with learning from your successes. Success gives you real ammunition. When something succeeds, you know what worked--and you can do it again. And the next time, you'll probably do it even better.

Failure is not a prerequisite for success. A Harvard Business School study found already-successful entrepreneurs are far more likely to succeed again (the success rate for their future companies is 34 percent). But entrepreneurs whose companies failed the first time had almost the same follow-on success rate as people starting a company for the first time: just 23 percent. People who failed before have the same amount of success as people who have never tried at all.\* Success is the experience that actually counts.

That shouldn't be a surprise: It's exactly how nature works. Evolution doesn't linger on past failures, it's always building upon what worked. So should you.

# PLANNING IS GUESSING



**Planning is guessing**

Unless you're a fortune-teller, long-term business planning is a fantasy. There are just too many factors that are out of your hands: market conditions, competitors, customers, the economy, etc. Writing a plan makes you feel in control of things you can't actually control.

Why don't we just call plans what they really are: guesses. Start referring to your business plans as business guesses, your financial plans as financial guesses, and your strategic plans as strategic guesses. Now you can stop worrying about them as much. They just aren't worth the stress.

When you turn guesses into plans, you enter a danger zone. Plans let the past drive the future. They put blinders on you. "This is where we're going because, well, that's where we said we were going." And that's the problem: Plans are inconsistent with improvisation.

And you have to be able to improvise. You have to be able to pick up opportunities that come along. Sometimes you need to say, "We're going in a new direction because that's what makes sense *today*."

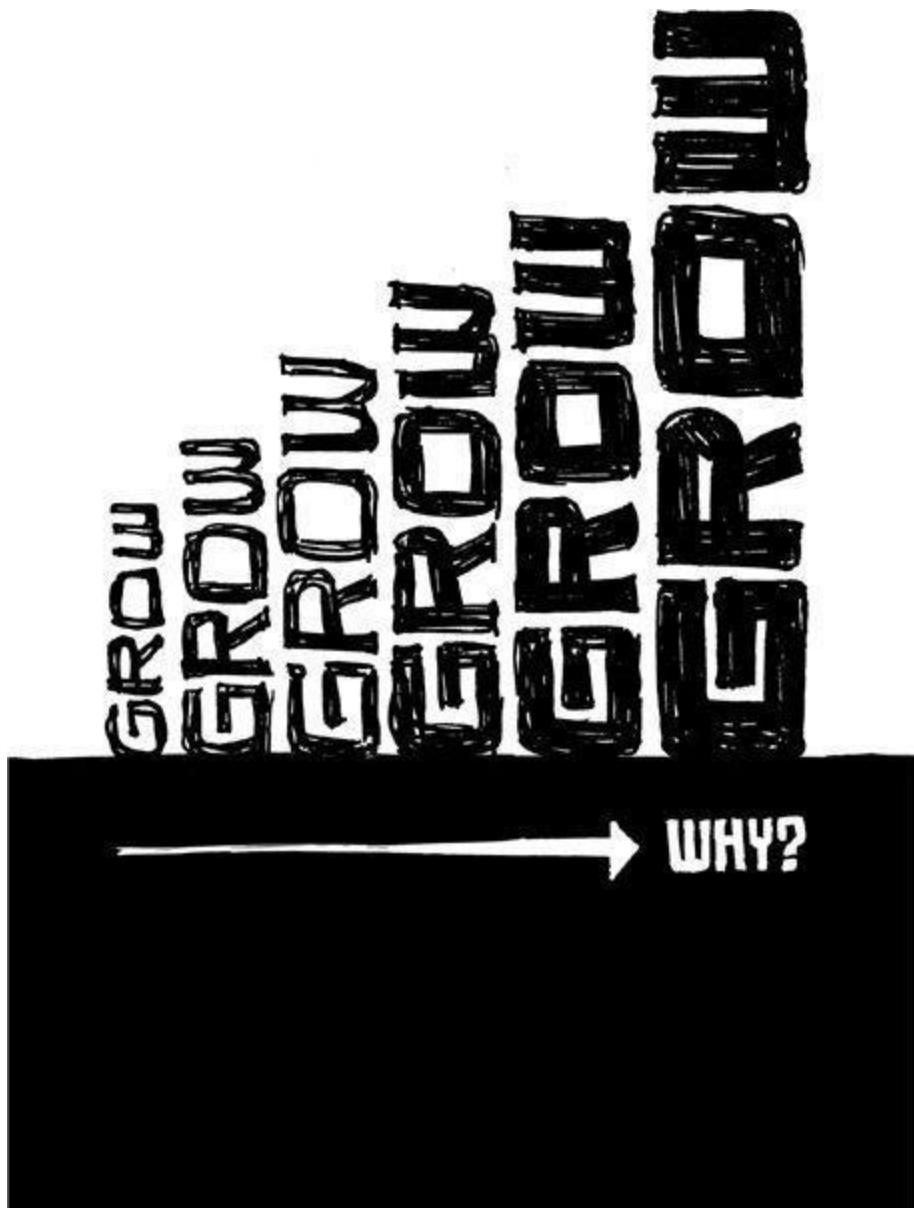
The timing of long-range plans is screwed up too. You have the most information when you're doing something, not *before* you've done it. Yet when do you write a plan? Usually it's before you've even begun. That's the worst time to make a big decision.

Now this isn't to say you shouldn't think about the future or contemplate how you might attack upcoming obstacles. That's a worthwhile exercise. Just don't feel you need to write it down or obsess about it. If you write a big plan, you'll most likely never look at it anyway. Plans more than a few pages long just wind up as fossils in your file cabinet.

Give up on the guesswork. Decide what you're going to do this week, not this year. Figure out the next most important thing and do that. Make decisions right before you do something, not far in advance.

It's OK to wing it. Just get on the plane and go. You can pick up a nicer shirt, shaving cream, and a toothbrush once you get there.

Working without a plan may seem scary. But blindly following a plan that has no relationship with reality is even scarier.



### Why grow?

People ask, "How big is your company?" It's small talk, but they're not looking for a small answer. The bigger the number, the more impressive, professional, and powerful you sound. "Wow, nice!" they'll say if you have a hundred-plus employees. If you're small, you'll get an "*Oh ...* that's nice." The former is meant as a compliment; the latter is said just to be polite.

Why is that? What is it about growth and business? Why is expansion always the goal? What's the attraction of big besides ego? (You'll need a better answer than "economies of scale.") What's wrong with finding the right size and staying there?

Do we look at Harvard or Oxford and say, "If they'd only expand and branch out and hire thousands more professors and go global and open other campuses all over the world ... *then* they'd be great schools." Of course not. That's not how we measure the

value of these institutions. So why is it the way we measure businesses?

Maybe the right size for your company is five people. Maybe it's forty. Maybe it's two hundred. Or maybe it's just you and a laptop. Don't make assumptions about how big you should be ahead of time. Grow slow and see what feels right--premature hiring is the death of many companies. And avoid huge growth spurts too--they can cause you to skip right over your appropriate size.

Small is not just a stepping-stone. Small is a great destination in itself.

Have you ever noticed that while small businesses wish they were bigger, big businesses dream about being more agile and flexible? And remember, once you get big, it's really hard to shrink without firing people, damaging morale, and changing the entire way you do business.

Ramping up doesn't have to be your goal. And we're not talking just about the number of employees you have either. It's also true for expenses, rent, IT infrastructure, furniture, etc. These things don't just happen to you. You decide whether or not to take them on. And if you do take them on, you'll be taking on new headaches, too. Lock in lots of expenses and you force yourself into building a complex business--one that's a lot more difficult and stressful to run.

Don't be insecure about aiming to be a small business. Anyone who runs a business that's sustainable and profitable, whether it's big or small, should be proud.



### **Workaholism**

Our culture celebrates the idea of the workaholic. We hear about people burning the midnight oil. They pull all-nighters and sleep at the office. It's considered a badge of honor to kill yourself over a project. No amount of work is too much work.

Not only is this workaholism unnecessary, it's stupid. Working more doesn't mean you care more or get more done. It just means you work more.

Workaholics wind up creating more problems than they solve. First off, working like that just isn't sustainable over time. When the burnout crash comes--and it will--it'll hit that much harder.

Workaholics miss the point, too. They try to fix problems by throwing sheer hours at them. They try to make up for intellectual laziness with brute force. This results in inelegant solutions.

They even create crises. They don't look for ways to be more efficient because they actually *like* working overtime. They enjoy feeling like heroes. They create problems (often unwittingly) just so they can get off on working more.

Workaholics make the people who don't stay late feel inadequate for "merely" working reasonable hours. That leads to guilt and poor morale all around. Plus, it leads to an ass-in-seat mentality--people stay late out of obligation, even if they aren't really being productive.

If all you do is work, you're unlikely to have sound judgments. Your values and decision making wind up skewed. You stop being able to decide what's worth extra effort and what's not. And you wind up just plain tired. No one makes sharp decisions when tired.

In the end, workaholics don't actually accomplish more than nonworkaholics. They may claim to be perfectionists, but that just means they're wasting time fixating on inconsequential details instead of moving on to the next task.

Workaholics aren't heroes. They don't save the day, they just use it up. The real hero is already home because she figured out a faster way to get things done.

BE  
a



## STARTER!

### Enough with "entrepreneurs"

Let's retire the term *entrepreneur*. It's outdated and loaded with baggage. It smells like a members-only club. Everyone should be encouraged to start his own business, not just some rare breed that self-identifies as entrepreneurs.

There's a new group of people out there starting businesses. They're turning profits yet never think of themselves as entrepreneurs. A lot of them don't even think of themselves as business owners. They are just doing what they love on their own terms and getting paid for it.

So let's replace the fancy-sounding word with something a bit more down-to-earth. Instead of entrepreneurs, let's just call them starters. Anyone who creates a new business is a starter. You don't need an MBA, a certificate, a fancy suit, a briefcase, or an above-average tolerance for risk. You just need an idea, a touch of confidence, and a push to get started.\*Leslie Berlin, "Try, Try Again, or Maybe Not," *New York Times*, Mar. 21,

2009.

CHAPTER  
GO



**Make a dent in the universe**

To do great work, you need to feel that you're making a difference. That you're putting a meaningful dent in the universe. That you're part of something important.

This doesn't mean you need to find the cure for cancer. It's just that your efforts need to feel valuable. You want your customers to say, "This makes my life better." You want to feel that if you stopped doing what you do, people would notice.

You should feel an urgency about this too. You don't have forever. This is your

life's work. Do you want to build just another me-too product or do you want to shake things up? What you do is your legacy. Don't sit around and wait for someone else to make the change you want to see. And don't think it takes a huge team to make that difference either.

Look at Craigslist, which demolished the traditional classified-ad business. With just a few dozen employees, the company generates tens of millions in revenue, has one of the most popular sites on the Internet, and disrupted the entire newspaper business.

The Drudge Report, run by Matt Drudge, is just one simple page on the Web run by one guy. Yet it's had a huge impact on the news industry--television producers, radio talk show hosts and newspaper reporters routinely view it as the go-to place for new stories.\*

If you're going to do something, do something that matters. These little guys came out of nowhere and destroyed old models that had been around for decades. You can do the same in your industry.



SCRATCH  
YOUR OWN  
ITCH

## **Scratch your own itch**

The easiest, most straightforward way to create a great product or service is to make something *you* want to use. That lets you design what you know--and you'll figure out immediately whether or not what you're making is any good.

At 37signals, we build products we need to run our own business. For example, we wanted a way to keep track of whom we talked to, what we said, and when we need to follow up next. So we created Highrise, our contact-management software. There was no need for focus groups, market studies, or middlemen. We had the itch, so we scratched it.

When you build a product or service, you make the call on hundreds of tiny decisions each day. If you're solving someone else's problem, you're constantly stabbing in the dark. When you solve your own problem, the light comes on. You know exactly what the right answer is.

Inventor James Dyson scratched his own itch. While vacuuming his home, he realized his bag vacuum cleaner was constantly losing suction power--dust kept clogging the pores in the bag and blocking the airflow. It wasn't someone else's *imaginary* problem; it was a real one that he experienced firsthand. So he decided to solve the problem and came up with the world's first cyclonic, bagless vacuum cleaner.\*

Vic Firth came up with the idea of making a better drumstick while playing timpani for the Boston Symphony Orchestra. The sticks he could buy commercially didn't measure up to the job, so he began making and selling drumsticks from his basement at home. Then one day he dropped a bunch of sticks on the floor and heard all the different pitches. That's when he began to match up sticks by moisture content, weight, density, and pitch so they were identical pairs. The result became his product's tag line: "the perfect pair." Today, Vic Firth's factory turns out more than 85,000 drumsticks a day and has a 62 percent share in the drumstick market.+

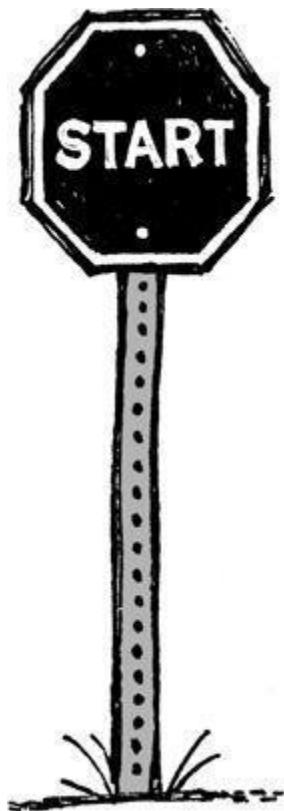
Track coach Bill Bowerman decided that his team needed better, lighter running shoes. So he went out to his workshop and poured rubber into the family waffle iron. That's how Nike's famous waffle sole was born.++

These people scratched their own itch and exposed a huge market of people who needed exactly what they needed. That's how you should do it too.

When you build what *you* need, you can also assess the quality of what you make quickly and directly, instead of by proxy.

Mary Kay Wagner, founder of Mary Kay Cosmetics, knew her skin-care products were great because she used them herself. She got them from a local cosmetologist who sold homemade formulas to patients, relatives, and friends. When the cosmetologist passed away, Wagner bought the formulas from the family. She didn't need focus groups or studies to know the products were good. She just had to look at her own skin.\*

Best of all, this "solve your own problem" approach lets you fall in love with what you're making. You know the problem and the value of its solution intimately. There's no substitute for that. After all, you'll (hopefully) be working on this for years to come. Maybe even the rest of your life. It better be something you really care about.



### **Start making something**

We all have that one friend who says, "I had the idea for eBay. If only I had acted on it, I'd be a billionaire!" That logic is pathetic and delusional. Having the idea for eBay has nothing to do with actually creating eBay. What you *do* is what matters, not what you think or say or plan.

Think your idea's that valuable? Then go try to sell it and see what you get for it. *Not much* is probably the answer. Until you actually start making something, your brilliant idea is just that, an idea. And everyone's got one of those.

Stanley Kubrick gave this advice to aspiring filmmakers: "Get hold of a camera and some film and make a movie of any kind at all."\* Kubrick knew that when you're new at something, you need to start creating. The most important thing is to begin. So get a camera, hit Record, and start shooting.

Ideas are cheap and plentiful. The original pitch idea is such a small part of a business that it's almost negligible. The real question is how well you execute.



### No time is no excuse

The most common excuse people give: "There's not enough time." They claim they'd love to start a company, learn an instrument, market an invention, write a book, or whatever, but there just aren't enough hours in the day.

Come on. There's always enough time if you spend it right. And don't think you have to quit your day job, either. Hang onto it and start work on your project at night.

Instead of watching TV or playing World of Warcraft, work on your idea. Instead of going to bed at ten, go to bed at eleven. We're not talking about all-nighters or sixteen-hour days--we're talking about squeezing out a few extra hours a week. That's enough time to get something going.

Once you do that, you'll learn whether your excitement and interest is real or just a passing phase. If it doesn't pan out, you just keep going to work every day like you've been doing all along. You didn't risk or lose anything, other than a bit of time, so it's no big deal.

When you want something bad enough, you make the time--regardless of your other obligations. The truth is most people just don't want it bad enough. Then they protect their ego with the excuse of time. Don't let yourself off the hook with excuses. It's entirely your responsibility to make your dreams come true.

Besides, the *perfect* time never arrives. You're always too young or old or busy or broke or something else. If you constantly fret about timing things perfectly, they'll never happen.



### **Draw a line in the sand**

As you get going, keep in mind *why* you're doing what you're doing. Great businesses have a point of view, not just a product or service. You have to believe in something. You need to have a backbone. You need to know what you're willing to fight for. And then you need to show the world.

A strong stand is how you attract superfans. They point to you and defend you. And they spread the word further, wider, and more passionately than any advertising could.

Strong opinions aren't free. You'll turn some people off. They'll accuse you of being arrogant and aloof. That's life. For everyone who loves you, there will be others who hate you. If no one's upset by what you're saying, you're probably not pushing hard enough. (And you're probably boring, too.)

Lots of people hate us because our products do less than the competition's. They're insulted when we refuse to include their pet feature. But we're just as proud of what our products don't do as we are of what they do.

We design them to be simple because we believe most software is too complex: too many features, too many buttons, too much confusion. So we build software that's the opposite of that. If what we make isn't right for everyone, that's OK. We're willing to lose some customers if it means that others love our products intensely. That's our line in the sand.

When you don't know what you believe, everything becomes an argument. Everything is debatable. But when you stand for something, decisions are obvious.

For example, Whole Foods stands for selling the highest quality natural and organic products available. They don't waste time deciding over and over again what's appropriate. No one asks, "Should we sell this product that has artificial flavors?" There's no debate. The answer is clear. That's why you can't buy a Coke or a Snickers there.

This belief means the food is more expensive at Whole Foods. Some haters even call it Whole Paycheck and make fun of those who shop there. But so what? Whole Foods is doing pretty damn well.

Another example is Vinnie's Sub Shop, just down the street from our office in Chicago. They put this homemade basil oil on subs that's just perfect. You better show up on time, though. Ask when they close and the woman behind the counter will respond, "We close when the bread runs out."

Really? "Yeah. We get our bread from the bakery down the street early in the morning, when it's the freshest. Once we run out (usually around two or three p.m.), we close up shop. We could get more bread later in the day, but it's not as good as the fresh-baked bread in the morning. There's no point in selling a few more sandwiches if the bread isn't good. A few bucks isn't going to make up for selling food we can't be proud of."

Wouldn't you rather eat at a place like that instead of some generic sandwich chain?



**LIVE IT  
OR LEAVE IT!**



### **Mission statement impossible**

There's a world of difference between truly standing for something and having a mission statement that *says* you stand for something. You know, those "providing the best service" signs that are created just to be posted on a wall. The ones that sound phony and disconnected from reality.

Imagine you're standing in a rental-car office. The room's cold. The carpet is dirty. There's no one at the counter. And then you see a tattered piece of paper with some clip art at the top of it pinned to a bulletin board. It's a mission statement: Our mission is to fulfill the automotive and commercial truck rental, leasing, car sales and related needs of our customers and, in doing so, exceed their expectations for service, quality and value. We will strive to earn our customers' long-term loyalty by working to deliver more than promised, being honest and fair and "going the extra mile" to provide exceptional

personalized service that creates a pleasing business experience. We must motivate our employees to provide exceptional service to our customers by supporting their development, providing opportunities for personal growth and fairly compensating them for their successes and achievements ... \*

And it drones on. And you're sitting there reading this crap and wondering, "What kind of idiot do they take me for?" The words on the paper are clearly disconnected from the reality of the experience.

It's like when you're on hold and a recorded voice comes on telling you how much the company values you as a customer. Really? Then maybe you should hire some more support people so I don't have to wait thirty minutes to get help.

Or just say nothing. But don't give me an automated voice that's telling me how much you care about me. It's a robot. I know the difference between genuine affection and a robot that's programmed to say nice things.

Standing for something isn't just about writing it down. It's about believing it and living it.



### Outside money is Plan Z

One of the first questions you'll probably ask: Where's the seed money going to come from? Far too often, people think the answer is to raise money from outsiders. If you're building something like a factory or restaurant, then you may indeed need that outside cash. But a lot of companies don't need expensive infrastructure--especially these days.

We're in a service economy now. Service businesses (e.g., consultants, software companies, wedding planners, graphic designers, and hundreds of others) don't require much to get going. If you're running a business like that, avoid outside funding.

In fact, no matter what kind of business you're starting, take on as little outside cash as you can. Spending other people's money may sound great, but there's a noose attached. Here's why: **You give up control.** When you turn to outsiders for funding, you

have to answer to them too. That's fine at first, when everyone agrees. But what happens down the road? Are you starting your own business to take orders from someone else? Raise money and that's what you'll wind up doing. **"Cashing out" begins to trump building a quality business.** Investors want their money back--and quickly (usually three to five years). Long-term sustainability goes out the window when those involved only want to cash out as soon as they can. **Spending other people's money is addictive.** There's nothing easier than spending other people's money. But then you run out and need to go back for more. And every time you go back, they take more of your company. **It's usually a bad deal.** When you're just beginning, you have no leverage. That's a terrible time to enter into any financial transaction. **Customers move down the totem pole.** You wind up building what *investors* want instead of what *customers* want. **Raising money is incredibly distracting.** Seeking funding is difficult and draining. It takes months of pitch meetings, legal maneuvering, contracts, etc. That's an enormous distraction when you should really be focused on building something great.

It's just not worth it. We hear over and over from business owners who have gone down this road and regret it. They usually give a variation on the investment-hangover story: First, you get that quick investment buzz. But then you start having meetings with your investors and/or board of directors, and you're like, "Oh man, what have I gotten myself into?" Now someone else is calling the shots.

Before you stick your head in that noose, look for another way.



**—DO YOU—  
REALLY  
NEED?**

**You need less than you think**

Do you really need ten people or will two or three do for now?

Do you really need \$500,000 or is \$50,000 (or \$5,000) enough for now?

Do you really need six months or can you make something in two?

Do you really need a big office or can you share office space (or work from home) for a while?

Do you really need a warehouse or can you rent a small storage space (or use your garage or basement) or outsource it completely?

Do you really need to buy advertising and hire a PR firm or are there other ways to get noticed?

Do you really need to build a factory or can you hire someone else to manufacture your products?

Do you really need an accountant or can you use Quicken and do it yourself?  
Do you really need an IT department or can you outsource it?  
Do you really need a full-time support person or can you handle inquiries on your own?

Do you really need to open a retail store or can you sell your product online?  
Do you really need fancy business cards, letterhead, and brochures or can you forego that stuff?

You get the point. Maybe eventually you'll need to go the bigger, more expensive route, but not right now.

There's nothing wrong with being frugal. When we launched our first product, we did it on the cheap. We didn't get our own office; we shared space with another company. We didn't get a bank of servers; we had only one. We didn't advertise; we promoted by sharing our experiences online. We didn't hire someone to answer customer e-mails; the company founder answered them himself. And everything worked out just fine.

Great companies start in garages all the time. Yours can too.



### **Start a business, not a startup**

Ah, the startup. It's a special breed of company that gets a lot of attention (especially in the tech world).

The start up is a magical place. It's a place where expenses are someone else's problem. It's a place where that pesky thing called revenue is never an issue. It's a place where you can spend other people's money until you figure out a way to make your own. It's a place where the laws of business physics don't apply.

The problem with this magical place is it's a fairy tale. The truth is every business, new or old, is governed by the same set of market forces and economic rules. Revenue in, expenses out. Turn a profit or wind up gone.

Startups try to ignore this reality. They are run by people trying to postpone the inevitable, i.e., that moment when their business has to grow up, turn a profit, and be a

real, sustainable business.

Anyone who takes a "we'll figure out how to profit in the future" attitude to business is being ridiculous. That's like building a rocket ship but starting off by saying, "Let's pretend gravity doesn't exist." *A business without a path to profit isn't a business, it's a hobby.*

So don't use the idea of a startup as a crutch. Instead, start an actual business. Actual businesses have to deal with actual things like bills and payroll. Actual businesses worry about profit from day one. Actual businesses don't mask deep problems by saying, "It's OK, we're a startup." Act like an actual business and you'll have a much better shot at succeeding.



### **Building to flip is building to flop**

Another thing you hear a lot: "What's your exit strategy?" You hear it even when you're just beginning. What is it with people who can't even start building something without knowing how they're going to leave it? What's the hurry? Your priorities are out of whack if you're thinking about getting out before you even dive in.

Would you go into a relationship planning the breakup? Would you write the prenup on a first date? Would you meet with a divorce lawyer the morning of your wedding? That would be ridiculous, right?

You need a commitment strategy, not an exit strategy. You should be thinking about how to make your project grow and succeed, not how you're going to jump ship. If your whole strategy is based on leaving, chances are you won't get far in the first place.

You see so many aspiring businesspeople pinning their hopes on selling out. But the odds of getting acquired are so tiny. There's only a slim chance that some big suitor will come along and make it all worthwhile. Maybe 1 in 1,000? Or 1 in 10,000?

Plus, when you build a company with the intention of being acquired, you emphasize the wrong things. Instead of focusing on getting customers to love you, you

worry about who's going to buy you. That's the wrong thing to obsess over.

And let's say you ignore this advice and do pull off a flip. You build your business, sell it, and get a nice payday. Then what? Move to an island and sip pina coladas all day? Will that really satisfy you? Will money alone truly make you happy? Are you sure you'll like that more than running a business you actually enjoy and believe in?

That's why you often hear about business owners who sell out, retire for six months, and then get back in the game. They miss the thing they gave away. And usually, they're back with a business that isn't nearly as good as their first.

Don't be that guy. If you do manage to get a good thing going, keep it going. Good things don't come around that often. Don't let your business be the one that got away.



### **Less mass**

Embrace the idea of having less mass. Right now, you're the smallest, the leanest, and the fastest you'll ever be. From here on out, you'll start accumulating mass. And the more massive an object, the more energy required to change its direction. It's as true in the business world as it is in the physical world. Mass is increased by ...

- Long-term contracts
- Excess staff
- Permanent decisions
- Meetings
- Thick process
- Inventory (physical or mental)
- Hardware, software, and technology lock-ins
- Long-term road maps
- Office politics

Avoid these things whenever you can. That way, you'll be able to change direction easily. The more expensive it is to make a change, the less likely you are to make it.

Huge organizations can take years to pivot. They talk instead of act. They meet instead of do. But if you keep your mass low, you can quickly change anything: your entire business model, product, feature set, and/or marketing message. You can make mistakes and fix them quickly. You can change your priorities, product mix, or focus. And most important, you can change your mind.\*Jim Rutenberg, "Clinton Finds Way to Play Along with Drudge," *New York Times*, Oct. 22, 2007. \*\*"Fascinating Facts About James Dyson, Inventor of the Dyson Vacuum Cleaner in 1978," [www.ideafinder.com/history/inventors/dyson.htm](http://www.ideafinder.com/history/inventors/dyson.htm)+Russ Mitchell, "The Beat Goes On," CBS News, *Sunday Morning*, Mar. 29, 2009, [www.tinyurl.com/cd8gjq++](http://www.tinyurl.com/cd8gjq++)Eric Ransdell, "The Nike Story? Just Tell It!" *Fast Company*, Dec. 19, 2007, [www.fastcompany.com/magazine/31/nike.html](http://www.fastcompany.com/magazine/31/nike.html)\*"Mary Kay Ash: Mary Kay Cosmetics," *Journal of Business Leadership* 1, no. 1 (Spring 1988); American National Business Hall of Fame, [www.anbhf.org/laureates/mkash.html](http://www.anbhf.org/laureates/mkash.html)\*"Stanley Kubrick--Biography," IMDB, [www.imdb.com/name/nm00004o/bio](http://www.imdb.com/name/nm00004o/bio)\*Mission, Enterprise Rent-a-Car, [http://aboutus.enterprise.com/who\\_we\\_are/mission.html](http://aboutus.enterprise.com/who_we_are/mission.html)

## **CHAPTER PROGRESS**



## **Embrace constraints**

"I don't have enough time/money/people/experience." Stop whining. Less is a good thing. Constraints are advantages in disguise. Limited resources force you to make do with what you've got. There's no room for waste. And that forces you to be creative.

Ever seen the weapons prisoners make out of soap or a spoon? They make do with what they've got. Now we're not saying you should go out and shank somebody--but get creative and you'll be amazed at what you can make with just a little.

Writers use constraints to force creativity all the time. Shakespeare reveled in the limitations of sonnets (fourteen-line lyric poems in iambic pentameter with a specific rhyme scheme). Haiku and limericks also have strict rules that lead to creative results. Writers like Ernest Hemingway and Raymond Carver found that forcing themselves to use simple, clear language helped them deliver maximum impact.

*The Price Is Right*, the longest-running game show in history, is also a great example of creativity born from embracing constraints. The show has more than a hundred games, and each one is based on the question "How much does this item cost?" That simple formula has attracted fans for more than thirty years.

Southwest--unlike most other airlines, which fly multiple aircraft models--flies only Boeing 737s. As a result, every Southwest pilot, flight attendant, and ground-crew member can work any flight. Plus, all of Southwest's parts fit all of its planes. All that means lower costs and a business that's easier to run. They made it easy on themselves.

When we were building Basecamp, we had plenty of limitations. We had a design firm to run with existing client work, a seven-hour time difference between principals (David was doing the programming in Denmark, the rest of us were in the States), a small team, and no outside funding. These constraints forced us to keep the product simple.

These days, we have more resources and people, but we still force constraints. We make sure to have only one or two people working on a product at a time. And we always keep features to a minimum. Boxing ourselves in this way prevents us from creating bloated products.

So before you sing the "not enough" blues, see how far you can get with what you have.

**YOU'RE BETTER OFF  
— with a —  
KICK-ASS  
HALF**

**— than a —  
HALF-ASSED  
WHOLE**

**Build half a product, not a half-assed product**

You can turn a bunch of great ideas into a crappy product real fast by trying to do them all at once. You just can't do *everything* you want to do and do it well. You have limited time, resources, ability, and focus. It's hard enough to do one thing right. Trying to do ten things well at the same time? Forget about it.

So sacrifice some of your darlings for the greater good. Cut your ambition in half. You're better off with a kick-ass half than a half-assed whole.

Most of your great ideas won't seem all that great once you get some perspective, anyway. And if they truly are that fantastic, you can always do them later.

Lots of things get better as they get shorter. Directors cut good scenes to make a great movie. Musicians drop good tracks to make a great album. Writers eliminate good pages to make a great book. We cut this book in half between the next-to-last and final

drafts. From 57,000 words to about 27,000 words. Trust us, it's better for it.

So start chopping. Getting to great starts by cutting out stuff that's merely good.



### Start at the epicenter

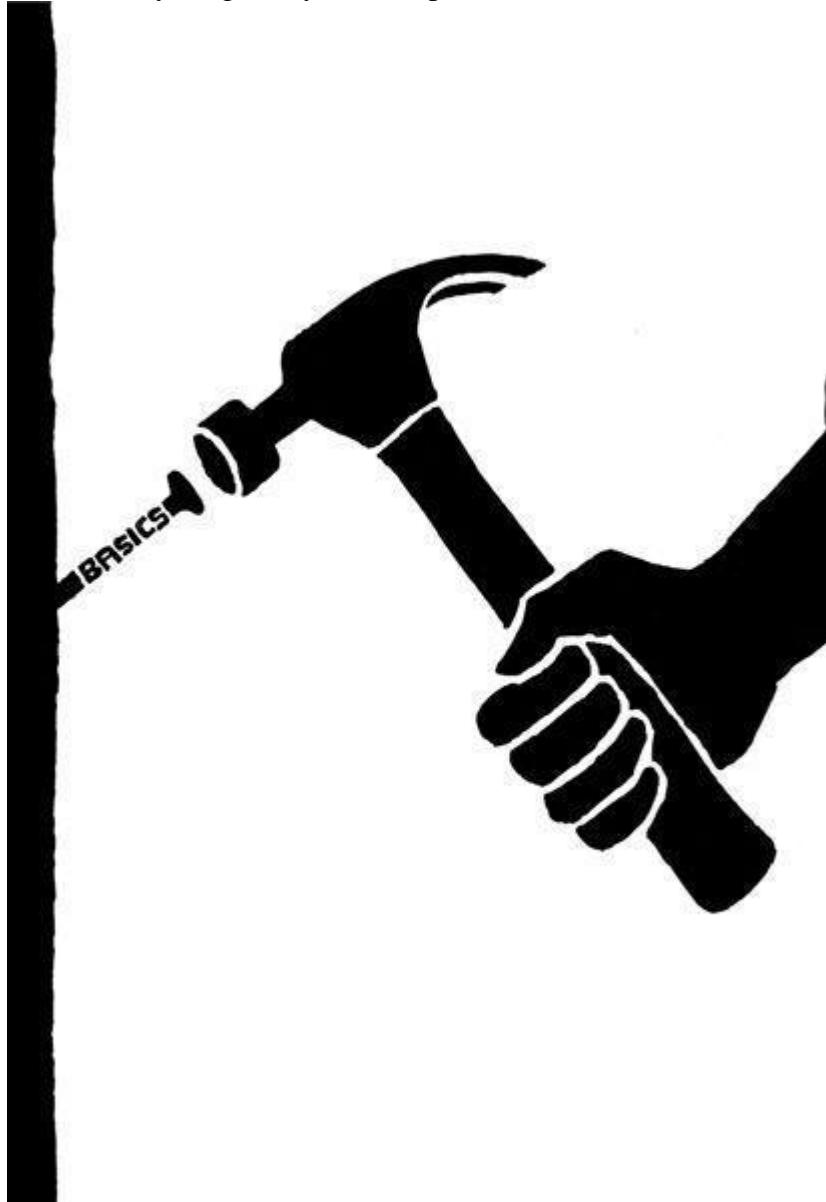
When you start anything new, there are forces pulling you in a variety of directions. There's the stuff you *could* do, the stuff you *want* to do, and the stuff you *have* to do. The stuff you *have* to do is where you should begin. Start at the epicenter.

For example, if you're opening a hot dog stand, you could worry about the condiments, the cart, the name, the decoration. But the first thing you should worry about is the hot dog. The hot dogs are the epicenter. Everything else is secondary.

The way to find the epicenter is to ask yourself this question: "If I took this away, would what I'm selling still exist?" A hot dog stand isn't a hot dog stand without the hot dogs. You can take away the onions, the relish, the mustard, etc. Some people may not

like your toppings-less dogs, but you'd still have a hot dog stand. But you simply cannot have a hot dog stand without any hot dogs.

So figure out your epicenter. Which part of your equation can't be removed? If you can continue to get by without this thing or that thing, then those things aren't the epicenter. When you find it, you'll know. Then focus all your energy on making it the best it can be. Everything else you do depends on that foundation.



### **Ignore the details early on**

Architects don't worry about which tiles go in the shower or which brand of dishwasher to install in the kitchen until *after* the floor plan is finalized. They know it's better to decide these details later.

You need to approach your idea the same way. Details make the difference. But getting infatuated with details too early leads to disagreement, meetings, and delays. You

get lost in things that don't really matter. You waste time on decisions that are going to change anyway. So ignore the details--for a while. Nail the basics first and worry about the specifics later.

When we start designing something, we sketch out ideas with a big, thick Sharpie marker, instead of a ballpoint pen. Why? Pen points are too fine. They're too high-resolution. They encourage you to worry about things that you shouldn't worry about yet, like perfecting the shading or whether to use a dotted or dashed line. You end up focusing on things that should still be out of focus.

A Sharpie makes it impossible to drill down that deep. You can only draw shapes, lines, and boxes. That's good. The big picture is all you should be worrying about in the beginning.

Walt Stanchfield, famed drawing instructor for Walt Disney Studios, used to encourage animators to "forget the detail" at first. The reason: Detail just doesn't buy you anything in the early stages.\*

Besides, you often can't recognize the details that matter most until *after* you start building. That's when you see what needs more attention. You feel what's missing. And that's when you need to pay attention, not sooner.

# DECISIONS



are



# PROGRESS

### **Making the call is making progress**

When you put off decisions, they pile up. And piles end up ignored, dealt with in haste, or thrown out. As a result, the individual problems in those piles stay unresolved.

Whenever you can, swap "Let's think about it" for "Let's decide on it." Commit to making decisions. Don't wait for the perfect solution. Decide and move forward.

You want to get into the rhythm of making choices. When you get in that flow of making decision after decision, you build momentum and boost morale. Decisions are progress. Each one you make is a brick in your foundation. You can't build on top of "We'll decide later," but you *can* build on top of "Done."

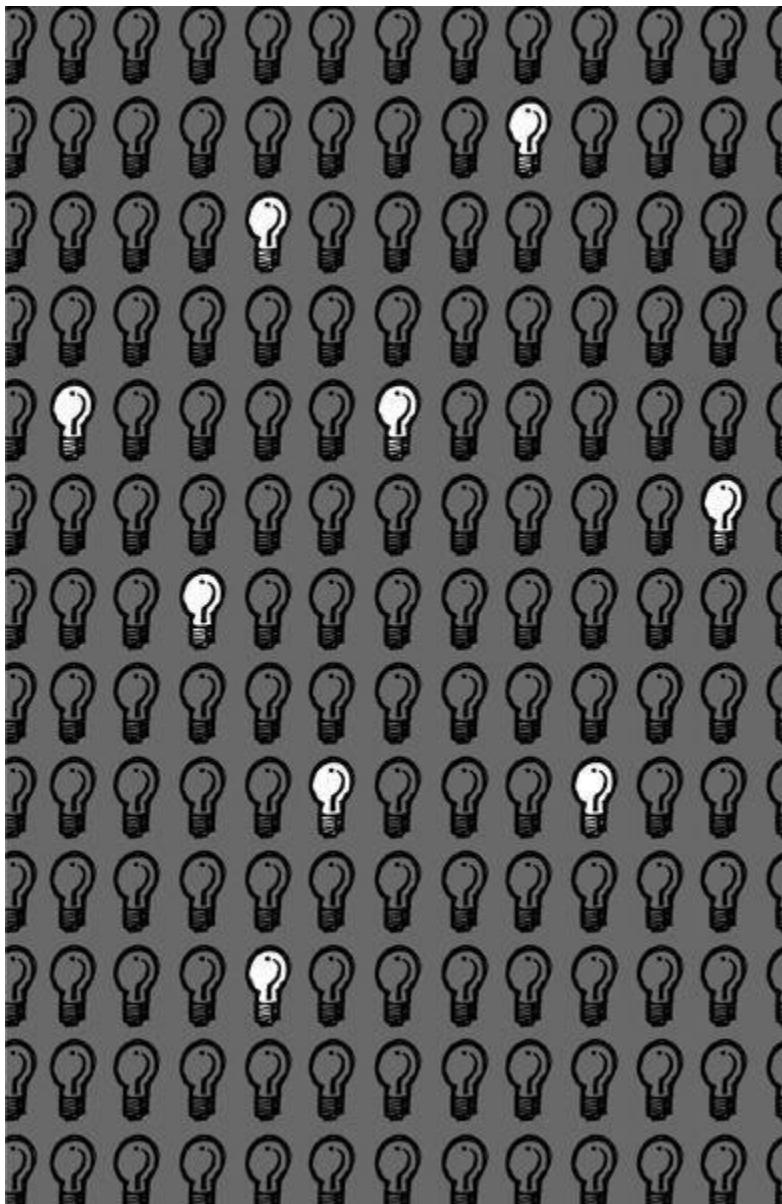
The problem comes when you postpone decisions in the hope that a perfect answer will come to you later. It won't. You're as likely to make a great call today as you are tomorrow.

An example from our world: For a long time, we avoided creating an affiliate program for our products because the "perfect" solution seemed way too complicated: We'd have to automate payments, mail out checks, figure out foreign tax laws for overseas affiliates, etc. The breakthrough came when we asked, "What can we easily do right now that's good enough?" The answer: Pay affiliates in credit instead of cash. So that's what we did.

We stuck with that approach for a while and then eventually implemented a system that pays cash. And that's a big part of this: You don't have to live with a decision forever. If you make a mistake, you can correct it later.

It doesn't matter how much you plan, you'll still get some stuff wrong anyway. Don't make things worse by overanalyzing and delaying before you even get going.

Long projects zap morale. The longer it takes to develop, the less likely it is to launch. Make the call, make progress, and get something out now--while you've got the motivation and momentum to do so.



### **Be a curator**

You don't make a great museum by putting all the art in the world into a single room. That's a warehouse. What makes a museum great is the stuff that's *not* on the walls. Someone says no. A curator is involved, making conscious decisions about what should stay and what should go. There's an editing process. There's a lot more stuff *off* the walls than *on* the walls. The best is a sub-sub-subset of all the possibilities.

It's the stuff you leave out that matters. So constantly look for things to remove, simplify, and streamline. Be a curator. Stick to what's truly essential. Pare things down until you're left with only the most important stuff. Then do it again. You can always add stuff back in later if you need to.

Zingerman's is one of America's best-known delis. And it got that way because its owners think of themselves as curators. They're not just filling their shelves. They're *curating* them.

There's a reason for every olive oil the team at Zingerman's sells: They believe each one is great. Usually, they've known the supplier for years. They've visited and picked olives with them. That's why they can vouch for each oil's authentic, full-bodied flavor.

For example, look how the owner of Zingerman's describes Pasolivo Olive Oil on the company Web site:I tasted this oil for the first time years ago, on a random recommendation and sample. There are plenty of oils that come in nice bottles with very endearing stories to tell--this was no exception--but most simply aren't that great. By contrast Pasolivo got my attention as soon as I tasted it. It's powerful, full and fruity. Everything I like in an oil, without any drawbacks. It still stands as one of America's best oils, on par with the great rustic oils of Tuscany. Strongly recommended.\*

The owner actually tried the oil and chooses to carry it based on its taste. It's not about packaging, marketing, or price. It's about quality. He tried it and knew his store had to carry it. That's the approach you should take too.



### Throw less at the problem

Watch chef Gordon Ramsay's *Kitchen Nightmares* and you'll see a pattern. The menus at failing restaurants offer too many dishes. The owners think making every dish under the sun will broaden the appeal of the restaurant. Instead it makes for crappy food (and creates inventory headaches).

That's why Ramsay's first step is nearly always to trim the menu, usually from thirty-plus dishes to around ten. Think about that. Improving the current menu doesn't come first. Trimming it down comes first. Then he polishes what's left.

When things aren't working, the natural inclination is to throw more at the problem. More people, time, and money. All that ends up doing is making the problem bigger. The right way to go is the opposite direction: Cut back.

So do less. Your project won't suffer nearly as much as you fear. In fact, there's a

good chance it'll end up even better. You'll be forced to make tough calls and sort out what truly matters.

If you start pushing back deadlines and increasing your budget, you'll never stop.



### **Focus on what won't change**

A lot of companies focus on the next big thing. They latch on to what's hot and new. They follow the latest trends and technology.

That's a fool's path. You start focusing on fashion instead of substance. You start paying attention to things that are constantly changing instead of things that last.

The core of your business should be built around things that won't change. Things that people are going to want today *and* ten years from now. Those are the things you should invest in.

Amazon.com focuses on fast (or free) shipping, great selection, friendly return

policies, and affordable prices. These things will always be in high demand.

Japanese automakers also focus on core principles that don't change: reliability, affordability, and practicality. People wanted those things thirty years ago, they want them today, and they'll want them thirty years from now.

For 37signals, things like speed, simplicity, ease of use, and clarity are our focus. Those are timeless desires. People aren't going to wake up in ten years and say, "Man, I wish software was harder to use." They won't say, "I wish this application was slower."

Remember, fashion fades away. When you focus on *permanent* features, you're in bed with things that never go out of style.



### Tone is in your fingers

Guitar gurus say, "Tone is in your fingers." You can buy the same guitar, effects pedals, and amplifier that Eddie Van Halen uses. But when you play that rig, it's still going to sound like you.

Likewise, Eddie could plug into a crappy Strat/Pignose setup at a pawn shop, and you'd still be able to recognize that it's Eddie Van Halen playing. Fancy gear can help, but the truth is your tone comes from you.

It's tempting for people to obsess over tools instead of what they're going to do with those tools. You know the type: Designers who use an avalanche of funky typefaces and fancy Photoshop filters but don't have anything to say. Amateur photographers who

want to debate film versus digital endlessly instead of focusing on what actually makes a photograph great.

Many amateur golfers think they need expensive clubs. But it's the swing that matters, not the club. Give Tiger Woods a set of cheap clubs and he'll still destroy you.

People use equipment as a crutch. They don't want to put in the hours on the driving range so they spend a ton in the pro shop. They're looking for a shortcut. But you just don't need the best gear in the world to be good. And you definitely don't need it to get started.

In business, too many people obsess over tools, software tricks, scaling issues, fancy office space, lavish furniture, and other frivolities instead of what really matters. And what really matters is how to actually get customers and make money.

You also see it in people who want to blog, podcast, or shoot videos for their business but get hung up on which tools to use. The content is what matters. You can spend tons on fancy equipment, but if you've got nothing to say ... well, you've got nothing to say.

Use whatever you've got already or can afford cheaply. Then go. It's not the gear that matters. It's playing what you've got as well as you can. Your tone is in your fingers.



### Sell your by-products

When you make something, you always make something else. You can't make just one thing. Everything has a by-product. Observant and creative business minds spot these by-products and see opportunities.

The lumber industry sells what used to be waste--sawdust, chips, and shredded wood--for a pretty profit. You'll find these by-products in synthetic fireplace logs, concrete, ice strengtheners, mulch, particleboard, fuel, and more.

But you're probably not manufacturing anything. That can make it tough to spot your by-products. People at a lumber company see their waste. They can't ignore sawdust. But you don't see yours. Maybe you don't even think you produce any by-products. But that's myopic.

Our last book, *Getting Real*, was a by-product. We wrote that book without even

knowing it. The experience that came from building a company and building software was the waste from actually doing the work. We swept up that knowledge first into blog posts, then into a workshop series, then into a .pdf, and then into a paperback. That by-product has made 37signals more than \$1 million directly and probably more than another \$1 million indirectly. The book you're reading right now is a by-product too.

The rock band Wilco found a valuable by-product in its recording process. The band filmed the creation of an album and released it as a documentary called *I Am Trying to Break Your Heart*. It offered an uncensored and fascinating look at the group's creative process and infighting. The band made money off the movie and also used it as a stepping-stone toward reaching a wider audience.

Henry Ford learned of a process for turning wood scraps from the production of Model T's into charcoal briquets. He built a charcoal plant and Ford Charcoal was created (later renamed Kingsford Charcoal). Today, Kingsford is still the leading manufacturer of charcoal in America.\*

Software companies don't usually think about writing books. Bands don't usually think about filming the recording process. Car manufacturers don't usually think about selling charcoal. There's probably something you haven't thought about that you could sell too.



# GET IT OUT THERE!



## Launch now

When is your product or service finished? When should you put it out on the market? When is it safe to let people have it? Probably a lot sooner than you're comfortable with. Once your product does what it needs to do, get it out there.

Just because you've still got a list of things to do doesn't mean it's not done. Don't hold everything else up because of a few leftovers. You can do them later. And doing them later may mean doing them better, too.

Think about it this way: If you had to launch your business in two weeks, what would you cut out? Funny how a question like that forces you to focus. You suddenly realize there's a lot of stuff you don't need. And what you *do* need seems obvious. When you impose a deadline, you gain clarity. It's the best way to get to that gut instinct that tells you, "We don't need this."

Put off anything you don't need for launch. Build the necessities now, worry about the luxuries later. If you really think about it, there's a whole lot you don't need on day one.

When we launched Basecamp, we didn't even have the ability to bill customers! Because the product billed in monthly cycles, we knew we had a thirty-day gap to figure it out. So we used the time before launch to solve more urgent problems that actually mattered on day one. Day 30 could wait.

Camper, a brand of shoes, opened a store in San Francisco before construction was even finished and called it a Walk in Progress. Customers could draw on the walls of the empty store. Camper displayed shoes on cheap plywood laid over dozens of shoe boxes. The most popular message written by customers on the walls: "Keep the store just the way it is."<sup>\*</sup>

Likewise, the founders of Crate and Barrel didn't wait to build fancy displays when they opened their first store. They turned over the crates and barrels that the merchandise came in and stacked products on top of them.<sup>+</sup>

Don't mistake this approach for skimping on quality, either. You still want to make something great. This approach just recognizes that the best way to get there is through iterations. Stop imagining what's going to work. Find out for real.<sup>\*</sup>Walt Stanchfield, *Drawn to Life: 20 Golden Years of Disney Master Classes*, vol. 1, *The Walt Stanchfield Lectures*, Oxford, UK: Focal Press, 2009. <sup>\*</sup>Pasolivo Olive Oil, Zingerman's, [www.zingermans.com/product.aspx?productid=o-psl](http://www.zingermans.com/product.aspx?productid=o-psl)<sup>\*</sup>"About Kingsford: Simply a Matter of Taste," Kingsford, [www.kingsford.com/about/index.htm](http://www.kingsford.com/about/index.htm)<sup>\*</sup>Fara Warner, "Walk in Progress," *Fast Company*, Dec. 19, 2007, [www.fastcompany.com/magazine/58/lookfeel.html](http://www.fastcompany.com/magazine/58/lookfeel.html)+Matt Valley, "The Crate and Barrel Story," *Retail Traffic*, June 1, 2001, [retailtrafficmag.com/mag/retail\\_crate\\_barrel\\_story](http://retailtrafficmag.com/mag/retail_crate_barrel_story)

## CHAPTER PRODUCTIVITY

# GET REAL!

## **Illusions of agreement**

The business world is littered with dead documents that do nothing but waste people's time. Reports no one reads, diagrams no one looks at, and specs that never resemble the finished product. These things take forever to make but only seconds to forget.

If you need to explain something, try getting real with it. Instead of describing what something looks like, draw it. Instead of explaining what something sounds like, hum it. Do everything you can to remove layers of abstraction.

The problem with abstractions (like reports and documents) is that they create illusions of agreement. A hundred people can read the same words, but in their heads, they're imagining a hundred different things.

That's why you want to get to something real right away. That's when you get true

understanding. It's like when we read about characters in a book--we each picture them differently in our heads. But when we actually *see* people, we all know exactly what they look like.

When the team at Alaska Airlines wanted to build a new Airport of the Future, they didn't rely on blueprints and sketches. They got a warehouse and built mock-ups using cardboard boxes for podiums, kiosks, and belts. The team then built a small prototype in Anchorage to test systems with real passengers and employees. The design that resulted from this getting-real process has significantly reduced wait times and increased agent productivity.\*

Widely admired furniture craftsman Sam Maloof felt it was impossible to make a working drawing to show all the intricate and fine details that go into a chair or stool. "Many times I do not know how a certain area is to be done until I start working with a chisel, rasp, or whatever tool is needed for that particular job," he said.+

That's the path we all should take. Get the chisel out and start making something real. Anything else is just a distraction.



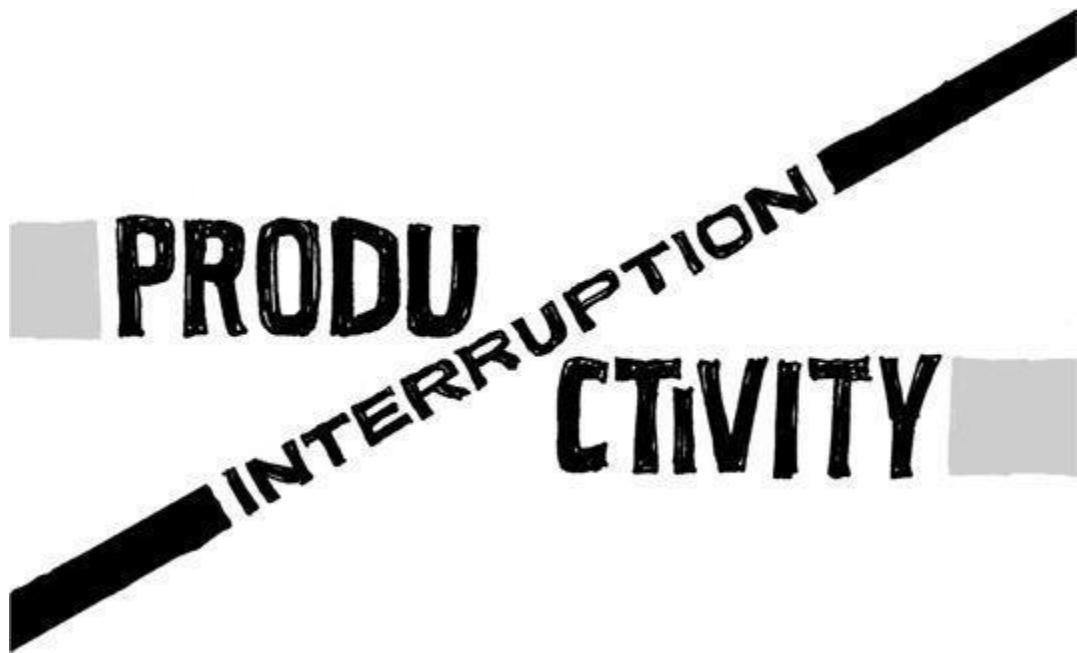
### Reasons to quit

It's easy to put your head down and just work on what you *think* needs to be done. It's a lot harder to pull your head up and ask why. Here are some important questions to ask yourself to ensure you're doing work that matters: **Why are you doing this?** Ever find yourself working on something without knowing exactly why? Someone just told you to do it. It's pretty common, actually. That's why it's important to ask why you're working on \_\_\_\_\_. What is this for? Who benefits? What's the motivation behind it? Knowing the answers to these questions will help you better understand the work itself. **What problem are you solving?** What's the problem? Are customers confused? Are you confused? Is something not clear enough? Was something not possible before that should be possible now? Sometimes when you ask these questions, you'll find you're solving an *imaginary* problem. That's when it's time to stop and reevaluate what the hell

you're doing. **Is this actually useful?** Are you making something useful or just making something? It's easy to confuse enthusiasm with usefulness. Sometimes it's fine to play a bit and build something cool. But eventually you've got to stop and ask yourself if it's useful, too. Cool wears off. Useful never does. **Are you adding value?** Adding something is easy; adding *value* is hard. Is this thing you're working on actually making your product more valuable for customers? Can they get more out of it than they did before? Sometimes things you think are adding value actually subtract from it. Too much ketchup can ruin the fries. Value is about balance. **Will this change behavior?** Is what you're working on really going to change anything? Don't add something unless it has a real impact on how people use your product. **Is there an easier way?** Whenever you're working on something, ask, "Is there an easier way?" You'll often find this easy way is more than good enough for now. Problems are usually pretty simple. We just imagine that they require hard solutions. **What could you be doing instead?** What can't you do because you're doing this? This is especially important for small teams with constrained resources. That's when prioritization is even more important. If you work on A, can you still do B and C before April? If not, would you rather have B and C instead of A? If you're stuck on something for a long period of time, that means there are other things you're not getting done. **Is it really worth it?** Is what you're doing really worth it? Is this meeting worth pulling six people off their work for an hour? Is it worth pulling an all-nighter tonight, or could you just finish it up tomorrow? Is it worth getting all stressed out over a press release from a competitor? Is it worth spending your money on advertising? Determine the real value of what you're about to do before taking the plunge.

Keep asking yourself (and others) the questions listed above. You don't need to make it a formal process, but don't let it slide, either.

Also, don't be timid about your conclusions. Sometimes abandoning what you're working on is the right move, even if you've already put in a lot of effort. Don't throw good time after bad work.



## **Interruption is the enemy of productivity**

If you're constantly staying late and working weekends, it's not because there's too much work to be done. It's because you're not getting enough done at work. And the reason is interruptions.

Think about it: When do you get most of your work done? If you're like most people, it's at night or early in the morning. It's no coincidence that these are the times when nobody else is around.

At 2 p.m., people are usually in a meeting or answering e-mail or chatting with colleagues. Those taps on the shoulder and little impromptu get-togethers may seem harmless, but they're actually corrosive to productivity. Interruption is not collaboration, it's just interruption. And when you're interrupted, you're not getting work done.

Interruptions break your workday into a series of work moments. Forty-five minutes and then you have a call. Fifteen minutes and then you have lunch. An hour later, you have an afternoon meeting. Before you know it, it's five o'clock, and you've only had a couple uninterrupted hours to get your work done. You can't get meaningful things done when you're constantly going start, stop, start, stop.

Instead, you should get in the alone zone. Long stretches of alone time are when you're most productive. When you don't have to mind-shift between various tasks, you get a boatload done. (Ever notice how much work you get done on a plane since you're offline and there are zero outside distractions?)

Getting into that zone takes time and requires avoiding interruptions. It's like REM sleep: You don't just go directly into REM sleep. You go to sleep first and then make your way to REM. Any interruptions force you to start over. And just as REM is when the real sleep magic happens, the alone zone is where the real productivity magic happens.

Your alone zone doesn't have to be in the wee hours, though. You can set up a rule at work that half the day is set aside for alone time. Decree that from 10 a.m. to 2 p.m., people can't talk to each other (except during lunch). Or make the first or last half of the day *your* alone-time period. Or instead of casual Fridays, try no-talk Thursdays. Just make sure this period is unbroken in order to avoid productivity-zapping interruptions.

And go all the way with it. A successful alone-time period means letting go of communication addiction. During alone time, give up instant messages, phone calls, e-mail, and meetings. Just shut up and get to work. You'll be surprised how much more you get done.

Also, when you do collaborate, try to use passive communication tools, like e-mail, that don't require an instant reply, instead of interruptive ones, like phone calls and face-to-face meetings. That way people can respond when it's convenient for them, instead of being forced to drop everything right away.

Your day is under siege by interruptions. It's on you to fight back.



### **Meetings are toxic**

The worst interruptions of all are meetings. Here's why:

They're usually about words and abstract concepts, not real things.

They usually convey an abysmally small amount of information per minute.

They drift off-subject easier than a Chicago cab in a snowstorm.

They require thorough preparation that most people don't have time for.

They frequently have agendas so vague that nobody is really sure of the goal.

They often include at least one moron who inevitably gets his turn to waste everyone's time with nonsense.

Meetings procreate. One meeting leads to another meeting leads to another ...

It's also unfortunate that meetings are typically scheduled like TV shows. You set aside thirty minutes or an hour because that's how scheduling software works (you'll never see anyone schedule a seven-minute meeting with Outlook). Too bad. If it only takes seven minutes to accomplish a meeting's goal, then that's all the time you should spend. Don't stretch seven into thirty.

When you think about it, the true cost of meetings is staggering. Let's say you're going to schedule a meeting that lasts one hour, and you invite ten people to attend.

That's actually a ten-hour meeting, not a one-hour meeting. You're trading ten hours of productivity for one hour of meeting time. And it's probably more like fifteen hours,

because there are mental switching costs that come with stopping what you're doing, going somewhere else to meet, and then resuming what you were doing beforehand.

Is it ever OK to trade ten or fifteen hours of productivity for one hour of meeting? Sometimes, maybe. But that's a pretty hefty price to pay. Judged on a pure cost basis, meetings of this size quickly become liabilities, not assets. Think about the time you're actually losing and ask yourself if it's really worth it.

If you decide you absolutely *must* get together, try to make your meeting a productive one by sticking to these simple rules:

Set a timer. When it rings, meeting's over. Period.

Invite as few people as possible.

Always have a clear agenda.

Begin with a specific problem.

Meet at the site of the problem instead of a conference room. Point to real things and suggest real changes.

End with a solution and make someone responsible for implementing it.



### **Good enough is fine**

A lot of people get off on solving problems with complicated solutions. Flexing your intellectual muscles can be intoxicating. Then you start looking for another big challenge that gives you that same rush, regardless of whether it's a good idea or not.

A better idea: Find a judo solution, one that delivers maximum efficiency with

minimum effort. Judo solutions are all about getting the most out of doing the least. Whenever you face an obstacle, look for a way to judo it.

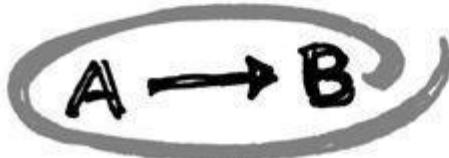
Part of this is recognizing that problems are negotiable. Let's say your challenge is to get a bird's-eye view. One way to do it is to climb Mount Everest. That's the ambitious solution. But then again, you could take an elevator to the top of a tall building. That's a judo solution.

Problems can usually be solved with simple, mundane solutions. That means there's no glamorous work. You don't get to show off your amazing skills. You just build something that gets the job done and then move on. This approach may not earn you oohs and aahs, but it lets you get on with it.

Look at political campaign ads. A big issue pops up, and politicians have an ad about it on the air the next day. The production quality is low. They use photos instead of live footage. They have static, plain-text headlines instead of fancy animated graphics. The only audio is a voice-over done by an unseen narrator. Despite all that, the ad is still good enough. If they waited weeks to perfect it, it would come out too late. It's a situation where timeliness is more important than polish or even quality.

When good enough gets the job done, go for it. It's way better than wasting resources or, even worse, doing nothing because you can't afford the complex solution. And remember, you can usually turn good enough into great later.

# QUICK WINS



## **Quick wins**

Momentum fuels motivation. It keeps you going. It drives you. Without it, you can't go anywhere. If you aren't motivated by what you're working on, it won't be very good.

The way you build momentum is by getting something done and then moving on to the next thing. No one likes to be stuck on an endless project with no finish line in sight. Being in the trenches for nine months and not having anything to show for it is a real buzzkill. Eventually it just burns you out. To keep your momentum and motivation up, get in the habit of accomplishing small victories along the way. Even a tiny improvement can give you a good jolt of momentum.

The longer something takes, the less likely it is that you're going to finish it.

Excitement comes from doing something and then letting customers have at it. Planning a menu for a year is boring. Getting the new menu out, serving the food, and getting feedback is exciting. So don't wait too long--you'll smother your sparks if you do.

If you absolutely have to work on long-term projects, try to dedicate one day a week (or every two weeks) to small victories that generate enthusiasm. Small victories let you celebrate and release good news. And you want a steady stream of good news. When there's something new to announce every two weeks, you energize your team and give your customers something to be excited about.

So ask yourself, "What can we do in two weeks?" And then do it. Get it out there and let people use it, taste it, play it, or whatever. The quicker it's in the hands of customers, the better off you'll be.



### **Don't be a hero**

A lot of times it's better to be a quitter than a hero.

For example, let's say you think a task can be done in two hours. But four hours into it, you're still only a quarter of the way done. The natural instinct is to think, "But I can't give up now, I've already spent four hours on this!"

So you go into hero mode. You're determined to make it work (and slightly embarrassed that it isn't already working). You grab your cape and shut yourself off from the world.

And sometimes that kind of sheer effort overload works. But is it worth it? Probably not. The task was worth it when you thought it would cost two hours, not sixteen. In those sixteen hours, you could have gotten a bunch of other things done. Plus, you cut yourself off from feedback, which can lead you even further down the wrong path. Even heroes need a fresh pair of eyes sometimes--someone else to give them a reality check.

We've experienced this problem firsthand. So we decided that if anything takes

one of us longer than two weeks, we've got to bring other people in to take a look. They might not do any work on the task, but at least they can review it quickly and give their two cents. Sometimes an obvious solution is staring you right in the face, but you can't even see it.

Keep in mind that the obvious solution might very well be quitting. People automatically associate quitting with failure, but sometimes that's *exactly* what you should do. If you already spent too much time on something that wasn't worth it, walk away. You can't get that time back. The worst thing you can do now is waste even more time.



### **Go to sleep**

Forgoing sleep is a bad idea. Sure, you get those extra hours right now, but you

pay in spades later: You destroy your creativity, morale, and attitude.

Once in a while, you can pull an all-nighter if you fully understand the consequences. Just don't make it a habit. If it becomes a constant, the costs start to mount:**Stubbornness:** When you're really tired, it always seems easier to plow down whatever bad path you happen to be on instead of reconsidering the route. The finish line is a constant mirage and you wind up walking in the desert way too long. **Lack of creativity:** Creativity is one of the first things to go when you lose sleep. What distinguishes people who are ten times more effective than the norm is not that they work ten times as hard; it's that they use their creativity to come up with solutions that require one-tenth of the effort. Without sleep, you stop coming up with those one-tenth solutions. **Diminished morale:** When your brain isn't firing on all cylinders, it loves to feed on less demanding tasks. Like reading yet another article about stuff that doesn't matter. When you're tired, you lose motivation to attack the big problems. **Irritability:** Your ability to remain patient and tolerant is severely reduced when you're tired. If you encounter someone who's acting like a fool, there's a good chance that person is suffering from sleep deprivation.

These are just some of the costs you incur when not getting enough sleep. Yet some people still develop a masochistic sense of honor about sleep deprivation. They even brag about how tired they are. Don't be impressed. It'll come back to bite them in the ass.



## Your estimates suck

We're all terrible estimators. We think we can guess how long something will take, when we really have no idea. We see everything going according to a best-case scenario, without the delays that inevitably pop up. Reality never sticks to best-case scenarios.

That's why estimates that stretch weeks, months, and years into the future are fantasies. The truth is you just don't know what's going to happen that far in advance.

How often do you think a quick trip to the grocery store will take only a few minutes and then it winds up taking an hour? And remember when cleaning out the attic took you all day instead of just the couple of hours you thought it would? Or sometimes it's the opposite, like that time you planned on spending four hours raking the yard only to have it take just thirty-five minutes. We humans are just plain *bad* at estimating.

Even with these simple tasks, our estimates are often off by a factor of two or more. If we can't be accurate when estimating a few hours, how can we expect to accurately predict the length of a "six-month project"?

Plus, we're not just a little bit wrong when we guess how long something will take--we're a lot wrong. That means if you're guessing six months, you might be *way* off: We're not talking seven months instead of six, we're talking one year instead of six months.

That's why Boston's "Big Dig" highway project finished five years late and billions over budget. Or the Denver International Airport opened sixteen months late, at a cost overrun of \$2 billion.

The solution: Break the big thing into smaller things. The smaller it is, the easier it is to estimate. You're probably still going to get it wrong, but you'll be a lot less wrong than if you estimated a big project. If something takes twice as long as you expected, better to have it be a small project that's a couple *weeks* over rather than a long one that's a couple *months* over.

Keep breaking your time frames down into smaller chunks. Instead of one twelve-week project, structure it as twelve one-week projects. Instead of guesstimating at tasks that take thirty hours or more, break them down into more realistic six-to-ten-hour chunks. Then go one step at a time.



### **Long lists don't get done**

Start making smaller to-do lists too. Long lists collect dust. When's the last time you finished a long list of things? You might have knocked off the first few, but chances are you eventually abandoned it (or blindly checked off items that weren't really done properly).

Long lists are guilt trips. The longer the list of unfinished items, the worse you feel about it. And at a certain point, you just stop looking at it because it makes you feel bad. Then you stress out and the whole thing turns into a big mess.

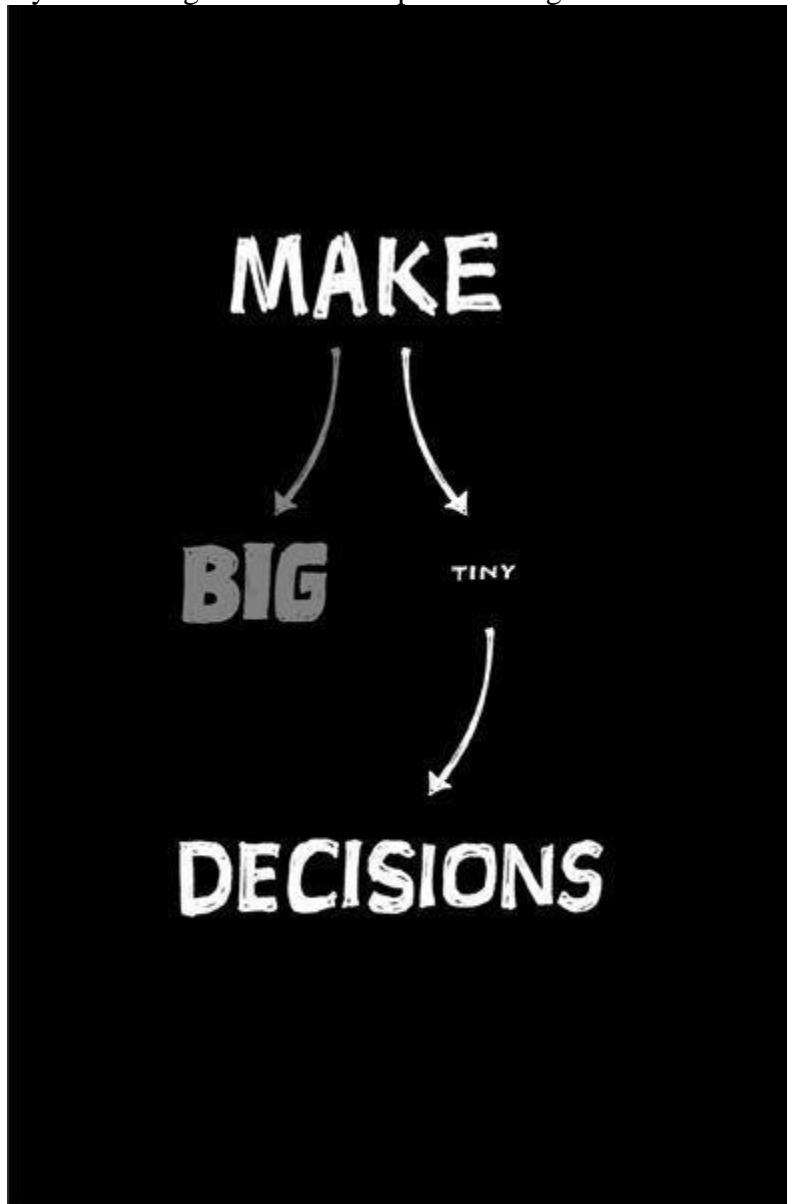
There's a better way. Break that long list down into a bunch of smaller lists. For example, break a single list of a hundred items into ten lists of ten items. That means when you finish an item on a list, you've completed 10 percent of that list, instead of 1 percent.

Yes, you still have the same amount of stuff left to do. But now you can look at the small picture and find satisfaction, motivation, and progress. That's a lot better than staring at the huge picture and being terrified and demoralized.

Whenever you can, divide problems into smaller and smaller pieces until you're able to deal with them completely and quickly. Simply rearranging your tasks this way can have an amazing impact on your productivity and motivation.

And a quick suggestion about prioritization: Don't prioritize with numbers or labels. Avoid saying, "This is high priority, this is low priority." Likewise, don't say, "This is a three, this is a two, this is a one, this is a three," etc. Do that and you'll almost always end up with a ton of really high-priority things. That's not really prioritizing.

Instead, prioritize visually. Put the most important thing at the top. When you're done with that, the next thing on the list becomes the next most important thing. That way you'll only have a single next most important thing to do at a time. And that's enough.



### **Make tiny decisions**

Big decisions are hard to make and hard to change. And once you make one, the tendency is to continue believing you made the right decision, even if you didn't. You stop being objective.

Once ego and pride are on the line, you can't change your mind without looking bad. The desire to save face trumps the desire to make the right call. And then there's inertia too: The more steam you put into going in one direction, the harder it is to change course.

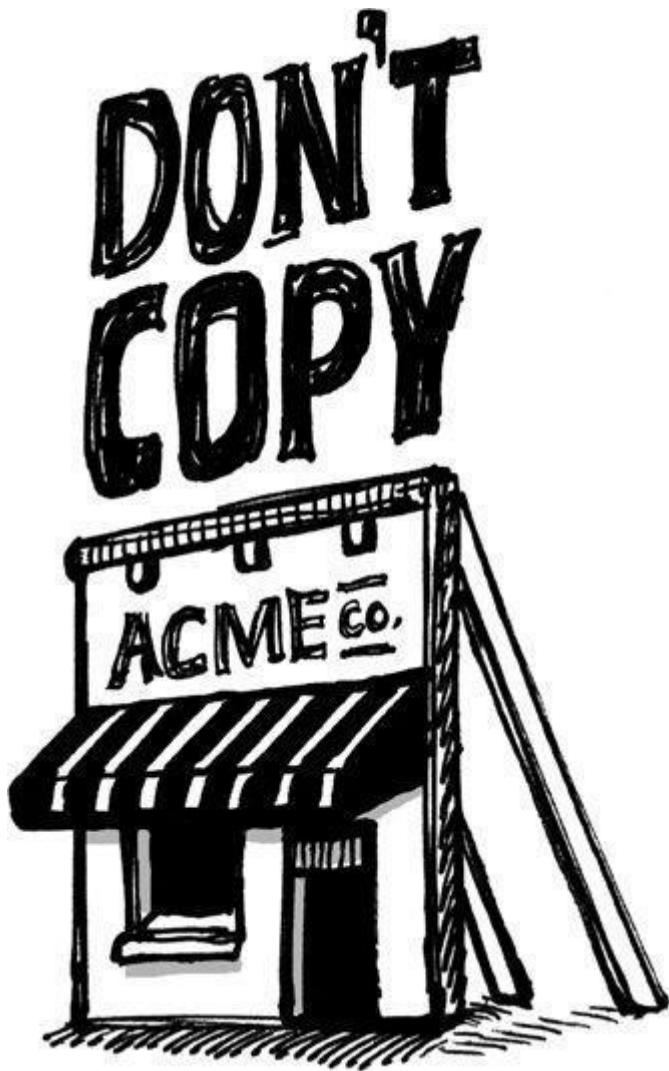
Instead, make choices that are small enough that they're effectively temporary. When you make tiny decisions, you can't make big mistakes. These small decisions mean you can afford to change. There's no big penalty if you mess up. You just fix it.

Making tiny decisions doesn't mean you can't make big plans or think big ideas. It just means you believe the best way to achieve those big things is one tiny decision at a time.

Polar explorer Ben Saunders said that during his solo North Pole expedition (thirty-one marathons back-to-back, seventy-two days alone) the "huge decision" was often so horrifically overwhelming to contemplate that his day-to-day decision making rarely extended beyond "getting to that bit of ice a few yards in front of me."

Attainable goals like that are the best ones to have. Ones you can actually accomplish and build on. You get to say, "We nailed it. Done!" Then you get going on the next one. That's a lot more satisfying than some pie-in-the-sky fantasy goal you never meet.\*Dave Demerjian, "Hustle & Flow," *Fast Company*, [www.fastcompany.com/magazine/123/hustle-and-flow.html](http://www.fastcompany.com/magazine/123/hustle-and-flow.html)+"Maloof on Maloof: Quotations and Works of Sam Maloof," Smithsonian American Art Museum, [americanart.si.edu/exhibitions/online/maloof/introduction](http://americanart.si.edu/exhibitions/online/maloof/introduction)

## **CHAPTER COMPETITORS**



### Don't copy

Sometimes copying can be part of the learning process, like when you see an art student replicating a painting in a museum or a drummer playing along to John Bonham's solo on Led Zeppelin's "Moby Dick." When you're a student, this sort of imitation can be a helpful tool on the path to discovering your own voice.

Unfortunately, copying in the business arena is usually more nefarious. Maybe it's because of the copy-and-paste world we live in these days. You can steal someone's words, images, or code instantly. And that means it's tempting to try to build a business by being a copycat.

That's a formula for failure, though. The problem with this sort of copying is it skips understanding--and understanding is how you grow. You have to understand why something works or why something is the way it is. When you just copy and paste, you miss that. You just repurpose the last layer instead of understanding all the layers underneath.

So much of the work an original creator puts into something is invisible. It's buried beneath the surface. The copycat doesn't really know why something looks the

way it looks or feels the way it feels or reads the way it reads. The copy is a faux finish. It delivers no substance, no understanding, and nothing to base future decisions on.

Plus, if you're a copycat, you can never keep up. You're always in a passive position. You never lead; you always follow. You give birth to something that's already behind the times--just a knockoff, an inferior version of the original. That's no way to live.

How do you know if you're copying someone? If someone else is doing the bulk of the work, you're copying. Be influenced, but don't steal.



### **Decommoditize your product**

If you're successful, people will try to copy what you do. It's just a fact of life. But there's a great way to protect yourself from copycats: Make *you* part of your product or service. Inject what's unique about the way you think into what you sell. Decommoditize

your product. Make it something no one else can offer.

Look at Zappos.com, a billion-dollar online shoe retailer. A pair of sneakers from Zappos is the same as a pair from Foot Locker or any other retailer. But Zappos sets itself apart by injecting CEO Tony Hsieh's obsession with customer service into everything it does.

At Zappos, customer-service employees don't use scripts and are allowed to talk at length with customers. The call center and the company's headquarters are in the same place, not oceans apart. And all Zappos employees--even those who don't work in customer service or fulfillment--start out by spending four weeks answering phones and working in the warehouse. It's this devotion to customer service that makes Zappos unique among shoe sellers.\*

Another example is Polyface, an environmentally friendly Virginia farm owned by Joel Salatin. Salatin has a strong set of beliefs and runs his business accordingly. Polyface sells the idea that it does things a bigger agribusiness can't do. Even though it's more expensive to do so, it feeds cows grass instead of corn and never gives them antibiotics. It never ships food. Anyone is welcome to visit the farm anytime and go anywhere (try that at a typical meat-processing plant). Polyface doesn't just sell chickens, it sells a way of thinking. And customers love Polyface for it. Some customers routinely drive from 150 miles away to get "clean" meat for their families.\*

Pour yourself into your product and everything *around* your product too: how you sell it, how you support it, how you explain it, and how you deliver it. Competitors can never copy the *you* in your product.



### Pick a fight

If you think a competitor sucks, say so. When you do that, you'll find that others who agree with you will rally to your side. Being the anti-\_\_\_\_\_ is a great way to differentiate yourself and attract followers.

For example, Dunkin' Donuts likes to position itself as the anti-Starbucks. Its ads mock Starbucks for using "Fritalian" terms instead of small, medium, and large. Another Dunkin' campaign is centered on a taste test in which it beat Starbucks. There's even a site called [DunkinBeatStarbucks.com](http://DunkinBeatStarbucks.com) where visitors can send e-cards with statements like "Friends don't let friends drink Starbucks."

Audi is another example. It's been taking on the old guard of car manufacturers. It puts "old luxury" brands like Rolls-Royce and Mercedes "on notice" in ads touting Audi as the fresh luxury alternative. Audi takes on Lexus's automatic parking systems with ads that say Audi drivers know how to park their own cars. Another ad gives a side-by-side

comparison of BMW and Audi owners: The BMW owner uses the rearview mirror to adjust his hair while the Audi driver uses the mirror to see what's behind him.

Apple jabs at Microsoft with ads that compare Mac and PC owners, and 7UP bills itself as the Uncola. Under Armour positions itself as Nike for a new generation.

All these examples show the power and direction you can gain by having a target in your sights. Who do you want to take a shot at?

You can even pit yourself as the opponent of an entire industry. Dyson's Airblade starts with the premise that the hand-dryer industry is a failure and then sells itself as faster and more hygienic than the others. I Can't Believe It's Not Butter puts its enemy right there in its product name.

Having an enemy gives you a great story to tell customers, too. Taking a stand always stands out. People get stoked by conflict. They take sides. Passions are ignited. And that's a good way to get people to take notice.

UNDERDO  
*your*  
COMPETITION

## **Underdo your competition**

Conventional wisdom says that to beat your competitors, you need to one-up them. If they have four features, you need five (or fifteen, or twenty-five). If they're spending \$20,000, you need to spend \$30,000. If they have fifty employees, you need a hundred.

This sort of one-upping, Cold War mentality is a dead end. When you get suckered into an arms race, you wind up in a never-ending battle that costs you massive amounts of money, time, and drive. And it forces you to constantly be on the defensive, too. Defensive companies can't think ahead; they can only think behind. They don't lead; they follow.

So what do you do instead? Do less than your competitors to beat them. Solve the simple problems and leave the hairy, difficult, nasty problems to the competition. Instead of one-upping, try one-downing. Instead of outdoing, try underdoing.

The bicycle world provides a great example. For years, major bicycle brands focused on the latest in hightech equipment: mountain bikes with suspension and ultrastrong disc brakes, or lightweight titanium road bikes with carbon-fiber everything. And it was assumed that bikes should have multiple gears: three, ten, or twenty-one.

But recently, fixed-gear bicycles have boomed in popularity, despite being as low-tech as you can get. These bikes have just one gear. Some models don't have brakes. The advantage: They're simpler, lighter, cheaper, and don't require as much maintenance.

Another great example of a product that is succeeding by underdoing the competition: the Flip--an ultrasimple, point-and-shoot, compact camcorder that's taken a significant percentage of the market in a short time. Look at all the things the Flip does *not* deliver:

No big screen (and the tiny screen doesn't swing out for self-portraits either)

No photo-taking ability

No tapes or discs (you have to offload the videos to a computer)

No menus

No settings

No video light

No viewfinder

No special effects

No headphone jack

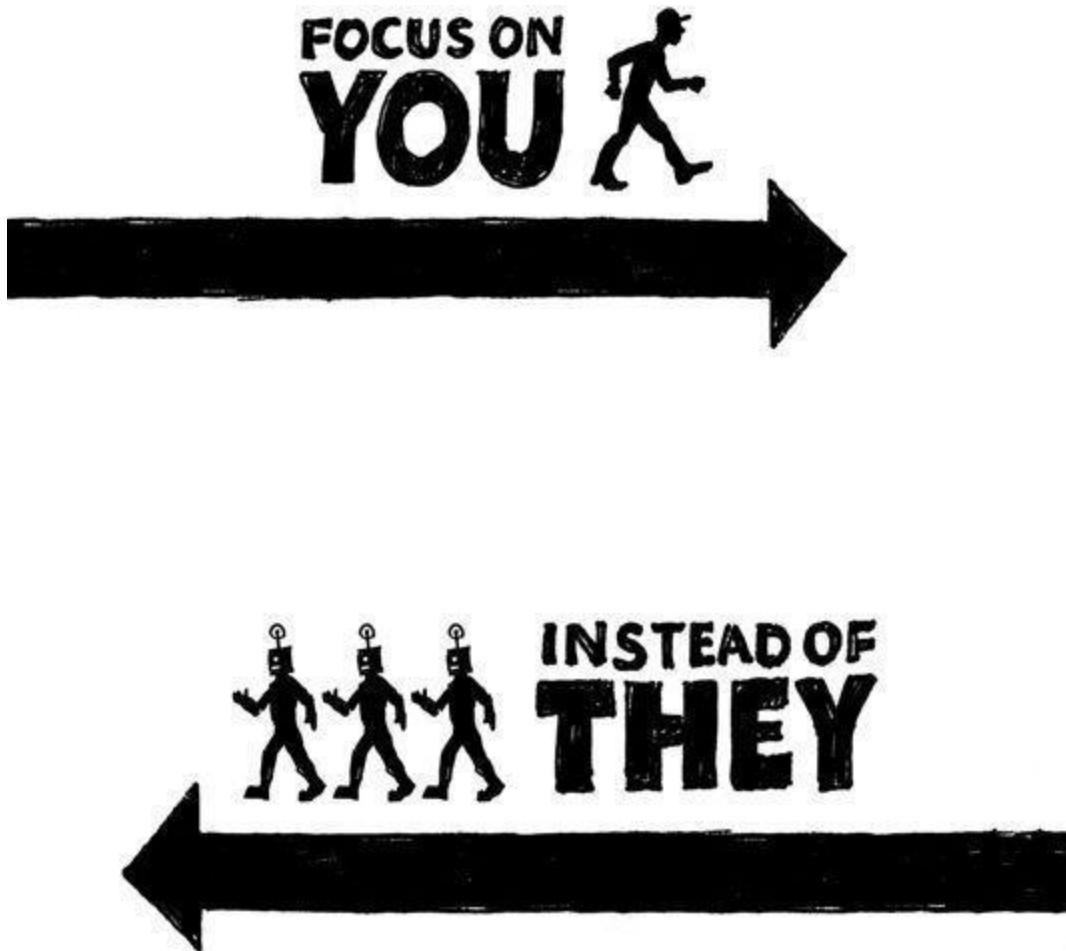
No lens cap

No memory card

No optical zoom

The Flip wins fans because it only does a few simple things and it does them well. It's easy and fun to use. It goes places a bigger camera would never go and gets used by people who would never use a fancier camera.

Don't shy away from the fact that your product or service does less. Highlight it. Be proud of it. Sell it as aggressively as competitors sell their extensive feature lists.



### **Who cares what they're doing?**

In the end, it's not worth paying much attention to the competition anyway. Why not? Because worrying about the competition quickly turns into an obsession. What are they doing right now? Where are they going next? How should we react?

Every little move becomes something to be analyzed. And that's a terrible mind-set. It leads to overwhelming stress and anxiety. That state of mind is bad soil for growing anything.

It's a pointless exercise anyway. The competitive landscape changes all the time. Your competitor tomorrow may be completely different from your competitor today. It's out of your control. What's the point of worrying about things you can't control?

Focus on yourself instead. What's going on in here is way more important than what's going on out there. When you spend time worrying about someone else, you can't spend that time improving yourself.

Focus on competitors too much and you wind up diluting your own vision. Your chances of coming up with something fresh go way down when you keep feeding your brain other people's ideas. You become reactionary instead of visionary. You wind up

offering your competitor's products with a different coat of paint.

If you're planning to build "the iPod killer" or "the next Pokemon," you're already dead. You're allowing the competition to set the parameters. You're not going to out-Apple Apple. They're defining the rules of the game. And you can't beat someone who's making the rules. You need to redefine the rules, not just build something slightly better.

Don't ask yourself whether you're "beating" Apple (or whoever the big boy is in your industry). That's the wrong question to ask. It's not a win-or-lose battle. Their profits and costs are theirs. Yours are yours.

If you're just going to be like everyone else, why are you even doing this? If you merely replicate competitors, there's no point to your existence. Even if you wind up losing, it's better to go down fighting for what you believe in instead of just imitating others.\*"A Shine on Their Shoes," *Business Week*, Dec. 5, 2005,  
[www.businessweek.com/magazine/content/05\\_49/b3962118.htm](http://www.businessweek.com/magazine/content/05_49/b3962118.htm)\*"The Polyface Story,"  
[www.polyfacefarms.com/story.aspx](http://www.polyfacefarms.com/story.aspx)

## CHAPTER EVOLUTION



**Say no by default***If I'd listened to customers,  
I'd have given them a faster horse.* --HENRY FORD

It's so easy to say yes. Yes to another feature, yes to an overly optimistic deadline,

yes to a mediocre design. Soon, the stack of things you've said yes to grows so tall you can't even see the things you should really be doing.

Start getting into the habit of saying no--even to many of your best ideas. Use the power of no to get your priorities straight. You rarely regret saying no. But you often wind up regretting saying yes.

People avoid saying no because confrontation makes them uncomfortable. But the alternative is even worse. You drag things out, make things complicated, and work on ideas you don't believe in.

It's like a relationship: Breaking one up is hard to do, but staying in it just because you're too chicken to drop the ax is even worse. Deal with the brief discomfort of confrontation up front and avoid the long-term regret.

Don't believe that "customer is always right" stuff, either. Let's say you're a chef. If enough of your customers say your food is too salty or too hot, you change it. But if a few persnickety patrons tell you to add bananas to your lasagna, you're going to turn them down, and that's OK. Making a few vocal customers happy isn't worth it if it ruins the product for everyone else.

ING Direct has built the fastest-growing bank in America by saying no. When customers ask for a credit card, the answer is no. When they ask for an online brokerage, the answer is no. When they ask if they can open an account with a million dollars in it, the answer is no (the bank has a strict deposit maximum). ING wants to keep things simple. That's why the bank offers just a few savings accounts, certificates of deposit, and mutual funds--and that's it.

Don't be a jerk about saying no, though. Just be honest. If you're not willing to yield to a customer request, be polite and explain why. People are surprisingly understanding when you take the time to explain your point of view. You may even win them over to your way of thinking. If not, recommend a competitor if you think there's a better solution out there. It's better to have people be happy using someone else's product than disgruntled using yours.

Your goal is to make sure your product stays right for you. You're the one who has to believe in it most. That way, you can say, "I think you'll love it because I love it."



# LET YOUR CUSTOMERS **OUTGROW** *you*

## **Let your customers outgrow you**

Maybe you've seen this scenario: There's a customer that's paying a company a lot of money. The company tries to please that customer in any way possible. It tweaks and changes the product per this one customer's requests and starts to alienate its general customer base.

Then one day that big customer winds up leaving and the company is left holding the bag--and the bag is a product that's ideally suited to someone who's not there anymore. And now it's a bad fit for everyone else.

When you stick with your current customers come hell or high water, you wind up cutting yourself off from new ones. Your product or service becomes so tailored to your current customers that it stops appealing to fresh blood. And that's how your company starts to die.

After our first product had been around for a while, we started getting some heat from folks who had been with us from the beginning. They said they were starting to grow out of the application. Their businesses were changing and they wanted us to change our product to mirror their newfound complexity and requirements.

We said no. Here's why: We'd rather our customers grow out of our products eventually than never be able to grow into them in the first place. Adding power-user features to satisfy some can intimidate those who aren't on board yet. Scaring away new customers is worse than losing old customers.

When you let customers outgrow you, you'll most likely wind up with a product that's basic--and that's fine. Small, simple, basic needs are constant. There's an endless supply of customers who need exactly that.

And there are always more people who are *not* using your product than people who are. Make sure you make it easy for these people to get on board. That's where your continued growth potential lies.

People and situations change. You can't be everything to everyone. Companies need to be true to a *type* of customer more than a specific individual customer with changing needs.



### **Don't confuse enthusiasm with priority**

Coming up with a great idea gives you a rush. You start imagining the possibilities and the benefits. And of course, you want all that right away. So you drop everything else you're working on and begin pursuing your latest, greatest idea.

Bad move. The enthusiasm you have for a new idea is not an accurate indicator of its true worth. What seems like a sure-fire hit right now often gets downgraded to just a "nice to have" by morning. And "nice to have" isn't worth putting everything else on hold.

We have ideas for new features all the time. On top of that, we get dozens of interesting ideas from customers every day too. Sure, it'd be fun to immediately chase all these ideas to see where they lead. But if we did that, we'd just wind up running on a treadmill and never get anywhere.

So let your latest grand ideas cool off for a while first. By all means, have as many great ideas as you can. Get excited about them. Just don't act in the heat of the moment. Write them down and park them for a few days. Then, evaluate their actual priority with a calm mind.



### **Be at-home good**

You know what it feels like. You go to a store. You're comparing a few different products, and you're sold on the one that sounds like it's the best deal. It's got the most features. It looks the coolest. The packaging looks hot. There's sensational copy on the box. Everything seems great.

But then you get it home, and it doesn't deliver. It's not as easy to use as you thought it'd be. It has too many features you don't need. You end up feeling that you've been taken. You didn't really get what you needed and you realize you spent too much.

You just bought an in-store-good product. That's a product you're more excited about in the store than you are after you've actually used it.

Smart companies make the opposite: something that's at-home good. When you get the product home, you're actually more impressed with it than you were at the store.

You live with it and grow to like it more and more. And you tell your friends, too.

When you create an at-home-good product, you may have to sacrifice a bit of in-store sizzle. A product that executes on the basics beautifully may not seem as sexy as competitors loaded with bells and whistles. Being great at a few things often doesn't look all that flashy from afar. That's OK. You're aiming for a long-term relationship, not a one-night stand.

This is as true for advertising as it is for in-store packaging or displays. We've all seen a TV ad for some "revolutionary" gadget that will change your life. But when the actual product arrives in the mail, it turns out to be a disappointment. In-media good isn't nearly as important as at-home good. You can't paint over a bad experience with good advertising or marketing.



### **Don't write it down**

How should you keep track of what customers want? Don't. Listen, but then forget what people said. Seriously.

There's no need for a spreadsheet, database, or filing system. The requests that really matter are the ones you'll hear over and over. After a while, you won't be able to forget them. Your customers will be your memory. They'll keep reminding you. They'll show you which things you truly need to worry about.

If there's a request that you keep forgetting, that's a sign that it isn't very important. The really important stuff doesn't go away.

## CHAPTER PROMOTION



### Welcome obscurity

No one knows who you are right now. And that's just fine. Being obscure is a great position to be in. Be happy you're in the shadows.

Use this time to make mistakes without the whole world hearing about them. Keep tweaking. Work out the kinks. Test random ideas. Try new things. No one knows you, so it's no big deal if you mess up. Obscurity helps protect your ego and preserve your confidence.

Retailers experiment with test markets all the time for this reason. When Dunkin'

Donuts thought about selling pizza, hot dogs, and other hot sandwiches, it test-marketed the products at just ten select locations.

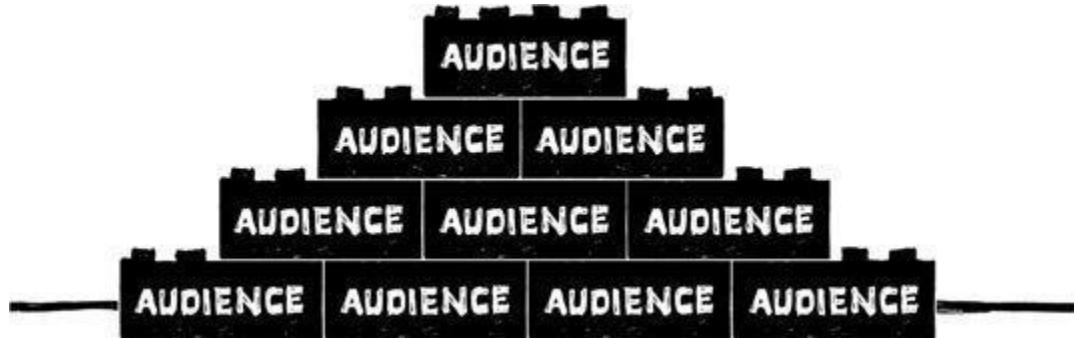
Broadway shows also provide a great example of testing ideas on a small stage first. They routinely do a trial run in a smaller city before coming to New York. Testing out of town lets actors get some reps in front of a live audience before the show goes up in front of harsher critics and tastemakers.

Would you want the whole world to watch you the first time you do anything? If you've never given a speech before, do you want your first speech to be in front of ten thousand people or ten people? You don't want everyone to watch you *starting* your business. It makes no sense to tell everyone to look at you if you're not ready to be looked at yet.

And keep in mind that once you do get bigger and more popular, you're inevitably going to take fewer risks. When you're a success, the pressure to maintain predictability and consistency builds. You get more conservative. It's harder to take risks. That's when things start to fossilize and change becomes difficult.

If millions of people are using your product, every change you make will have a much bigger impact. Before, you might have upset a hundred people when you changed something. Now you might upset thousands. You can reason with a hundred people, but you need riot gear to deal with ten thousand angry customers.

These early days of obscurity are something you'll miss later on, when you're really under the microscope. Now's the time to take risks without worrying about embarrassing yourself.



### **Build an audience**

All companies have customers. Lucky companies have fans. But the most fortunate companies have *audiences*. An audience can be your secret weapon.

A lot of businesses still spend big bucks to reach people. Every time they want to say something, they dip into their budgets, pull out a huge wad of cash, and place some ads. But this approach is both expensive and unreliable. As they say, you waste half of

your ad budget--you just don't know which half.

Today's smartest companies know better. Instead of going out to reach people, you want people to come to you. An audience returns often--on its own--to see what you have to say. This is the most receptive group of customers and potential customers you'll ever have.

Over the past ten years, we've built an audience of more than a hundred thousand daily readers for our Signal vs. Noise blog. Every day they come back to see what we have to say. We may talk about design or business or software or psychology or usability or our industry at large. Whatever it is, these people are interested enough to come back to hear more. And if they like what we have to say, they'll probably also like what we have to sell.

How much would it cost us to reach those hundred thousand people every day the old-fashioned way? Hundreds of thousands? Millions? And how would we have done it? Running ads? Buying radio spots? Sending direct mail?

When you build an audience, you don't have to buy people's attention--they give it to you. This is a huge advantage.

So build an audience. Speak, write, blog, tweet, make videos--whatever. Share information that's valuable and you'll slowly but surely build a loyal audience. Then when you need to get the word out, the right people will already be listening.



*don't*  
**OUT-SPEND**  
**OUT-TEACH**

### **Out-teach your competition**

You can advertise. You can hire salespeople. You can sponsor events. But your competitors are doing the same things. How does that help you stand out?

Instead of trying to outspend, outsell, or outsponsor competitors, try to out-teach them. Teaching probably isn't something your competitors are even thinking about. Most businesses focus on selling or servicing, but teaching never even occurs to them.

The Hoefler Type Foundry teaches designers about type at [Typography.com](#). Etsy, an online store for things handmade, holds entrepreneurial workshops that explain "best practices" and promotional ideas to people who sell at the site. Gary Vaynerchuk, who owns a large wine shop, teaches people about wine online at [Wine Library TV](#), and tens of thousands of people watch every day.

Teach and you'll form a bond you just don't get from traditional marketing tactics.

Buying people's attention with a magazine or online banner ad is one thing. Earning their loyalty by teaching them forms a whole different connection. They'll trust you more. They'll respect you more. Even if they don't use your product, they can still be your fans.

Teaching is something individuals and small companies can do that bigger competitors can't. Big companies can afford a Super Bowl ad; you can't. But you can afford to teach, and that's something they'll never do, because big companies are obsessed with secrecy. Everything at those places has to get filtered through a lawyer and go through layers of red tape. Teaching is your chance to outmaneuver them.



### **Emulate chefs**

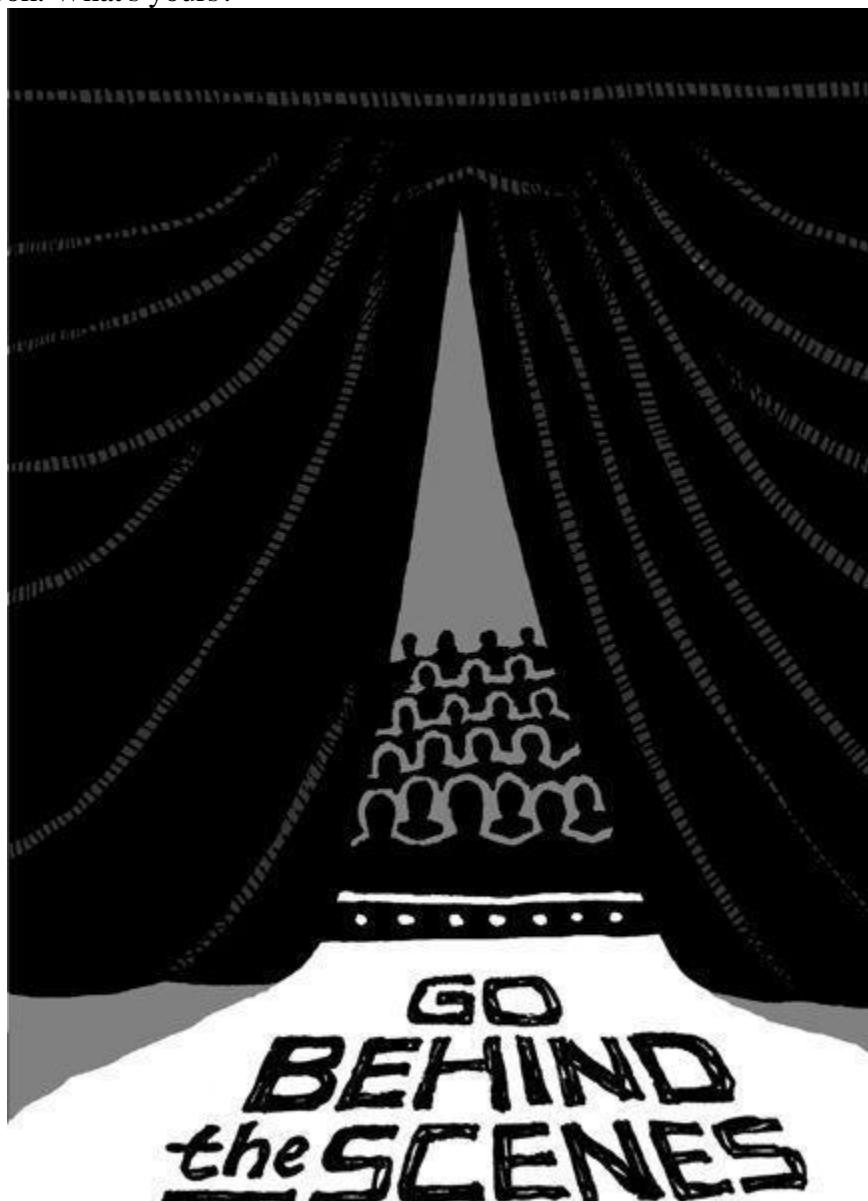
You've probably heard of Emeril Lagasse, Mario Batali, Bobby Flay, Julia Child, Paula Deen, Rick Bayless, or Jacques Pepin. They're great chefs, but there are a lot of great chefs out there. So why do you know these few better than others? Because they share everything they know. They put their recipes in cookbooks and show their techniques on cooking shows.

As a business owner, you should share everything you know too. This is anathema to most in the business world. Businesses are usually paranoid and secretive.

They think they have proprietary this and competitive advantage that. Maybe a rare few do, but most don't. And those that don't should stop acting like those that do. Don't be afraid of sharing.

A recipe is much easier to copy than a business. Shouldn't that scare Mario Batali? Why would he go on TV and show you how he does what he does? Why would he put all his recipes in cookbooks where anyone can buy and replicate them? Because he knows those recipes and techniques aren't enough to beat him at his own game. No one's going to buy his cookbook, open a restaurant next door, and put him out of business. It just doesn't work like that. Yet this is what many in the business world think will happen if their competitors learn how they do things. Get over it.

So emulate famous chefs. They cook, so they write cookbooks. What do you do? What are your "recipes"? What's your "cookbook"? What can you tell the world about how you operate that's informative, educational, and promotional? This book is our cookbook. What's yours?



### **Go behind the scenes**

Give people a backstage pass and show them how your business works. Imagine that someone wanted to make a reality show about your business. What would they share? Now stop waiting for someone else and do it yourself.

Think no one will care? Think again. Even seemingly boring jobs can be fascinating when presented right. What could be more boring than commercial fishing and trucking? Yet the Discovery Channel and History Channel have turned these professions into highly rated shows: *Deadliest Catch* and *Ice Road Truckers*.

It doesn't need to be a dangerous job, either. People love finding out the little secrets of all kinds of businesses, even one that makes those tiny marshmallows in breakfast cereals. That's why the Food Network's *Unwrapped*--which explores the secrets behind lunch-box treats, soda pop, movie candy, and more--is such a popular program.

People are curious about how things are made. It's why they like factory tours or behind-the-scenes footage on DVDs. They want to see how the sets are built, how the animation is done, how the director cast the film, etc. They want to know how and why other people make decisions.

Letting people behind the curtain changes your relationship with them. They'll feel a bond with you and see you as human beings instead of a faceless company. They'll see the sweat and effort that goes into what you sell. They'll develop a deeper level of understanding and appreciation for what you do.



### Nobody likes plastic flowers

The business world is full of "professionals" who wear the uniform and try to seem perfect. In truth, they just come off as stiff and boring. No one can relate to people like that.

Don't be afraid to show your flaws. Imperfections are real and people respond to real. It's why we like real flowers that wilt, not perfect plastic ones that never change. Don't worry about how you're supposed to sound and how you're supposed to act. Show the world what you're really like, warts and all.

There's a beauty to imperfection. This is the essence of the Japanese principle of *wabi-sabi*. *Wabi-sabi* values character and uniqueness over a shiny facade. It teaches that cracks and scratches in things should be embraced. It's also about simplicity. You strip things down and then use what you have. Leonard Koren, author of a book on *wabi-sabi*, gives this advice: Pare down to the essence, but don't remove the poetry. Keep things clean and unencumbered but don't sterilize. \*

It's a beautiful way to put it: Leave the poetry in what you make. When something

becomes too polished, it loses its soul. It seems robotic.

So talk like you really talk. Reveal things that others are unwilling to discuss. Be upfront about your shortcomings. Show the latest version of what you're working on, even if you're not done yet. It's OK if it's not perfect. You might not seem as professional, but you will seem a lot more genuine.



### **Press releases are spam**

What do you call a generic pitch sent out to hundreds of strangers hoping that one will bite? Spam. That's what press releases are too: generic pitches for coverage sent out to hundreds of journalists you don't know, hoping that one will write about you.

Let's dissect the purpose of a press release for a moment: It's something you send out because you want to be noticed. You want the press to pick up on your new company, product, service, announcement, or whatever. You want them to be excited enough to write a story about you.

But press releases are a terrible way to accomplish that. They're tired and formulaic. There's nothing exciting about them. Journalists sift through dozens a day. They wind up buried under an avalanche of hyperbolic headlines and fake quotes from

CEOs. Everything is labeled sensational, revolutionary, groundbreaking, and amazing. It's numbing.

If you want to get someone's attention, it's silly to do exactly the same thing as everyone else. You need to stand out. So why issue press releases like everyone else does? Why spam journalists when their inbox is already filled with other people's spam?

Furthermore, a press release is generic. You write it once and then send it to tons of reporters--people whom you don't know and who don't know you. And your first introduction is this vague, generic note you also send to everyone else? Is that the impression you want to make? Is that really going to get you the story?

Instead, call someone. Write a personal note. If you read a story about a similar company or product, contact the journalist who wrote it. Pitch her with some passion, some interest, some life. Do something meaningful. Be remarkable. Stand out. Be unforgettable. That's how you'll get the best coverage.

# NICHE MEDIA OVER MASS MEDIA



### **Forget about the *Wall Street Journal***

Forget about *Time*, *Forbes*, *Newsweek*, *Business Week*, the *New York Times*, and the *Wall Street Journal*. Pitching a reporter at one of these places is practically impossible. Good luck even getting ahold of that guy. And even if you do, he probably won't care anyway. You're not big enough to matter.

You're better off focusing on getting your story into a trade publication or picked up by a niche blogger. With these outlets, the barrier is much lower. You can send an e-mail and get a response (and maybe even a post) the same day. There's no editorial board or PR person involved. There's no pipeline your message has to go through.

These guys are actually hungry for fresh meat. They thrive on being tastemakers, finding the new thing, and getting the ball rolling. That's why many big-time reporters now use these smaller sites to find new stories. Stories that start on the fringe can go mainstream quickly.

We've been written up in big mainstream publications like *Wired* and *Time*, but we've found that we actually get more hits when we're profiled on sites like Daring Fireball, a site for Mac nerds, or Lifehacker, a productivity site. Links from these places result in notable spikes in our traffic and sales. Articles in big-time publications are nice, but they don't result in the same level of direct, instant activity.



# *Emulate* **DRUG DEALERS**

## **Drug dealers get it right**

Drug dealers are astute businesspeople. They know their product is so good they're willing to give a little away for free upfront. They know you'll be back for more--with money.

Emulate drug dealers. Make your product so good, so addictive, so "can't miss" that giving customers a small, free taste makes them come back with cash in hand.

This will force you to make something about your product bite-size. You want an easily digestible introduction to what you sell. This gives people a way to try it without investing any money or a lot of time.

Bakeries, restaurants, and ice cream shops have done this successfully for years. Car dealers let you test-drive cars before buying them. Software firms are also getting on board, with free trials or limited-use versions. How many other industries could benefit

from the drug-dealer model?

Don't be afraid to give a little away for free--as long as you've got something else to sell. Be confident in what you're offering. You should know that people will come back for more. If you're not confident about that, you haven't created a strong enough product.



### **Marketing is not a department**

Do you have a marketing department? If not, good. If you do, don't think these are the only people responsible for marketing. Accounting is a department. Marketing isn't. Marketing is something everyone in your company is doing 24/7/365.

Just as you cannot not communicate, you cannot not market:

Every time you answer the phone, it's marketing.

Every time you send an e-mail, it's marketing.

Every time someone uses your product, it's marketing.

Every word you write on your Web site is marketing.

If you build software, every error message is marketing.

If you're in the restaurant business, the after-dinner mint is marketing.

If you're in the retail business, the checkout counter is marketing.

If you're in a service business, your invoice is marketing.

Recognize that all of these little things are more important than choosing which piece of swag to throw into a conference goodie bag. Marketing isn't just a few individual events. It's the sum total of everything you do.



### The myth of the overnight sensation

You will not be a big hit right away. You will not get rich quick. You are not so special that everyone else will instantly pay attention. No one cares about you. At least not yet. Get used to it.

You know those overnight-success stories you've heard about? It's not the whole story. Dig deeper and you'll usually find people who have busted their asses for years to get into a position where things could take off. And on the rare occasion that instant success does come along, it usually doesn't last--there's no foundation there to support it.

Trade the dream of overnight success for slow, measured growth. It's hard, but you have to be patient. You have to grind it out. You have to do it for a long time before the right people notice.

You may think you can speed up the process by hiring a PR firm. Don't bother. You're just not ready for that yet. For one thing, it's too expensive. Good PR firms can cost upward of \$10,000 per month. That's a waste of money right now.

Plus, you're still just a no-name with a product no one's ever heard about. Who's going to write about that? Once you have some customers and a history, you'll have a

story to tell. But just launching isn't a good story.

And remember, great brands launch without PR campaigns all the time. Starbucks, Apple, Nike, Amazon, Google, and Snapple all became great brands over time, not because of a big PR push upfront.

Start building your audience today. Start getting people interested in what you have to say. And then keep at it. In a few years, you too will get to chuckle when people discuss your "overnight" success.\*Pilar Viladas, "The Talk: The Slow Lane," *New York Times Magazine*, Oct. 9, 2005, [www.tinyurl.com/ychqtup](http://www.tinyurl.com/ychqtup)

## CHAPTER HIRING



### **Do it yourself first**

Never hire anyone to do a job until you've tried to do it yourself first. That way, you'll understand the nature of the work. You'll know what a job well done looks like. You'll know how to write a realistic job description and which questions to ask in an interview. You'll know whether to hire someone full-time or part-time, outsource it, or keep doing it yourself (the last is preferable, if possible).

You'll also be a much better manager, because you'll be supervising people who are doing a job you've done before. You'll know when to criticize and when to support.

At 37signals, we didn't hire a system administrator until one of us had spent a whole summer setting up a bunch of servers on his own. For the first three years, one of us did all of our customer support. Then we hired a dedicated support person. We ran

with the ball as far as we could before handing it off. That way, we knew what we were looking for once we did decide to hire.

You may feel out of your element at times. You might even feel like you suck. That's all right. You can hire your way out of that feeling or you can learn your way out of it. Try learning first. What you give up in initial execution will be repaid many times over by the wisdom you gain.

Plus, you should want to be intimately involved in all aspects of your business. Otherwise you'll wind up in the dark, putting your fate solely in the hands of others. That's dangerous.



### **Hire when it hurts**

Don't hire for pleasure; hire to kill pain. Always ask yourself: What if we don't hire anyone? Is that extra work that's burdening us really necessary? Can we solve the problem with a slice of software or a change of practice instead? What if we just don't do it?

Similarly, if you lose someone, don't replace him immediately. See how long you can get by without that person and that position. You'll often discover you don't need as many people as you think.

The right time to hire is when there's more work than you can handle for a sustained period of time. There should be things you can't do anymore. You should notice the quality level slipping. That's when you're hurting. And that's when it's time to hire, not earlier.



### **Pass on great people**

Some companies are addicted to hiring. Some even hire when they aren't hiring. They'll hear about someone great and invent a position or title just to lure them in. And there they'll sit--parked in a position that doesn't matter, doing work that isn't important.

Pass on hiring people you don't need, even if you think that person's a great catch.

You'll be doing your company more harm than good if you bring in talented people who have nothing important to do.

Problems start when you have more people than you need. You start inventing work to keep everyone busy. Artificial work leads to artificial projects. And those artificial projects lead to real costs and complexity.

Don't worry about "the one that got away." It's much worse to have people on staff who aren't doing anything meaningful. There's plenty of talent out there. When you do have a real need, you'll find someone who fits well.

Great has nothing to do with it. If you don't need someone, you don't need someone.



### **Strangers at a cocktail party**

If you go to a cocktail party where everyone is a stranger, the conversation is dull

and stiff. You make small talk about the weather, sports, TV shows, etc. You shy away from serious conversations and controversial opinions.

A small, intimate dinner party among old friends is a different story, though. There are genuinely interesting conversations and heated debates. At the end of the night, you feel you actually got something out of it.

Hire a ton of people rapidly and a "strangers at a cocktail party" problem is exactly what you end up with. There are always new faces around, so everyone is unfailingly polite. Everyone tries to avoid any conflict or drama. No one says, "This idea sucks." People appease instead of challenge.

And that appeasement is what gets companies into trouble. You need to be able to tell people when they're full of crap. If that doesn't happen, you start churning out something that doesn't offend anyone but also doesn't make anyone fall in love.

You need an environment where everyone feels safe enough to be honest when things get tough. You need to know how far you can push someone. You need to know what people really mean when they say something.

So hire slowly. It's the only way to avoid winding up at a cocktail party of strangers.



### Resumes are ridiculous

We all know resumes are a joke. They're exaggerations. They're filled with "action verbs" that don't mean anything. They list job titles and responsibilities that are vaguely accurate at best. And there's no way to verify most of what's on there. The whole thing is a farce.

Worst of all, they're too easy. Anyone can create a decent-enough resume. That's why half-assed applicants love them so much. They can shotgun out hundreds at a time to potential employers. It's another form of spam. They don't care about landing *your* job; they just care about landing *any* job.

If someone sends out a resume to three hundred companies, that's a huge red flag right there. There's no way that applicant has researched you. There's no way he knows what's different about your company.

If you hire based on this garbage, you're missing the point of what hiring is about. You want a specific candidate who cares specifically about your company, your products, your customers, and your job.

So how do you find these candidates? First step: Check the cover letter. In a cover letter, you get actual communication instead of a list of skills, verbs, and years of irrelevance. There's no way an applicant can churn out hundreds of personalized letters. That's why the cover letter is a much better test than a resume. You hear someone's actual voice and are able recognize if it's in tune with you and your company.

Trust your gut reaction. If the first paragraph sucks, the second has to work that much harder. If there's no hook in the first three, it's unlikely there's a match there. On the other hand, if your gut is telling you there's a chance at a real match, then move on to the interview stage.



**Years of irrelevance**

We've all seen job ads that say, "Five years of experience required." That may give you a number, but it tells you nothing.

Of course, requiring some baseline level of experience can be a good idea when hiring. It makes sense to go after candidates with six months to a year of experience. It takes that long to internalize the idioms, learn how things work, understand the relevant tools, etc.

But after that, the curve flattens out. There's surprisingly little difference between a candidate with six months of experience and one with six years. The real difference comes from the individual's dedication, personality, and intelligence.

How do you really measure this stuff anyway? What does five years of experience mean? If you spent a couple of weekends experimenting with something a few years back, can you count that as a year of experience? How is a company supposed to verify these claims? These are murky waters.

How long someone's been doing it is overrated. What matters is how *well* they've been doing it.



**Forget about formal education***I have never let my schooling interfere with my education.* --MARK TWAIN

There are plenty of companies out there who have educational requirements. They'll only hire people with a college degree (sometimes in a specific field) or an advanced degree or a certain GPA or certification of some sort or some other requirement.

Come on. There are plenty of intelligent people who don't excel in the classroom. Don't fall into the trap of thinking you need someone from one of the "best" schools in order to get results. Ninety percent of CEOs currently heading the top five hundred American companies did not receive undergraduate degrees from Ivy League colleges. In

fact, more received their undergraduate degrees from the University of Wisconsin than from Harvard (the most heavily represented Ivy school, with nine CEOs).\*

Too much time in academia can actually do you harm. Take writing, for example. When you get out of school, you have to unlearn so much of the way they teach you to write there. Some of the misguided lessons you learn in academia:

The longer a document is, the more it matters.

Stiff, formal tone is better than being conversational.

Using big words is impressive.

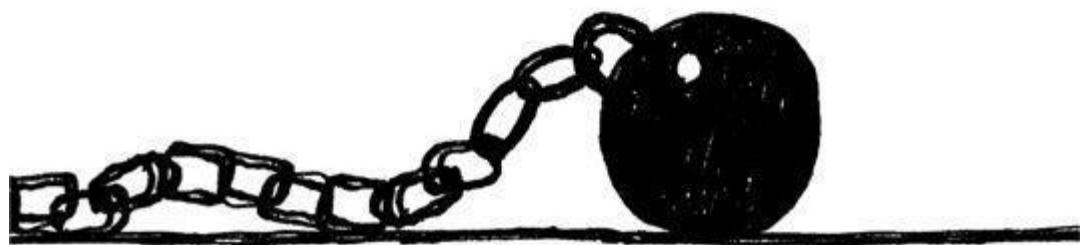
You need to write a certain number of words or pages to make a point.

The format matters as much (or more) than the content of what you write.

It's no wonder so much business writing winds up dry, wordy, and dripping with nonsense. People are just continuing the bad habits they picked up in school. It's not just academic writing, either. There are a lot of skills that are useful in academia that aren't worth much outside of it.

Bottom line: The pool of great candidates is far bigger than just people who completed college with a stellar GPA. Consider dropouts, people who had low GPAs, community-college students, and even those who just went to high school.

# **DELEGATORS ARE DEAD WEIGHT**



### **Everybody works**

With a small team, you need people who are going to *do* work, not delegate work. Everyone's got to be producing. No one can be above the work.

That means you need to avoid hiring delegators, those people who love telling others what to do. Delegators are dead weight for a small team. They clog the pipes for others by coming up with busywork. And when they run out of work to assign, they make up more--regardless of whether it needs to be done.

Delegators love to pull people into meetings, too. In fact, meetings are a delegator's best friend. That's where he gets to seem important. Meanwhile, everyone else who attends is pulled away from getting real work done.



### **Hire managers of one**

Managers of one are people who come up with their own goals and execute them. They don't need heavy direction. They don't need daily check-ins. They do what a manager would do--set the tone, assign items, determine what needs to get done, etc.--but they do it by themselves and for themselves.

These people free you from oversight. They set their own direction. When you

leave them alone, they surprise you with how much they've gotten done. They don't need a lot of hand-holding or supervision.

How can you spot these people? Look at their backgrounds. They have set the tone for how they've worked at other jobs. They've run something on their own or launched some kind of project.

You want someone who's capable of building something from scratch and seeing it through. Finding these people frees the rest of your team to work more and manage less.

**HIRE  
THE  
BETTER  
WRITER**



### **Hire great writers**

If you are trying to decide among a few people to fill a position, hire the best writer. It doesn't matter if that person is a marketer, salesperson, designer, programmer, or whatever; their writing skills will pay off.

That's because being a good writer is about more than writing. Clear writing is a sign of clear thinking. Great writers know how to communicate. They make things easy to understand. They can put themselves in someone else's shoes. They know what to

omit. And those are qualities you want in any candidate.

Writing is making a comeback all over our society. Look at how much people e-mail and text-message now rather than talk on the phone. Look at how much communication happens via instant messaging and blogging. Writing is today's currency for good ideas.

## THE BEST ARE



## EVERYWHERE

### The best are everywhere

It's crazy not to hire the best people just because they live far away. Especially now that there's so much technology out there making it easier to bring everyone together online.

Our headquarters are in Chicago, but more than half of our team lives elsewhere. We've got people in Spain, Canada, Idaho, Oklahoma, and elsewhere. Had we limited our search only to people in Chicago, we would have missed out on half of the great people we have.

To make sure your remote team stays in touch, have at least a few hours a day of real-time overlap. Working in time zones where there's no workday overlap at all is tough. If you face that situation, someone might need to shift hours a bit so they start a little later or earlier in the day, so you're available at the same time. You don't need eight hours of overlap, though. (Actually, we've found it preferable to *not* have complete

overlap--you get more alone time that way.) Two to four hours of overlap should be plenty.

Also, meet in person once in a while. You should see each other at least every few months. We make sure our whole team gets together a few times a year. These are great times to review progress, discuss what's going right or wrong, plan for the future, and get reacquainted with one another on a personal level.

Geography just doesn't matter anymore. Hire the best talent, regardless of where it is.



### **Test-drive employees**

Interviews are only worth so much. Some people sound like pros but don't work like pros. You need to evaluate the work they can do now, not the work they say they did in the past.

The best way to do that is to actually see them work. Hire them for a miniproject, even if it's for just twenty or forty hours. You'll see how they make decisions. You'll see if you get along. You'll see what kind of questions they ask. You'll get to judge them by their actions instead of just their words.

You can even make up a fake project. In a factory in South Carolina, BMW built a simulated assembly line where job candidates get ninety minutes to perform a variety of work-related tasks.\*

Cessna, the airplane manufacturer, has a role-playing exercise for prospective managers that simulates the day of an executive. Candidates work through memos, deal with (phony) irate customers, and handle other problems. Cessna has hired more than a hundred people using this simulation.+

These companies have realized that when you get into a real work environment, the truth comes out. It's one thing to look at a portfolio, read a resume, or conduct an interview. It's another to actually work with someone.\*Carol Hymowitz, "Any College Will Do," *Wall Street Journal*, Sept. 18, 2006,  
[online.wsj.com/article/SB115853818747665842.html](http://online.wsj.com/article/SB115853818747665842.html)\*Peter Carbonara, "Hire for Attitude, Train for Skill," *Fast Company*, Dec. 18, 2007,  
[www.fastcompany.com/magazine/04/hiring.html](http://www.fastcompany.com/magazine/04/hiring.html)+Ibid.

## **CHAPTER DAMAGE CONTROL**

# OWN YOUR BAD NEWS



## Own your bad news

When something goes wrong, someone is going to tell the story. You'll be better off if it's you. Otherwise, you create an opportunity for rumors, hearsay, and false information to spread.

When something bad happens, tell your customers (even if they never noticed in the first place). Don't think you can just sweep it under the rug. You can't hide anymore. These days, someone else will call you on it if you don't do it yourself. They'll post about it online and everyone will know. There are no more secrets.

People will respect you more if you are open, honest, public, and responsive during a crisis. Don't hide behind spin or try to keep your bad news on the down low. You want your customers to be as informed as possible.

Back in 1989, the *Exxon Valdez* oil tanker spilled 11 million gallons of oil into

Alaska's Prince William Sound. Exxon made the mistake of waiting a long time before responding to the spill and sending aid to Alaska. Exxon's chairman failed to go there until two weeks after the spill. The company held news briefings in Valdez, a remote Alaskan town that was difficult for the press to reach. The result: a PR disaster for Exxon that led the public to believe the company was either hiding something or didn't really care about what had happened. \*

Contrast that Exxon story to the rupture of an Ashland Oil storage tank that spilled oil into a river near Pittsburgh around the same time. Ashland Oil's chairman, John Hall, went to the scene of the Ashland spill and took charge. He pledged to clean everything up. He visited news bureaus to explain what the company would do and answer any questions. Within a day, he had shifted the story from a rotten-oil-company-does-evil narrative to a good-oil-company-tries-to-clean-up story. +

Here are some tips on how you can own the story:

The message should come from the top. The highest-ranking person available should take control in a forceful way.

Spread the message far and wide. Use whatever megaphone you have. Don't try to sweep it under the rug.

"No comment" is not an option.

Apologize the way a real person would and explain what happened in detail.

Honestly be concerned about the fate of your customers--then prove it.



### **Speed changes everything**

"Your call is very important to us. We appreciate your patience. The average hold time right now is sixteen minutes." Give me a fucking break.

Getting back to people quickly is probably the most important thing you can do when it comes to customer service. It's amazing how much that can defuse a bad situation and turn it into a good one.

Have you ever sent an e-mail and it took days or weeks for the company to get back to you? How did it make you feel? These days, that's what people have come to expect. They're used to being put on hold. They're used to platitudes about "caring" that aren't backed up.

That's why so many support queries start off with an antagonistic tone. Some people may even make threats or call you names. Don't take it personally. They think

that's the only way to be heard. They're only trying to be a squeaky wheel in hopes it'll get them a little grease.

Once you answer quickly, they shift 180 degrees. They light up. They become extra polite. Often they thank you profusely.

It's especially true if you offer a personal response. Customers are so used to canned answers, you can really differentiate yourself by answering thoughtfully and showing that you're listening. And even if you don't have a perfect answer, say something. "Let me do some research and get back to you" can work wonders.



### How to say you're sorry

There's never really a great way to say you're sorry, but there are plenty of terrible ways.

One of the worst ways is the non-apology apology, which sounds like an apology

but doesn't really accept any blame. For example, "We're sorry if this upset you." Or "I'm sorry that you don't feel we lived up to your expectations." Whatever.

A good apology accepts responsibility. It has no conditional *if* phrase attached. It shows people that the buck stops with you. And then it provides real details about what happened and what you're doing to prevent it from happening again. And it seeks a way to make things right.

Here's another bad one: "We apologize for any inconvenience this may have caused." Oh, please. Let's break down why that's bad:

**"We apologize..."** If you spilled coffee on someone while riding the subway, would you say, "I apologize"? No, you'd say, "I'm so, so sorry!" Well, if your service is critical to your customers, an interruption to that service is like spilling hot coffee all over them. So use the appropriate tone and language to show that you understand the severity of what happened. Also, the person in charge should take personal responsibility. An "I" apology is a lot stronger than a "we" apology.

**"... any inconvenience..."** If customers depend on your service and can't get to it, it's not merely an inconvenience. It's a crisis. An inconvenience is a long line at the grocery store. This ain't that.

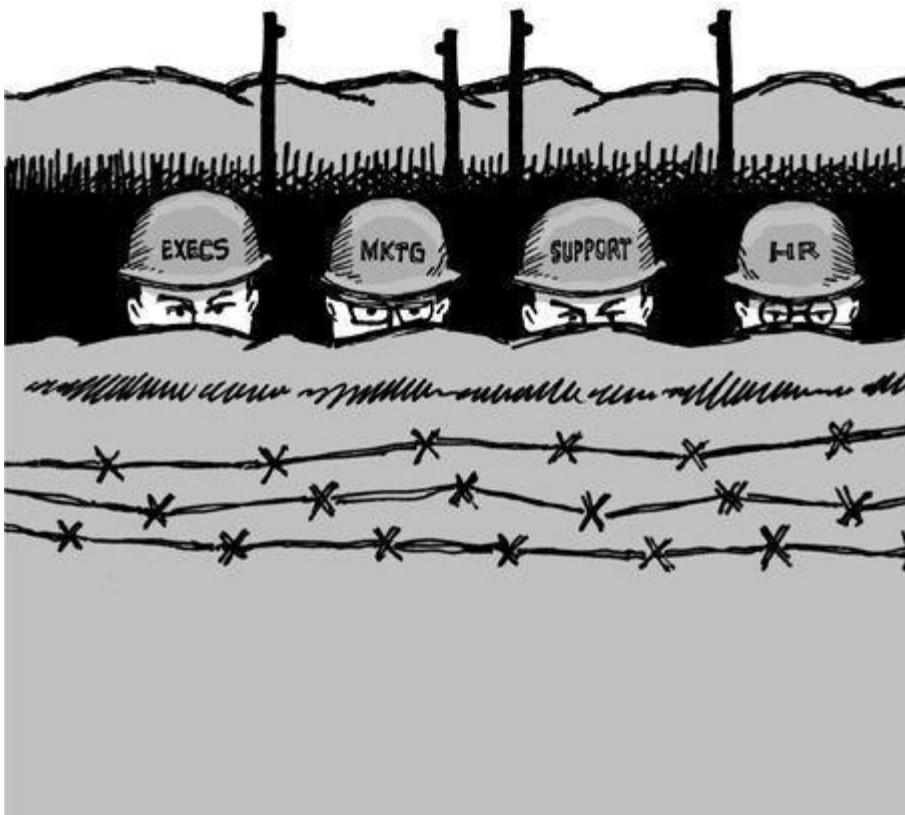
**"... this may have caused"** The "may" here implies there might not be *anything* wrong at all. That's a classic non-apology apology move. It slighted the very real problem(s) that customers are experiencing. If this didn't affect them, you don't really need to say anything. If it did affect them, then there's no need for "may" here. Stop wavering.

So what's the perfect way to say you're sorry? There's no magic bullet. Any stock answer will sound generic and hollow. You're going to have to take it on a case-by-case basis.

The number-one principle to keep in mind when you apologize: How would you feel about the apology if you were on the other end? If someone said those words to you, would you believe them?

Keep in mind that you can't apologize your way out of being an ass. Even the best apology won't rescue you if you haven't earned people's trust. Everything you do before things go wrong matters far more than the actual words you use to apologize. If you've built rapport with customers, they'll cut you some slack and trust you when you say you're sorry.

# **EVERYONE ON THE FRONT LINES**



## **Put everyone on the front lines**

In the restaurant business, there's a world of difference between working in the kitchen and dealing with customers. Cooking schools and smart restaurateurs know it's important for both sides to understand and empathize with each other. That's why they often have chefs work out front as waiters for a stretch. That way, the kitchen staff can interact with customers and see what it's actually like on the front lines.

A lot of companies have a similar front-of-house/back-of-house split. The people who make the product work in the "kitchen" while support handles the customers. Unfortunately, that means the product's chefs never get to directly hear what customers are saying. Too bad. Listening to customers is the best way to get in tune with a product's strengths and weaknesses.

Think about the children's game Telephone. There are ten kids sitting in a circle.

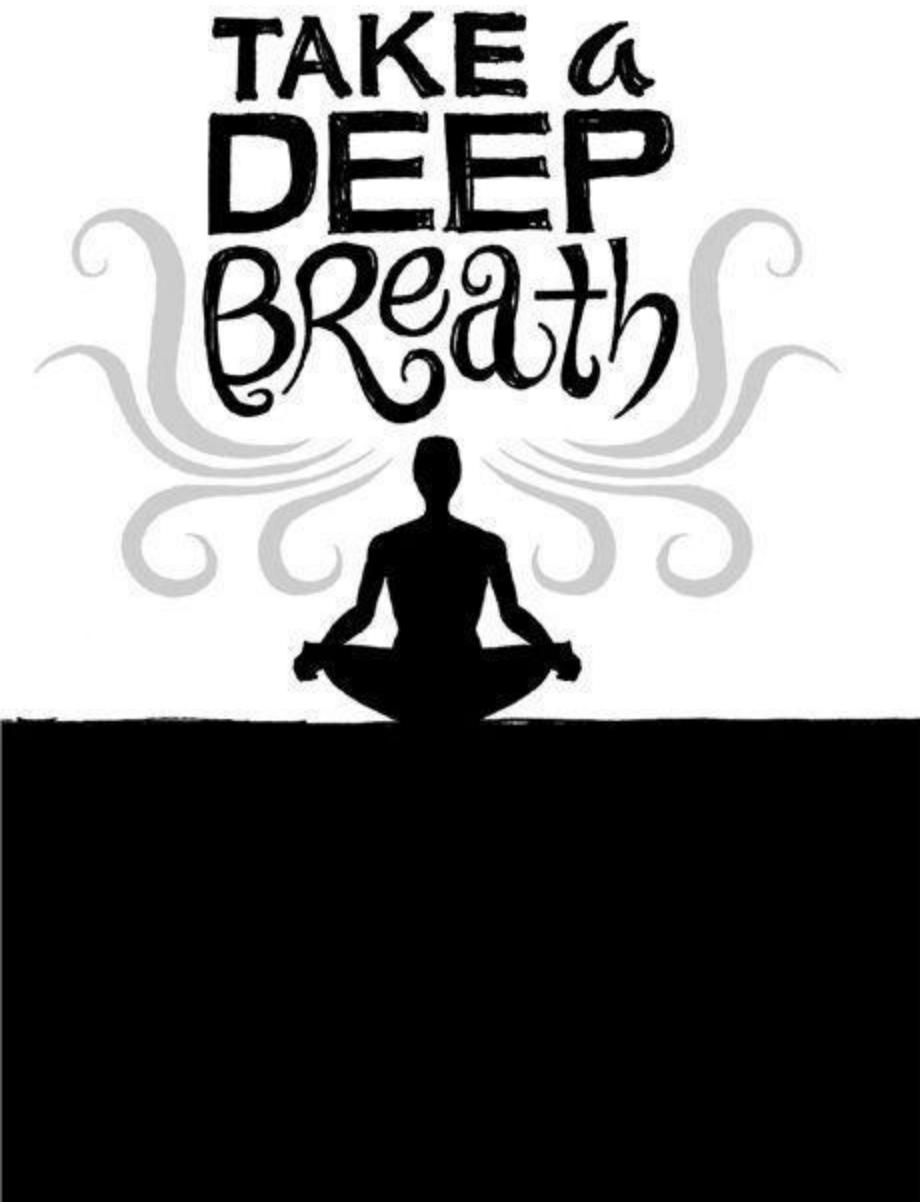
A message starts and is whispered from one child to another. By the time it gets all the way around, the message is completely distorted--to the point where it's usually hilarious. A sentence that makes sense at first comes out the other end as "Macaroni cantaloupe knows the future." And the more people you have in the circle, the more distorted the message gets.

The same thing is true at your company. The more people you have between your customers' words and the people doing the work, the more likely it is that the message will get lost or distorted along the way.

Everyone on your team should be connected to your customers--maybe not every day, but at least a few times throughout the year. That's the only way your team is going to feel the hurt your customers are experiencing. It's feeling the hurt that really motivates people to fix the problem. And the flip side is true too: The joy of happy customers or ones who have had a problem solved can also be wildly motivating.

So don't protect the people doing the work from customer feedback. No one should be shielded from direct criticism.

Maybe you think you don't have time to interact with customers. Then make time. Craigslist founder Craig Newmark still answers support e-mails today (often within minutes). He also deletes racist comments from the site's discussion boards and pesters New York City Realtors who post apartments for rent that don't exist.\* If he can devote this kind of attention to customer service, you can too.



### **Take a deep breath**

When you rock the boat, there will be waves. After you introduce a new feature, change a policy, or remove something, knee-jerk reactions will pour in. Resist the urge to panic or make rapid changes in response. Passions flare in the beginning. That's normal. But if you ride out that first rocky week, things usually settle down.

People are creatures of habit. That's why they react to change in such a negative way. They're used to using something in a certain way and any change upsets the natural order of things. So they push back. They complain. They demand that you revert to the way things were.

But that doesn't mean you should act. Sometimes you need to go ahead with a decision you believe in, even if it's unpopular at first.

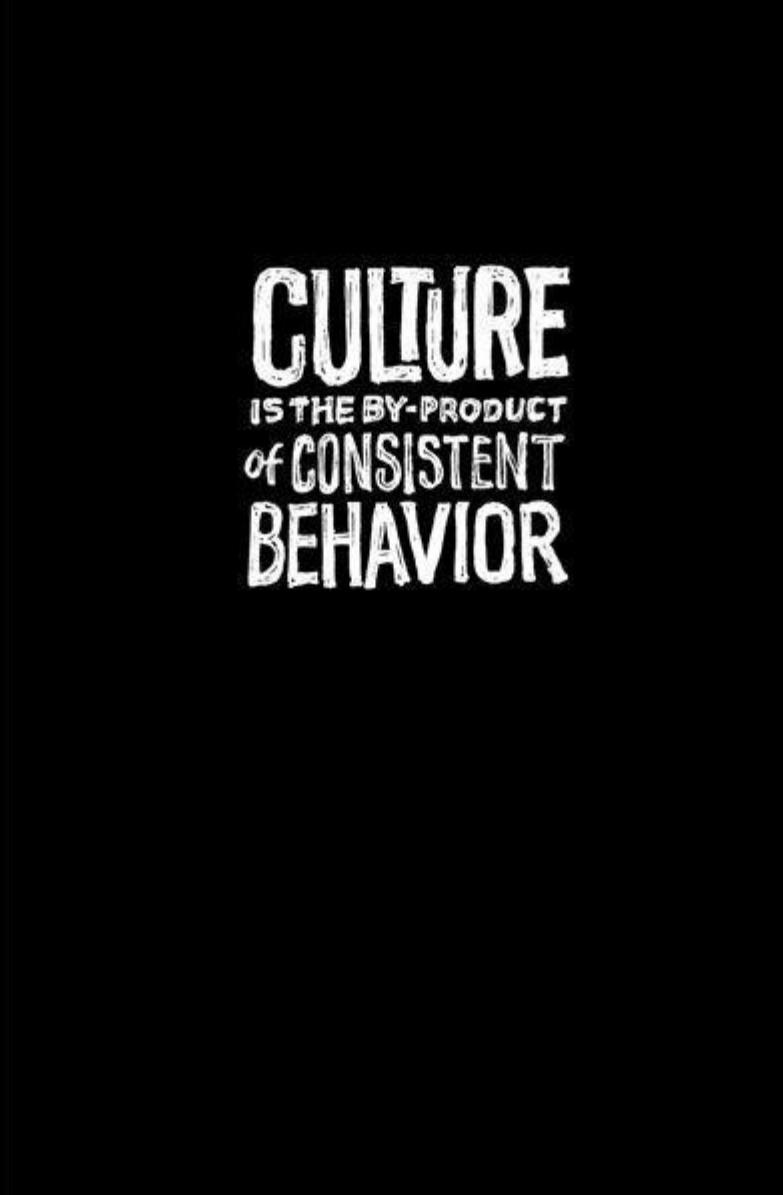
People often respond before they give a change a fair chance. Sometimes that

initial negative reaction is more of a primal response. That's why you'll sometimes hear things like, "It's the worst thing I've ever seen." No, it's not. It's a minor change. Come on.

Also, remember that negative reactions are almost always louder and more passionate than positive ones. In fact, you may hear only negative voices even when the majority of your customers are happy about a change. Make sure you don't foolishly backpedal on a necessary but controversial decision.

So when people complain, let things simmer for a while. Let them know you're listening. Show them you're aware of what they're saying. Let them know you understand their discontent. But explain that you're going to let it go for a while and see what happens. You'll probably find that people will adjust eventually. They may even wind up liking the change more than the old way, once they get used to it.\*Reyna Susi, "The Exxon Crisis, 1989," Effective Crisis Management, [iml.jou.ufl.edu/projects/Fall02/Susi/exxon.htm](http://iml.jou.ufl.edu/projects/Fall02/Susi/exxon.htm) +John Holusha, "Exxon's Public-Relations Problem," *New York Times*, Apr. 21, 1989, [www.tinyurl.com/yg2bgff](http://www.tinyurl.com/yg2bgff)\*Scott Kirsner, "Craigslist's Unorthodox Path," *Boston Globe*, June 15, 2008, [www.tinyurl.com/4vkg58](http://www.tinyurl.com/4vkg58)

## CHAPTER CULTURE



**CULTURE**  
IS THE BY-PRODUCT  
of CONSISTENT  
**BEHAVIOR**

### **You don't create a culture**

Instant cultures are artificial cultures. They're big bangs made of mission statements, declarations, and rules. They are obvious, ugly, and plastic. Artificial culture is paint. Real culture is patina.

You don't create a culture. It happens. This is why new companies don't have a culture. Culture is the byproduct of consistent behavior. If you encourage people to share, then sharing will be built into your culture. If you reward trust, then trust will be built in. If you treat customers right, then treating customers right becomes your culture.

Culture isn't a foosball table or trust falls. It isn't policy. It isn't the Christmas party or the company picnic. Those are objects and events, not culture. And it's not a slogan, either. Culture is action, not words.

So don't worry too much about it. Don't force it. You can't install a culture. Like a

fine scotch, you've got to give it time to develop.



### **Decisions are temporary**

"But what if ...?" "What happens when ...?" "Don't we need to plan for ...?"

Don't make up problems you don't have yet. It's not a problem until it's a *real* problem. Most of the things you worry about never happen anyway.

Besides, the decisions you make today don't need to last forever. It's easy to shoot down good ideas, interesting policies, or worthwhile experiments by assuming that whatever you decide now needs to work for years on end. It's just not so, especially for a small business. If circumstances change, your decisions can change. Decisions are temporary.

At this stage, it's silly to worry about whether or not your concept will scale from five to five thousand people (or from a hundred thousand to 100 million people). Getting a product or service off the ground is hard enough without inventing even more obstacles. Optimize for now and worry about the future later.

The ability to change course is one of the big advantages of being small. Compared with larger competitors, you're way more capable of making quick, sweeping changes. Big companies just can't move that fast. So pay attention to today and worry about later when it gets here. Otherwise you'll waste energy, time, and money fixating on problems that may never materialize.

# BUILD A ROCKSTAR ENVIRONMENT



## Skip the rock stars

A lot of companies post help-wanted ads seeking "rock stars" or "ninjas." Lame. Unless your workplace is filled with groupies and throwing stars, these words have nothing to do with your business.

Instead of thinking about how you can land a roomful of rock stars, think about the room instead. We're all capable of bad, average, and great work. The environment has a lot more to do with great work than most people realize.

That's not to say we're all created equal and you'll unlock star power in anyone with a rock star environment. But there's a ton of untapped potential trapped under lame policies, poor direction, and stifling bureaucracies. Cut the crap and you'll find that people are waiting to do great work. They just need to be given the chance.

This isn't about casual Fridays or bring-your-dog-to-work day. (If those are such good things, then why aren't you doing them every day of the week?)

Rockstar environments develop out of trust, autonomy, and responsibility. They're a result of giving people the privacy, workspace, and tools they deserve. Great environments show respect for the people who do the work and how they do it.



### **They're not thirteen**

When you treat people like children, you get children's work. Yet that's exactly how a lot of companies and managers treat their employees. Employees need to ask permission before they can do anything. They need to get approval for every tiny expenditure. It's surprising they don't have to get a hall pass to go take a shit.

When everything constantly needs approval, you create a culture of nonthinkers. You create a boss-versus-worker relationship that screams, "I don't trust you."

What do you gain if you ban employees from, say, visiting a social-networking site or watching YouTube while at work? You gain nothing. That time doesn't magically convert to work. They'll just find some other diversion.

And look, you're not going to get a full eight hours a day out of people anyway. That's a myth. They might be at the office for eight hours, but they're not actually working eight hours. People *need* diversions. It helps disrupt the monotony of the workday. A little YouTube or Facebook time never hurt anyone.

Then there's all the money and time you spend policing this stuff. How much does it cost to set up surveillance software? How much time do IT employees waste on

monitoring other employees instead of working on a project that's actually valuable? How much time do you waste writing rule books that never get read? Look at the costs and you quickly realize that failing to trust your employees is awfully expensive.



SEND PEOPLE  
**HOME**  
at **FIVE**

### **Send people home at 5**

The dream employee for a lot of companies is a twenty-something with as little of a life as possible outside of work--someone who'll be fine working fourteen-hour days and sleeping under his desk.

But packing a room full of these burn-the-midnight-oil types isn't as great as it seems. It lets you get away with lousy execution. It perpetuates myths like "This is the only way we can compete against the big guys." You don't need more hours; you need *better* hours.

When people have something to do at home, they get down to business. They get

their work done at the office because they have somewhere else to be. They find ways to be more efficient because they have to. They need to pick up the kids or get to choir practice. So they use their time wisely.

As the saying goes, "If you want something done, ask the busiest person you know." You want busy people. People who have a life outside of work. People who care about more than one thing. You shouldn't expect the job to be someone's entire life--at least not if you want to keep them around for a long time.



### **Don't scar on the first cut**

The second something goes wrong, the natural tendency is to create a policy. "Someone's wearing shorts!? We need a dress code!" No, you don't. You just need to tell John not to wear shorts again.

Policies are organizational scar tissue. They are codified overreactions to

situations that are unlikely to happen again. They are collective punishment for the misdeeds of an individual.

This is how bureaucracies are born. No one sets out to create a bureaucracy. They sneak up on companies slowly. They are created one policy--one scar--at a time.

So don't scar on the first cut. Don't create a policy because one person did something wrong once. Policies are only meant for situations that come up over and over again.



### **Sound like you**

What is it with businesspeople trying to sound big? The stiff language, the formal announcements, the artificial friendliness, the legalese, etc. You read this stuff and it sounds like a robot wrote it. These companies talk *at* you, not *to* you.

This mask of professionalism is a joke. We all know this. Yet small companies still try to emulate it. They think sounding big makes them appear bigger and more "professional." But it really just makes them sound ridiculous. Plus, you sacrifice one of a small company's greatest assets: the ability to communicate simply and directly, without running every last word through a legal-and PR-department sieve.

There's nothing wrong with sounding your own size. Being honest about who you are is smart business, too. Language is often your first impression--why start it off with a lie? Don't be afraid to be you.

That applies to the language you use everywhere--in e-mail, packaging, interviews, blog posts, presentations, etc. Talk to customers the way you would to friends. Explain things as if you were sitting next to them. Avoid jargon or any sort of corporate-speak. Stay away from buzzwords when normal words will do just fine. Don't talk about "monetization" or being "transparent;" talk about making money and being honest. Don't use seven words when four will do.

And don't force your employees to end e-mails with legalese like "This e-mail message is for the sole use of the intended recipient(s) and may contain confidential and privileged information." That's like ending all your company e-mails with a signature that says, "We don't trust you and we're ready to prove it in court." Good luck making friends that way.

Write to be read, don't write just to write. Whenever you write something, read it out loud. Does it sound the way it would if you were actually talking to someone? If not, how can you make it more conversational?

Who said writing needs to be formal? Who said you have to strip away your personality when putting words on paper? Forget rules. Communicate!

And when you're writing, don't think about all the people who may read your words. Think of one person. Then write for that one person. Writing for a mob leads to generalities and awkwardness. When you write to a specific target, you're a lot more likely to hit the mark.



### Four-letter words

There are four-letter words you should never use in business. They're not *fuck* or *shit*. They're *need*, *must*, *can't*, *easy*, *just*, *only*, and *fast*. These words get in the way of healthy communication. They are red flags that introduce animosity, torpedo good discussions, and cause projects to be late.

When you use these four-letter words, you create a black-and-white situation. But the truth is rarely black and white. So people get upset and problems ensue. Tension and conflict are injected unnecessarily.

Here's what's wrong with some of them:**Need**. Very few things actually need to get done. Instead of saying "need," you're better off saying "maybe" or "What do you think about this?" or "How does this sound?" or "Do you think we could get away with that?" **Can't**. When you say "can't," you probably can. Sometimes there are even

opposing can'ts: "We can't launch it like that, because it's not quite right" versus "We can't spend any more time on this because we have to launch." Both of those statements can't be true. Or wait a minute, can they? **Easy.** *Easy* is a word that's used to describe other people's jobs. "That should be easy for you to do, right?" But notice how rarely people describe their own tasks as easy. For you, it's "Let me look into it"--but for others, it's "Get it done."

These four-letter words often pop up during debates (and also watch out for their cousins: *everyone*, *no one*, *always*, and *never*). Once uttered, they make it tough to find a solution. They box you into a corner by pitting two absolutes against each other. That's when head-butting occurs. You squeeze out any middle ground.

And these words are especially dangerous when you string them together: "We need to add this feature now. We can't launch without this feature. Everyone wants it. It's only one little thing so it will be easy. You should be able to get it in there fast!" Only thirty-six words, but a hundred assumptions. That's a recipe for disaster.



### ASAP is poison

Stop saying ASAP. We get it. It's implied. Everyone wants things done as soon as they can be done.

When you turn into one of these people who adds ASAP to the end of every request, you're saying everything is high priority. And when everything is high priority, nothing is. (Funny how everything is a top priority until you actually have to prioritize things.)

ASAP is inflationary. It devalues any request that doesn't say ASAP. Before you know it, the only way to get anything done is by putting the ASAP sticker on it.

Most things just don't warrant that kind of hysteria. If a task doesn't get done this very instant, nobody is going to die. Nobody's going to lose their job. It won't cost the company a ton of money. What it will do is create artificial stress, which leads to burnout and worse.

So reserve your use of emergency language for true emergencies. The kind where there are direct, measurable consequences to inaction. For everything else, chill out.

## CHAPTER CONCLUSION



### **Inspiration is perishable**

We all have ideas. Ideas are immortal. They last forever.

What doesn't last forever is inspiration. Inspiration is like fresh fruit or milk: It has an expiration date.

If you want to do something, you've got to do it now. You can't put it on a shelf and wait two months to get around to it. You can't just say you'll do it later. Later, you won't be pumped up about it anymore.

If you're inspired on a Friday, swear off the weekend and dive into the project. When you're high on inspiration, you can get two weeks of work done in twenty-four hours. Inspiration is a time machine in that way.

Inspiration is a magical thing, a productivity multiplier, a motivator. But it won't wait for you. Inspiration is a now thing. If it grabs you, grab it right back and put it to work.

## **Thank you for reading our book**

We hope it inspires you to rework how you do things. If so, drop a line to [rework@37signals.com](mailto:rework@37signals.com) and let us know how it's going. We look forward to hearing from you.

## **CHAPTER RESOURCES**

### **About 37signals**

#### **37signals**

[www.37signals.com](http://www.37signals.com)

About 37signals and our products.

#### **Rework site**

[www.37signals.com/rework](http://www.37signals.com/rework)

The official book site.

#### **Signal vs. Noise**

[www.37signals.com/svn](http://www.37signals.com/svn)

Our company blog about business, design, culture, and more.

#### **37signals video**

[www.37signals.com/speaks](http://www.37signals.com/speaks)

Presentations and rants by 37signals.

#### **Subscribe to 37signals newsletters**

[www.37signals.com/subscribe](http://www.37signals.com/subscribe)

Newsletter about new products, discounts, and more (sent out roughly twice a month).

#### **Stuff we like**

[www.37signals.com/stuffwelike](http://www.37signals.com/stuffwelike)

A list of books, sites, and other things that we enjoy.

#### **E-mail**

[rework@37signals.com](mailto:rework@37signals.com)

### **37signals products**

#### **Basecamp**

[www.basecamphq.com](http://www.basecamphq.com)

Manage projects and collaborate with your team and clients.

#### **Highrise**

[www.highrisehq.com](http://www.highrisehq.com)

Track your contacts, leads, and deals. Always be prepared.

#### **Backpack**

[www.backpackit.com](http://www.backpackit.com)

Organize and share information across your business.

#### **Campfire**

[www.campfirenow.com](http://www.campfirenow.com)

Real-time chat and file and code sharing for remote teams.

### **Ta-da List**

[www.tadalist.com](http://www.tadalist.com)

Ta-da List makes it easy to create and share your to-do's.

### **Writeboard**

[www.writeboard.com](http://www.writeboard.com)

Writeboard is a collaborative writing tool.

### **Getting Real**

[gettingreal.37signals.com](http://gettingreal.37signals.com)

This book by 37signals will help you discover the smarter, faster, easier way to build a successful Web-based application.

### **Ruby on Rails**

[www.rubyonrails.org](http://www.rubyonrails.org)

An open-source Web framework created by 37signals.

### **Acknowledgments**

Very special thanks go to Matthew Linderman. Matt was 37signals' first employee in 1999--and he's still with the company today. This book wouldn't have come together without Matt. In addition to writing original content, he helped merge the distinctly different writing styles of the coauthors into a focused, cohesive book. He made it look easy, but it wasn't easy work. Thank you, Matt.

We also want to thank our families, our customers, and everyone at 37signals. And here's a list of some of the people we know, and don't know, who have inspired us in one way or another:Frank Lloyd Wright Seth Godin Warren Buffett Jamie Larson Clayton Christensen Ralph Nader Jim Coudal Benjamin Franklin Ernest Kim Jeff Bezos Scott Heiferman Antoni Gaudi Carlos Segura Larry David Steve Jobs Dean Kamen Bill Maher Thomas Jefferson Mies van der Rohe Ricardo Semler Christopher Alexander James Dyson Kent Beck Thomas Paine Gerald Weinberg Kathy Sierra Julia Child Marc Hedlund Nicholas Karavites Michael Jordan Richard Bird Jeffrey Zeldman Dieter Rams Judith Sheindlin Ron Paul Timothy Ferriss

Copyright (c) 2010 by 37signals, LLC.

All rights reserved.

Published in the United States by Crown Business of the Crown Publishing Group, a division of Random House, Inc., New York.

[www.crownpublishing.com](http://www.crownpublishing.com)

CROWN and the Crown colophon are registered trademarks of Random House, Inc.

This book is available for special discounts for bulk purchases for sales promotions or premiums. Special editions, including personalized covers, excerpts of existing books, and corporate imprints, can be created in large quantities for special needs. For more information, write to Random House, Inc.

Library of Congress Cataloging-in-Publication Data

Fried, Jason.

Rework / Jason Fried and David Hansson.--1st ed.

p. cm.

1. Industrial management. 2. 37signals--company.

I. Hansson, David Heinemeier. II. Title.

HD31.F755 2010

658.22--dc22 2009036114

eISBN: 978-0-307-46376-0

rohdesign.com

v3.0

# REWORK

*Jason Fried and  
David Heinemeier Hansson*

A stylized crown logo composed of several sharp, upward-pointing triangles forming a circular shape.

To subscribe to the free Crown Business E-Newsletter,  
e-mail: [CrownBusiness@RandomHouse.com](mailto:CrownBusiness@RandomHouse.com)

# **REWORK**

## **JASON FRIED**

### **INTRODUCTION**

FIRST The new reality

TAKEDOWNS Ignore the real world Learning from mistakes is overrated Planning is guessing Why grow? Workaholism Enough with "entrepreneurs"

GOMake a dent in the universe Scratch your own itch Start making something No time is no excuse Draw a line in the sand Mission statement impossible Outside money is Plan Z You need less than you think Start a business, not a startup Building to flip is building to flop Less mass

PROGRESS Embrace constraints Build half a product, not a half-assed product Start at the epicenter Ignore the details early on Making the call is making progress Be a curator Throw less at the problem Focus on what won't change Tone is in your fingers Sell your by-products Launch now

PRODUCTIVITY Illusions of agreement Reasons to quit Interruption is the enemy of productivity Meetings are toxic Good enough is fine Quick wins Don't be a hero Go to sleep Your estimates suck Long lists don't get done Make tiny decisions

COMPETITORS Don't copy De commoditize your product Pick a fight Underdo your competition Who cares what they're doing?

EVOLUTION Say no by default Let your customers outgrow you Don't confuse enthusiasm with priority Be at-home good Don't write it down

PROMOTION Welcome obscurity Build an audience Out-teach your competition Emulate chefs Go behind the scenes Nobody likes plastic flowers Press releases are spam Forget about the *Wall Street Journal* Drug dealers get it right Marketing is not a department The myth of the overnight sensation

HIRING Do it yourself first Hire when it hurts Pass on great people Strangers at a cocktail party Resumes are ridiculous Years of irrelevance Forget about formal education Everybody works Hire managers of one Hire great writers The best are everywhere Test-drive employees

DAMAGE CONTROL Own your bad news Speed changes everything How to say you're sorry Put everyone on the front lines Take a deep breath

CULTURE You don't create a culture Decisions are temporary Skip the rock stars They're not thirteen Send people home at 5 Don't scar on the first cut Sound like you Four-letter words ASAP is poison

### **CONCLUSION**

Inspiration is perishable

## CHAPTER INTRODUCTION

We have something new to say about building, running, and growing (or not growing) a business.

This book isn't based on academic theories. It's based on our experience. We've been in business for more than ten years. Along the way, we've seen two recessions, one burst bubble, business-model shifts, and doom-and-gloom predictions come and go--and we've remained profitable through it all.

We're an intentionally small company that makes software to help small companies and groups get things done the easy way. More than 3 million people around the world use our products.

We started out in 1999 as a three-person Web-design consulting firm. In 2004, we weren't happy with the project-management software used by the rest of the industry, so we created our own: Basecamp. When we showed the online tool to clients and colleagues, they all said the same thing: "We need this for our business too." Five years later, Basecamp generates millions of dollars a year in profits.

We now sell other online tools too. Highrise, our contact manager and simple CRM (customer relationship management) tool, is used by tens of thousands of small businesses to keep track of leads, deals, and more than 10 million contacts. More than 500,000 people have signed up for Backpack, our intranet and knowledge-sharing tool. And people have sent more than 100 million messages using Campfire, our real-time business chat tool. We also invented and open-sourced a computer-programming framework called Ruby on Rails that powers much of the Web 2.0 world.

Some people consider us an Internet company, but that makes us cringe. Internet companies are known for hiring compulsively, spending wildly, and failing spectacularly. That's not us. We're small (sixteen people as this book goes to press), frugal, and profitable.

A lot of people say we can't do what we do. They call us a fluke. They advise others to ignore our advice. Some have even called us irresponsible, reckless, and--gasp!--unprofessional.

These critics don't understand how a company can reject growth, meetings, budgets, boards of directors, advertising, salespeople, and "the real world," yet thrive. That's their problem, not ours. They say you need to sell to the Fortune 500. Screw that. We sell to the Fortune 5,000,000.

They don't think you can have employees who almost never see each other spread out across eight cities on two continents. They say you can't succeed without making financial projections and five-year plans. They're wrong.

They say you need a PR firm to make it into the pages of *Time*, *Business Week*, *Inc.*, *Fast Company*, the *New York Times*, the *Financial Times*, the *Chicago Tribune*, the

*Atlantic*, *Entrepreneur*, and *Wired*. They're wrong. They say you can't share your recipes and bare your secrets and still withstand the competition. Wrong again.

They say you can't possibly compete with the big boys without a hefty marketing and advertising budget. They say you can't succeed by building products that do less than your competition's. They say you can't make it all up as you go. But that's exactly what we've done.

They say a lot of things. We say they're wrong. We've *proved* it. And we wrote this book to show you how to prove them wrong too.

First, we'll start out by gutting business. We'll take it down to the studs and explain why it's time to throw out the traditional notions of what it takes to run a business. Then we'll rebuild it. You'll learn how to begin, why you need less than you think, when to launch, how to get the word out, whom (and when) to hire, and how to keep it all under control.

Now, let's get on with it.

## **CHAPTER FIRST**

# WORK WORK WORK **REWORK** WORK WORK WORK

## **The new reality**

This is a different kind of business book for different kinds of people--from those who have never dreamed of starting a business to those who already have a successful company up and running.

It's for hard-core entrepreneurs, the Type A go-getters of the business world. People who feel like they were born to start, lead, and conquer.

It's also for less intense small-business owners. People who may not be Type A but still have their business at the center of their lives. People who are looking for an edge that'll help them do more, work smarter, and kick ass.

It's even for people stuck in day jobs who have always dreamed about doing their own thing. Maybe they like what they do, but they don't like their boss. Or maybe they're just bored. They want to do something they love and get paid for it.

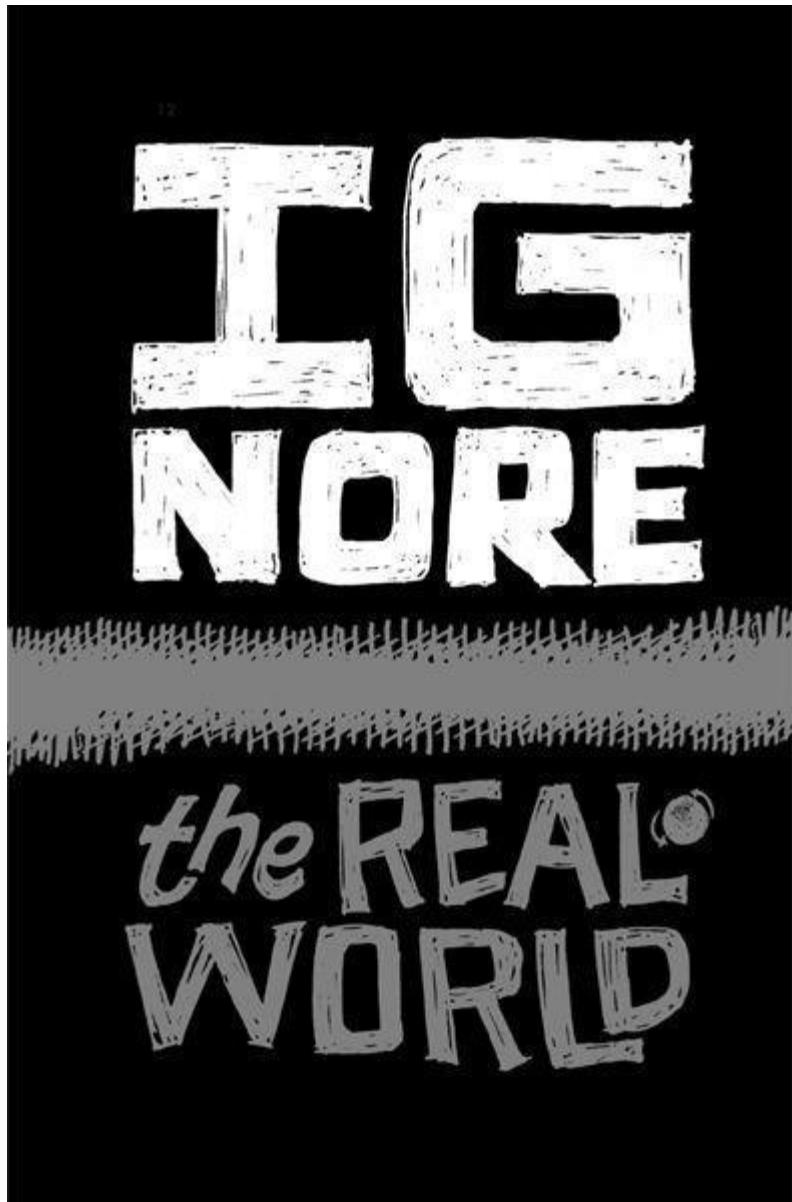
Finally, it's for all those people who've never considered going out on their own and starting a business. Maybe they don't think they're cut out for it. Maybe they don't think they have the time, money, or conviction to see it through. Maybe they're just afraid of putting themselves on the line. Or maybe they just think *business* is a dirty word. Whatever the reason, this book is for them, too.

There's a new reality. Today anyone can be in business. Tools that used to be out of reach are now easily accessible. Technology that cost thousands is now just a few bucks or even free. One person can do the job of two or three or, in some cases, an entire department. Stuff that was impossible just a few years ago is simple today.

You don't have to work miserable 60/80/100-hour weeks to make it work. 10-40 hours a week is plenty. You don't have to deplete your life savings or take on a boatload of risk. Starting a business on the side while keeping your day job can provide all the cash flow you need. You don't even need an office. Today you can work from home or collaborate with people you've never met who live thousands of miles away.

It's time to rework work. Let's get started.

## **CHAPTER TAKEDOWNS**



### **Ignore the real world**

"That would never work in the real world." You hear it all the time when you tell people about a fresh idea.

This real world sounds like an awfully depressing place to live. It's a place where new ideas, unfamiliar approaches, and foreign concepts *always* lose. The only things that win are what people already know and do, even if those things are flawed and inefficient.

Scratch the surface and you'll find these "real world" inhabitants are filled with pessimism and despair. They expect fresh concepts to fail. They assume society isn't ready for or capable of change.

Even worse, they want to drag others down into their tomb. If you're hopeful and ambitious, they'll try to convince you your ideas are impossible. They'll say you're wasting your time.

Don't believe them. That world may be real for them, but it doesn't mean you have to live in it.

We know because our company fails the real-world test in all kinds of ways. In the real world, you can't have more than a dozen employees spread out in eight different cities on two continents. In the real world, you can't attract millions of customers without any salespeople or advertising. In the real world, you can't reveal your formula for success to the rest of the world. But we've done all those things and prospered.

The real world isn't a place, it's an excuse. It's a justification for not trying. It has nothing to do with you.



**FAILURE  
IS NOT  
A RITE of PASSAGE**

#### **Learning from mistakes is overrated**

In the business world, failure has become an expected rite of passage. You hear all the time how nine out of ten new businesses fail. You hear that your business's

chances are slim to none. You hear that failure builds character. People advise, "Fail early and fail often."

With so much failure in the air, you can't help but breathe it in. Don't inhale. Don't get fooled by the stats. Other people's failures are just that: *other* people's failures.

If other people can't market their product, it has nothing to do with you. If other people can't build a team, it has nothing to do with you. If other people can't price their services properly, it has nothing to do with you. If other people can't earn more than they spend ... well, you get it.

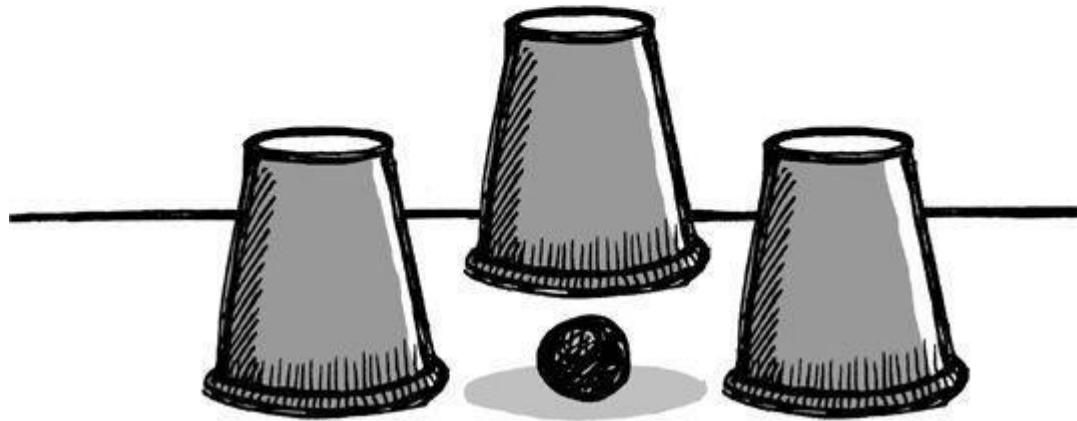
Another common misconception: You need to learn from your mistakes. What do you really learn from mistakes? You might learn what *not* to do again, but how valuable is that? You still don't know what you *should* do next.

Contrast that with learning from your successes. Success gives you real ammunition. When something succeeds, you know what worked--and you can do it again. And the next time, you'll probably do it even better.

Failure is not a prerequisite for success. A Harvard Business School study found already-successful entrepreneurs are far more likely to succeed again (the success rate for their future companies is 34 percent). But entrepreneurs whose companies failed the first time had almost the same follow-on success rate as people starting a company for the first time: just 23 percent. People who failed before have the same amount of success as people who have never tried at all.\* Success is the experience that actually counts.

That shouldn't be a surprise: It's exactly how nature works. Evolution doesn't linger on past failures, it's always building upon what worked. So should you.

# PLANNING IS GUESSING



**Planning is guessing**

Unless you're a fortune-teller, long-term business planning is a fantasy. There are just too many factors that are out of your hands: market conditions, competitors, customers, the economy, etc. Writing a plan makes you feel in control of things you can't actually control.

Why don't we just call plans what they really are: guesses. Start referring to your business plans as business guesses, your financial plans as financial guesses, and your strategic plans as strategic guesses. Now you can stop worrying about them as much. They just aren't worth the stress.

When you turn guesses into plans, you enter a danger zone. Plans let the past drive the future. They put blinders on you. "This is where we're going because, well, that's where we said we were going." And that's the problem: Plans are inconsistent with improvisation.

And you have to be able to improvise. You have to be able to pick up opportunities that come along. Sometimes you need to say, "We're going in a new direction because that's what makes sense *today*."

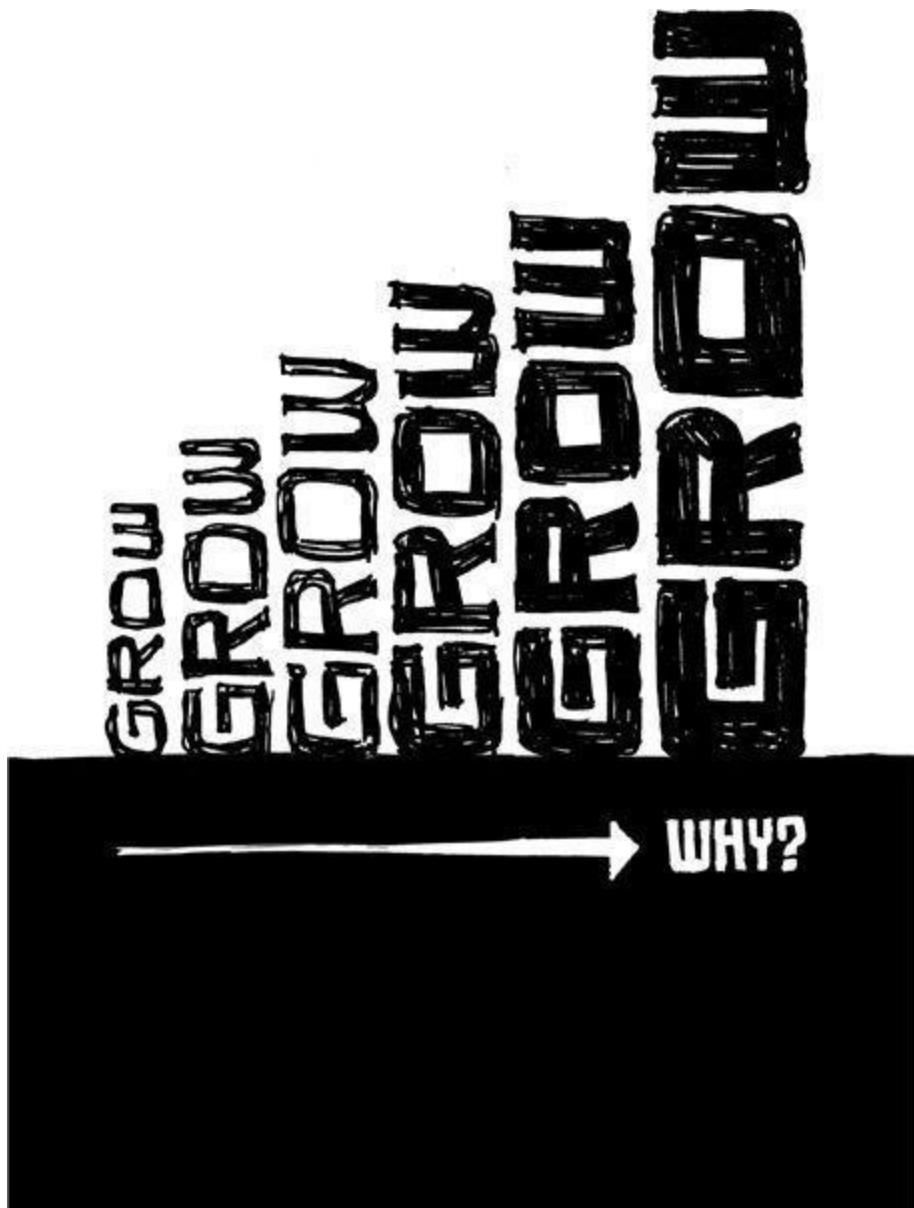
The timing of long-range plans is screwed up too. You have the most information when you're doing something, not *before* you've done it. Yet when do you write a plan? Usually it's before you've even begun. That's the worst time to make a big decision.

Now this isn't to say you shouldn't think about the future or contemplate how you might attack upcoming obstacles. That's a worthwhile exercise. Just don't feel you need to write it down or obsess about it. If you write a big plan, you'll most likely never look at it anyway. Plans more than a few pages long just wind up as fossils in your file cabinet.

Give up on the guesswork. Decide what you're going to do this week, not this year. Figure out the next most important thing and do that. Make decisions right before you do something, not far in advance.

It's OK to wing it. Just get on the plane and go. You can pick up a nicer shirt, shaving cream, and a toothbrush once you get there.

Working without a plan may seem scary. But blindly following a plan that has no relationship with reality is even scarier.



### Why grow?

People ask, "How big is your company?" It's small talk, but they're not looking for a small answer. The bigger the number, the more impressive, professional, and powerful you sound. "Wow, nice!" they'll say if you have a hundred-plus employees. If you're small, you'll get an "*Oh ...* that's nice." The former is meant as a compliment; the latter is said just to be polite.

Why is that? What is it about growth and business? Why is expansion always the goal? What's the attraction of big besides ego? (You'll need a better answer than "economies of scale.") What's wrong with finding the right size and staying there?

Do we look at Harvard or Oxford and say, "If they'd only expand and branch out and hire thousands more professors and go global and open other campuses all over the world ... *then* they'd be great schools." Of course not. That's not how we measure the

value of these institutions. So why is it the way we measure businesses?

Maybe the right size for your company is five people. Maybe it's forty. Maybe it's two hundred. Or maybe it's just you and a laptop. Don't make assumptions about how big you should be ahead of time. Grow slow and see what feels right--premature hiring is the death of many companies. And avoid huge growth spurts too--they can cause you to skip right over your appropriate size.

Small is not just a stepping-stone. Small is a great destination in itself.

Have you ever noticed that while small businesses wish they were bigger, big businesses dream about being more agile and flexible? And remember, once you get big, it's really hard to shrink without firing people, damaging morale, and changing the entire way you do business.

Ramping up doesn't have to be your goal. And we're not talking just about the number of employees you have either. It's also true for expenses, rent, IT infrastructure, furniture, etc. These things don't just happen to you. You decide whether or not to take them on. And if you do take them on, you'll be taking on new headaches, too. Lock in lots of expenses and you force yourself into building a complex business--one that's a lot more difficult and stressful to run.

Don't be insecure about aiming to be a small business. Anyone who runs a business that's sustainable and profitable, whether it's big or small, should be proud.



### **Workaholism**

Our culture celebrates the idea of the workaholic. We hear about people burning the midnight oil. They pull all-nighters and sleep at the office. It's considered a badge of honor to kill yourself over a project. No amount of work is too much work.

Not only is this workaholism unnecessary, it's stupid. Working more doesn't mean you care more or get more done. It just means you work more.

Workaholics wind up creating more problems than they solve. First off, working like that just isn't sustainable over time. When the burnout crash comes--and it will--it'll hit that much harder.

Workaholics miss the point, too. They try to fix problems by throwing sheer hours at them. They try to make up for intellectual laziness with brute force. This results in inelegant solutions.

They even create crises. They don't look for ways to be more efficient because they actually *like* working overtime. They enjoy feeling like heroes. They create problems (often unwittingly) just so they can get off on working more.

Workaholics make the people who don't stay late feel inadequate for "merely" working reasonable hours. That leads to guilt and poor morale all around. Plus, it leads to an ass-in-seat mentality--people stay late out of obligation, even if they aren't really being productive.

If all you do is work, you're unlikely to have sound judgments. Your values and decision making wind up skewed. You stop being able to decide what's worth extra effort and what's not. And you wind up just plain tired. No one makes sharp decisions when tired.

In the end, workaholics don't actually accomplish more than nonworkaholics. They may claim to be perfectionists, but that just means they're wasting time fixating on inconsequential details instead of moving on to the next task.

Workaholics aren't heroes. They don't save the day, they just use it up. The real hero is already home because she figured out a faster way to get things done.

BE  
a



## STARTER!

### Enough with "entrepreneurs"

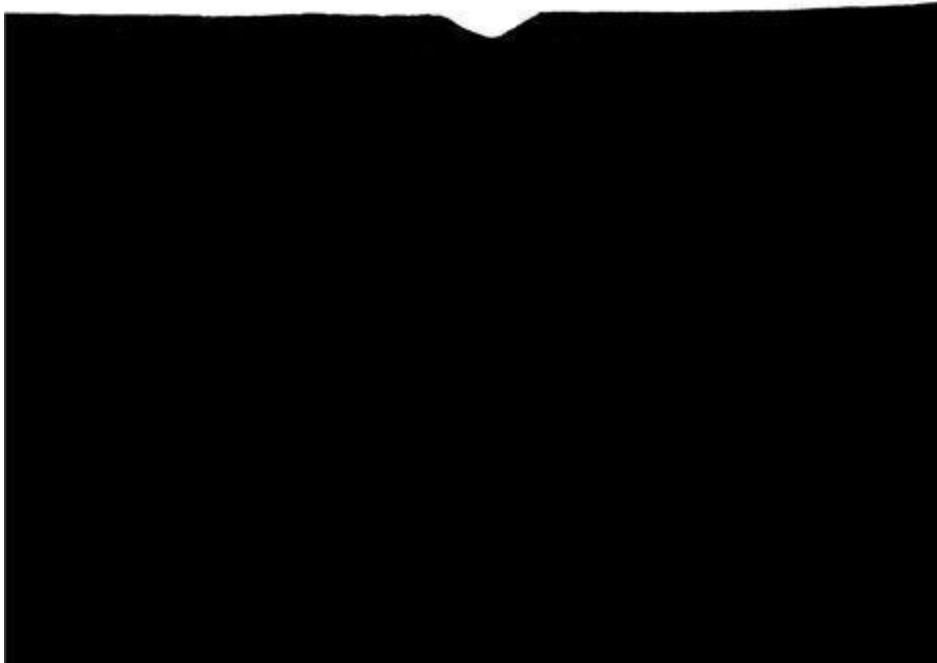
Let's retire the term *entrepreneur*. It's outdated and loaded with baggage. It smells like a members-only club. Everyone should be encouraged to start his own business, not just some rare breed that self-identifies as entrepreneurs.

There's a new group of people out there starting businesses. They're turning profits yet never think of themselves as entrepreneurs. A lot of them don't even think of themselves as business owners. They are just doing what they love on their own terms and getting paid for it.

So let's replace the fancy-sounding word with something a bit more down-to-earth. Instead of entrepreneurs, let's just call them starters. Anyone who creates a new business is a starter. You don't need an MBA, a certificate, a fancy suit, a briefcase, or an above-average tolerance for risk. You just need an idea, a touch of confidence, and a push to get started.\*Leslie Berlin, "Try, Try Again, or Maybe Not," *New York Times*, Mar. 21,

2009.

CHAPTER  
GO



**Make a dent in the universe**

To do great work, you need to feel that you're making a difference. That you're putting a meaningful dent in the universe. That you're part of something important.

This doesn't mean you need to find the cure for cancer. It's just that your efforts need to feel valuable. You want your customers to say, "This makes my life better." You want to feel that if you stopped doing what you do, people would notice.

You should feel an urgency about this too. You don't have forever. This is your

life's work. Do you want to build just another me-too product or do you want to shake things up? What you do is your legacy. Don't sit around and wait for someone else to make the change you want to see. And don't think it takes a huge team to make that difference either.

Look at Craigslist, which demolished the traditional classified-ad business. With just a few dozen employees, the company generates tens of millions in revenue, has one of the most popular sites on the Internet, and disrupted the entire newspaper business.

The Drudge Report, run by Matt Drudge, is just one simple page on the Web run by one guy. Yet it's had a huge impact on the news industry--television producers, radio talk show hosts and newspaper reporters routinely view it as the go-to place for new stories.\*

If you're going to do something, do something that matters. These little guys came out of nowhere and destroyed old models that had been around for decades. You can do the same in your industry.



SCRATCH  
YOUR OWN  
ITCH

## **Scratch your own itch**

The easiest, most straightforward way to create a great product or service is to make something *you* want to use. That lets you design what you know--and you'll figure out immediately whether or not what you're making is any good.

At 37signals, we build products we need to run our own business. For example, we wanted a way to keep track of whom we talked to, what we said, and when we need to follow up next. So we created Highrise, our contact-management software. There was no need for focus groups, market studies, or middlemen. We had the itch, so we scratched it.

When you build a product or service, you make the call on hundreds of tiny decisions each day. If you're solving someone else's problem, you're constantly stabbing in the dark. When you solve your own problem, the light comes on. You know exactly what the right answer is.

Inventor James Dyson scratched his own itch. While vacuuming his home, he realized his bag vacuum cleaner was constantly losing suction power--dust kept clogging the pores in the bag and blocking the airflow. It wasn't someone else's *imaginary* problem; it was a real one that he experienced firsthand. So he decided to solve the problem and came up with the world's first cyclonic, bagless vacuum cleaner.\*

Vic Firth came up with the idea of making a better drumstick while playing timpani for the Boston Symphony Orchestra. The sticks he could buy commercially didn't measure up to the job, so he began making and selling drumsticks from his basement at home. Then one day he dropped a bunch of sticks on the floor and heard all the different pitches. That's when he began to match up sticks by moisture content, weight, density, and pitch so they were identical pairs. The result became his product's tag line: "the perfect pair." Today, Vic Firth's factory turns out more than 85,000 drumsticks a day and has a 62 percent share in the drumstick market.+

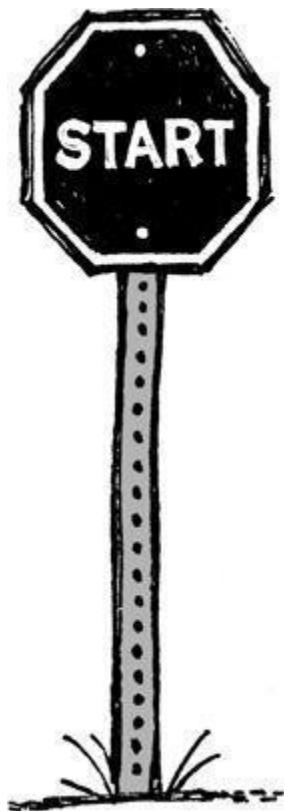
Track coach Bill Bowerman decided that his team needed better, lighter running shoes. So he went out to his workshop and poured rubber into the family waffle iron. That's how Nike's famous waffle sole was born.++

These people scratched their own itch and exposed a huge market of people who needed exactly what they needed. That's how you should do it too.

When you build what *you* need, you can also assess the quality of what you make quickly and directly, instead of by proxy.

Mary Kay Wagner, founder of Mary Kay Cosmetics, knew her skin-care products were great because she used them herself. She got them from a local cosmetologist who sold homemade formulas to patients, relatives, and friends. When the cosmetologist passed away, Wagner bought the formulas from the family. She didn't need focus groups or studies to know the products were good. She just had to look at her own skin.\*

Best of all, this "solve your own problem" approach lets you fall in love with what you're making. You know the problem and the value of its solution intimately. There's no substitute for that. After all, you'll (hopefully) be working on this for years to come. Maybe even the rest of your life. It better be something you really care about.



### **Start making something**

We all have that one friend who says, "I had the idea for eBay. If only I had acted on it, I'd be a billionaire!" That logic is pathetic and delusional. Having the idea for eBay has nothing to do with actually creating eBay. What you *do* is what matters, not what you think or say or plan.

Think your idea's that valuable? Then go try to sell it and see what you get for it. *Not much* is probably the answer. Until you actually start making something, your brilliant idea is just that, an idea. And everyone's got one of those.

Stanley Kubrick gave this advice to aspiring filmmakers: "Get hold of a camera and some film and make a movie of any kind at all."<sup>\*</sup> Kubrick knew that when you're new at something, you need to start creating. The most important thing is to begin. So get a camera, hit Record, and start shooting.

Ideas are cheap and plentiful. The original pitch idea is such a small part of a business that it's almost negligible. The real question is how well you execute.



### No time is no excuse

The most common excuse people give: "There's not enough time." They claim they'd love to start a company, learn an instrument, market an invention, write a book, or whatever, but there just aren't enough hours in the day.

Come on. There's always enough time if you spend it right. And don't think you have to quit your day job, either. Hang onto it and start work on your project at night.

Instead of watching TV or playing World of Warcraft, work on your idea. Instead of going to bed at ten, go to bed at eleven. We're not talking about all-nighters or sixteen-hour days--we're talking about squeezing out a few extra hours a week. That's enough time to get something going.

Once you do that, you'll learn whether your excitement and interest is real or just a passing phase. If it doesn't pan out, you just keep going to work every day like you've been doing all along. You didn't risk or lose anything, other than a bit of time, so it's no big deal.

When you want something bad enough, you make the time--regardless of your other obligations. The truth is most people just don't want it bad enough. Then they protect their ego with the excuse of time. Don't let yourself off the hook with excuses. It's entirely your responsibility to make your dreams come true.

Besides, the *perfect* time never arrives. You're always too young or old or busy or broke or something else. If you constantly fret about timing things perfectly, they'll never happen.



### **Draw a line in the sand**

As you get going, keep in mind *why* you're doing what you're doing. Great businesses have a point of view, not just a product or service. You have to believe in something. You need to have a backbone. You need to know what you're willing to fight for. And then you need to show the world.

A strong stand is how you attract superfans. They point to you and defend you. And they spread the word further, wider, and more passionately than any advertising could.

Strong opinions aren't free. You'll turn some people off. They'll accuse you of being arrogant and aloof. That's life. For everyone who loves you, there will be others who hate you. If no one's upset by what you're saying, you're probably not pushing hard enough. (And you're probably boring, too.)

Lots of people hate us because our products do less than the competition's. They're insulted when we refuse to include their pet feature. But we're just as proud of what our products don't do as we are of what they do.

We design them to be simple because we believe most software is too complex: too many features, too many buttons, too much confusion. So we build software that's the opposite of that. If what we make isn't right for everyone, that's OK. We're willing to lose some customers if it means that others love our products intensely. That's our line in the sand.

When you don't know what you believe, everything becomes an argument. Everything is debatable. But when you stand for something, decisions are obvious.

For example, Whole Foods stands for selling the highest quality natural and organic products available. They don't waste time deciding over and over again what's appropriate. No one asks, "Should we sell this product that has artificial flavors?" There's no debate. The answer is clear. That's why you can't buy a Coke or a Snickers there.

This belief means the food is more expensive at Whole Foods. Some haters even call it Whole Paycheck and make fun of those who shop there. But so what? Whole Foods is doing pretty damn well.

Another example is Vinnie's Sub Shop, just down the street from our office in Chicago. They put this homemade basil oil on subs that's just perfect. You better show up on time, though. Ask when they close and the woman behind the counter will respond, "We close when the bread runs out."

Really? "Yeah. We get our bread from the bakery down the street early in the morning, when it's the freshest. Once we run out (usually around two or three p.m.), we close up shop. We could get more bread later in the day, but it's not as good as the fresh-baked bread in the morning. There's no point in selling a few more sandwiches if the bread isn't good. A few bucks isn't going to make up for selling food we can't be proud of."

Wouldn't you rather eat at a place like that instead of some generic sandwich chain?



**LIVE IT  
OR LEAVE IT!**



### **Mission statement impossible**

There's a world of difference between truly standing for something and having a mission statement that *says* you stand for something. You know, those "providing the best service" signs that are created just to be posted on a wall. The ones that sound phony and disconnected from reality.

Imagine you're standing in a rental-car office. The room's cold. The carpet is dirty. There's no one at the counter. And then you see a tattered piece of paper with some clip art at the top of it pinned to a bulletin board. It's a mission statement: Our mission is to fulfill the automotive and commercial truck rental, leasing, car sales and related needs of our customers and, in doing so, exceed their expectations for service, quality and value. We will strive to earn our customers' long-term loyalty by working to deliver more than promised, being honest and fair and "going the extra mile" to provide exceptional

personalized service that creates a pleasing business experience. We must motivate our employees to provide exceptional service to our customers by supporting their development, providing opportunities for personal growth and fairly compensating them for their successes and achievements ... \*

And it drones on. And you're sitting there reading this crap and wondering, "What kind of idiot do they take me for?" The words on the paper are clearly disconnected from the reality of the experience.

It's like when you're on hold and a recorded voice comes on telling you how much the company values you as a customer. Really? Then maybe you should hire some more support people so I don't have to wait thirty minutes to get help.

Or just say nothing. But don't give me an automated voice that's telling me how much you care about me. It's a robot. I know the difference between genuine affection and a robot that's programmed to say nice things.

Standing for something isn't just about writing it down. It's about believing it and living it.



### Outside money is Plan Z

One of the first questions you'll probably ask: Where's the seed money going to come from? Far too often, people think the answer is to raise money from outsiders. If you're building something like a factory or restaurant, then you may indeed need that outside cash. But a lot of companies don't need expensive infrastructure--especially these days.

We're in a service economy now. Service businesses (e.g., consultants, software companies, wedding planners, graphic designers, and hundreds of others) don't require much to get going. If you're running a business like that, avoid outside funding.

In fact, no matter what kind of business you're starting, take on as little outside cash as you can. Spending other people's money may sound great, but there's a noose attached. Here's why: **You give up control.** When you turn to outsiders for funding, you

have to answer to them too. That's fine at first, when everyone agrees. But what happens down the road? Are you starting your own business to take orders from someone else? Raise money and that's what you'll wind up doing. **"Cashing out" begins to trump building a quality business.** Investors want their money back--and quickly (usually three to five years). Long-term sustainability goes out the window when those involved only want to cash out as soon as they can. **Spending other people's money is addictive.** There's nothing easier than spending other people's money. But then you run out and need to go back for more. And every time you go back, they take more of your company. **It's usually a bad deal.** When you're just beginning, you have no leverage. That's a terrible time to enter into any financial transaction. **Customers move down the totem pole.** You wind up building what *investors* want instead of what *customers* want. **Raising money is incredibly distracting.** Seeking funding is difficult and draining. It takes months of pitch meetings, legal maneuvering, contracts, etc. That's an enormous distraction when you should really be focused on building something great.

It's just not worth it. We hear over and over from business owners who have gone down this road and regret it. They usually give a variation on the investment-hangover story: First, you get that quick investment buzz. But then you start having meetings with your investors and/or board of directors, and you're like, "Oh man, what have I gotten myself into?" Now someone else is calling the shots.

Before you stick your head in that noose, look for another way.



**—DO YOU—  
REALLY  
NEED?**

**You need less than you think**

Do you really need ten people or will two or three do for now?

Do you really need \$500,000 or is \$50,000 (or \$5,000) enough for now?

Do you really need six months or can you make something in two?

Do you really need a big office or can you share office space (or work from home) for a while?

Do you really need a warehouse or can you rent a small storage space (or use your garage or basement) or outsource it completely?

Do you really need to buy advertising and hire a PR firm or are there other ways to get noticed?

Do you really need to build a factory or can you hire someone else to manufacture your products?

Do you really need an accountant or can you use Quicken and do it yourself?  
Do you really need an IT department or can you outsource it?  
Do you really need a full-time support person or can you handle inquiries on your own?

Do you really need to open a retail store or can you sell your product online?  
Do you really need fancy business cards, letterhead, and brochures or can you forego that stuff?

You get the point. Maybe eventually you'll need to go the bigger, more expensive route, but not right now.

There's nothing wrong with being frugal. When we launched our first product, we did it on the cheap. We didn't get our own office; we shared space with another company. We didn't get a bank of servers; we had only one. We didn't advertise; we promoted by sharing our experiences online. We didn't hire someone to answer customer e-mails; the company founder answered them himself. And everything worked out just fine.

Great companies start in garages all the time. Yours can too.



### **Start a business, not a startup**

Ah, the startup. It's a special breed of company that gets a lot of attention (especially in the tech world).

The start up is a magical place. It's a place where expenses are someone else's problem. It's a place where that pesky thing called revenue is never an issue. It's a place where you can spend other people's money until you figure out a way to make your own. It's a place where the laws of business physics don't apply.

The problem with this magical place is it's a fairy tale. The truth is every business, new or old, is governed by the same set of market forces and economic rules. Revenue in, expenses out. Turn a profit or wind up gone.

Startups try to ignore this reality. They are run by people trying to postpone the inevitable, i.e., that moment when their business has to grow up, turn a profit, and be a

real, sustainable business.

Anyone who takes a "we'll figure out how to profit in the future" attitude to business is being ridiculous. That's like building a rocket ship but starting off by saying, "Let's pretend gravity doesn't exist." *A business without a path to profit isn't a business, it's a hobby.*

So don't use the idea of a startup as a crutch. Instead, start an actual business. Actual businesses have to deal with actual things like bills and payroll. Actual businesses worry about profit from day one. Actual businesses don't mask deep problems by saying, "It's OK, we're a startup." Act like an actual business and you'll have a much better shot at succeeding.



### **Building to flip is building to flop**

Another thing you hear a lot: "What's your exit strategy?" You hear it even when you're just beginning. What is it with people who can't even start building something without knowing how they're going to leave it? What's the hurry? Your priorities are out of whack if you're thinking about getting out before you even dive in.

Would you go into a relationship planning the breakup? Would you write the prenup on a first date? Would you meet with a divorce lawyer the morning of your wedding? That would be ridiculous, right?

You need a commitment strategy, not an exit strategy. You should be thinking about how to make your project grow and succeed, not how you're going to jump ship. If your whole strategy is based on leaving, chances are you won't get far in the first place.

You see so many aspiring businesspeople pinning their hopes on selling out. But the odds of getting acquired are so tiny. There's only a slim chance that some big suitor will come along and make it all worthwhile. Maybe 1 in 1,000? Or 1 in 10,000?

Plus, when you build a company with the intention of being acquired, you emphasize the wrong things. Instead of focusing on getting customers to love you, you

worry about who's going to buy you. That's the wrong thing to obsess over.

And let's say you ignore this advice and do pull off a flip. You build your business, sell it, and get a nice payday. Then what? Move to an island and sip pina coladas all day? Will that really satisfy you? Will money alone truly make you happy? Are you sure you'll like that more than running a business you actually enjoy and believe in?

That's why you often hear about business owners who sell out, retire for six months, and then get back in the game. They miss the thing they gave away. And usually, they're back with a business that isn't nearly as good as their first.

Don't be that guy. If you do manage to get a good thing going, keep it going. Good things don't come around that often. Don't let your business be the one that got away.



### **Less mass**

Embrace the idea of having less mass. Right now, you're the smallest, the leanest, and the fastest you'll ever be. From here on out, you'll start accumulating mass. And the more massive an object, the more energy required to change its direction. It's as true in the business world as it is in the physical world. Mass is increased by ...

- Long-term contracts
- Excess staff
- Permanent decisions
- Meetings
- Thick process
- Inventory (physical or mental)
- Hardware, software, and technology lock-ins
- Long-term road maps
- Office politics

Avoid these things whenever you can. That way, you'll be able to change direction easily. The more expensive it is to make a change, the less likely you are to make it.

Huge organizations can take years to pivot. They talk instead of act. They meet instead of do. But if you keep your mass low, you can quickly change anything: your entire business model, product, feature set, and/or marketing message. You can make mistakes and fix them quickly. You can change your priorities, product mix, or focus. And most important, you can change your mind.\*Jim Rutenberg, "Clinton Finds Way to Play Along with Drudge," *New York Times*, Oct. 22, 2007. \*\*"Fascinating Facts About James Dyson, Inventor of the Dyson Vacuum Cleaner in 1978," [www.ideafinder.com/history/inventors/dyson.htm](http://www.ideafinder.com/history/inventors/dyson.htm)+Russ Mitchell, "The Beat Goes On," CBS News, *Sunday Morning*, Mar. 29, 2009, [www.tinyurl.com/cd8gjq++](http://www.tinyurl.com/cd8gjq++)Eric Ransdell, "The Nike Story? Just Tell It!" *Fast Company*, Dec. 19, 2007, [www.fastcompany.com/magazine/31/nike.html](http://www.fastcompany.com/magazine/31/nike.html)\*"Mary Kay Ash: Mary Kay Cosmetics," *Journal of Business Leadership* 1, no. 1 (Spring 1988); American National Business Hall of Fame, [www.anbhf.org/laureates/mkash.html](http://www.anbhf.org/laureates/mkash.html)\*"Stanley Kubrick--Biography," IMDB, [www.imdb.com/name/nm00004o/bio](http://www.imdb.com/name/nm00004o/bio)\*Mission, Enterprise Rent-a-Car, [http://aboutus.enterprise.com/who\\_we\\_are/mission.html](http://aboutus.enterprise.com/who_we_are/mission.html)

## **CHAPTER PROGRESS**



## **Embrace constraints**

"I don't have enough time/money/people/experience." Stop whining. Less is a good thing. Constraints are advantages in disguise. Limited resources force you to make do with what you've got. There's no room for waste. And that forces you to be creative.

Ever seen the weapons prisoners make out of soap or a spoon? They make do with what they've got. Now we're not saying you should go out and shank somebody--but get creative and you'll be amazed at what you can make with just a little.

Writers use constraints to force creativity all the time. Shakespeare reveled in the limitations of sonnets (fourteen-line lyric poems in iambic pentameter with a specific rhyme scheme). Haiku and limericks also have strict rules that lead to creative results. Writers like Ernest Hemingway and Raymond Carver found that forcing themselves to use simple, clear language helped them deliver maximum impact.

*The Price Is Right*, the longest-running game show in history, is also a great example of creativity born from embracing constraints. The show has more than a hundred games, and each one is based on the question "How much does this item cost?" That simple formula has attracted fans for more than thirty years.

Southwest--unlike most other airlines, which fly multiple aircraft models--flies only Boeing 737s. As a result, every Southwest pilot, flight attendant, and ground-crew member can work any flight. Plus, all of Southwest's parts fit all of its planes. All that means lower costs and a business that's easier to run. They made it easy on themselves.

When we were building Basecamp, we had plenty of limitations. We had a design firm to run with existing client work, a seven-hour time difference between principals (David was doing the programming in Denmark, the rest of us were in the States), a small team, and no outside funding. These constraints forced us to keep the product simple.

These days, we have more resources and people, but we still force constraints. We make sure to have only one or two people working on a product at a time. And we always keep features to a minimum. Boxing ourselves in this way prevents us from creating bloated products.

So before you sing the "not enough" blues, see how far you can get with what you have.

YOU'RE BETTER OFF  
— *with a* —  
**KICK-ASS  
HALF**

— *than a* —  
**HALF-ASSED  
WHOLE**

**Build half a product, not a half-assed product**

You can turn a bunch of great ideas into a crappy product real fast by trying to do them all at once. You just can't do *everything* you want to do and do it well. You have limited time, resources, ability, and focus. It's hard enough to do one thing right. Trying to do ten things well at the same time? Forget about it.

So sacrifice some of your darlings for the greater good. Cut your ambition in half. You're better off with a kick-ass half than a half-assed whole.

Most of your great ideas won't seem all that great once you get some perspective, anyway. And if they truly are that fantastic, you can always do them later.

Lots of things get better as they get shorter. Directors cut good scenes to make a great movie. Musicians drop good tracks to make a great album. Writers eliminate good pages to make a great book. We cut this book in half between the next-to-last and final

drafts. From 57,000 words to about 27,000 words. Trust us, it's better for it.

So start chopping. Getting to great starts by cutting out stuff that's merely good.



### Start at the epicenter

When you start anything new, there are forces pulling you in a variety of directions. There's the stuff you *could* do, the stuff you *want* to do, and the stuff you *have* to do. The stuff you *have* to do is where you should begin. Start at the epicenter.

For example, if you're opening a hot dog stand, you could worry about the condiments, the cart, the name, the decoration. But the first thing you should worry about is the hot dog. The hot dogs are the epicenter. Everything else is secondary.

The way to find the epicenter is to ask yourself this question: "If I took this away, would what I'm selling still exist?" A hot dog stand isn't a hot dog stand without the hot dogs. You can take away the onions, the relish, the mustard, etc. Some people may not

like your toppings-less dogs, but you'd still have a hot dog stand. But you simply cannot have a hot dog stand without any hot dogs.

So figure out your epicenter. Which part of your equation can't be removed? If you can continue to get by without this thing or that thing, then those things aren't the epicenter. When you find it, you'll know. Then focus all your energy on making it the best it can be. Everything else you do depends on that foundation.



### **Ignore the details early on**

Architects don't worry about which tiles go in the shower or which brand of dishwasher to install in the kitchen until *after* the floor plan is finalized. They know it's better to decide these details later.

You need to approach your idea the same way. Details make the difference. But getting infatuated with details too early leads to disagreement, meetings, and delays. You

get lost in things that don't really matter. You waste time on decisions that are going to change anyway. So ignore the details--for a while. Nail the basics first and worry about the specifics later.

When we start designing something, we sketch out ideas with a big, thick Sharpie marker, instead of a ballpoint pen. Why? Pen points are too fine. They're too high-resolution. They encourage you to worry about things that you shouldn't worry about yet, like perfecting the shading or whether to use a dotted or dashed line. You end up focusing on things that should still be out of focus.

A Sharpie makes it impossible to drill down that deep. You can only draw shapes, lines, and boxes. That's good. The big picture is all you should be worrying about in the beginning.

Walt Stanchfield, famed drawing instructor for Walt Disney Studios, used to encourage animators to "forget the detail" at first. The reason: Detail just doesn't buy you anything in the early stages.\*

Besides, you often can't recognize the details that matter most until *after* you start building. That's when you see what needs more attention. You feel what's missing. And that's when you need to pay attention, not sooner.

# DECISIONS



are



# PROGRESS

### **Making the call is making progress**

When you put off decisions, they pile up. And piles end up ignored, dealt with in haste, or thrown out. As a result, the individual problems in those piles stay unresolved.

Whenever you can, swap "Let's think about it" for "Let's decide on it." Commit to making decisions. Don't wait for the perfect solution. Decide and move forward.

You want to get into the rhythm of making choices. When you get in that flow of making decision after decision, you build momentum and boost morale. Decisions are progress. Each one you make is a brick in your foundation. You can't build on top of "We'll decide later," but you *can* build on top of "Done."

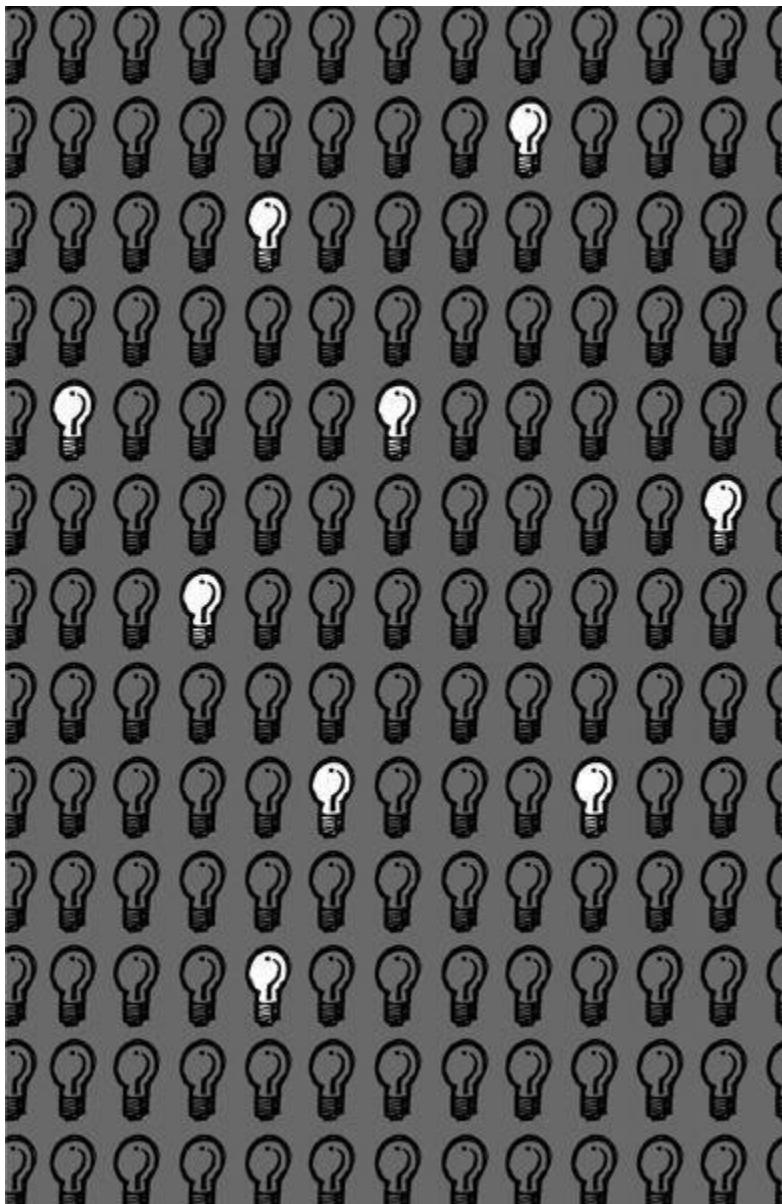
The problem comes when you postpone decisions in the hope that a perfect answer will come to you later. It won't. You're as likely to make a great call today as you are tomorrow.

An example from our world: For a long time, we avoided creating an affiliate program for our products because the "perfect" solution seemed way too complicated: We'd have to automate payments, mail out checks, figure out foreign tax laws for overseas affiliates, etc. The breakthrough came when we asked, "What can we easily do right now that's good enough?" The answer: Pay affiliates in credit instead of cash. So that's what we did.

We stuck with that approach for a while and then eventually implemented a system that pays cash. And that's a big part of this: You don't have to live with a decision forever. If you make a mistake, you can correct it later.

It doesn't matter how much you plan, you'll still get some stuff wrong anyway. Don't make things worse by overanalyzing and delaying before you even get going.

Long projects zap morale. The longer it takes to develop, the less likely it is to launch. Make the call, make progress, and get something out now--while you've got the motivation and momentum to do so.



### **Be a curator**

You don't make a great museum by putting all the art in the world into a single room. That's a warehouse. What makes a museum great is the stuff that's *not* on the walls. Someone says no. A curator is involved, making conscious decisions about what should stay and what should go. There's an editing process. There's a lot more stuff *off* the walls than *on* the walls. The best is a sub-sub-subset of all the possibilities.

It's the stuff you leave out that matters. So constantly look for things to remove, simplify, and streamline. Be a curator. Stick to what's truly essential. Pare things down until you're left with only the most important stuff. Then do it again. You can always add stuff back in later if you need to.

Zingerman's is one of America's best-known delis. And it got that way because its owners think of themselves as curators. They're not just filling their shelves. They're *curating* them.

There's a reason for every olive oil the team at Zingerman's sells: They believe each one is great. Usually, they've known the supplier for years. They've visited and picked olives with them. That's why they can vouch for each oil's authentic, full-bodied flavor.

For example, look how the owner of Zingerman's describes Pasolivo Olive Oil on the company Web site:I tasted this oil for the first time years ago, on a random recommendation and sample. There are plenty of oils that come in nice bottles with very endearing stories to tell--this was no exception--but most simply aren't that great. By contrast Pasolivo got my attention as soon as I tasted it. It's powerful, full and fruity. Everything I like in an oil, without any drawbacks. It still stands as one of America's best oils, on par with the great rustic oils of Tuscany. Strongly recommended.\*

The owner actually tried the oil and chooses to carry it based on its taste. It's not about packaging, marketing, or price. It's about quality. He tried it and knew his store had to carry it. That's the approach you should take too.



### Throw less at the problem

Watch chef Gordon Ramsay's *Kitchen Nightmares* and you'll see a pattern. The menus at failing restaurants offer too many dishes. The owners think making every dish under the sun will broaden the appeal of the restaurant. Instead it makes for crappy food (and creates inventory headaches).

That's why Ramsay's first step is nearly always to trim the menu, usually from thirty-plus dishes to around ten. Think about that. Improving the current menu doesn't come first. Trimming it down comes first. Then he polishes what's left.

When things aren't working, the natural inclination is to throw more at the problem. More people, time, and money. All that ends up doing is making the problem bigger. The right way to go is the opposite direction: Cut back.

So do less. Your project won't suffer nearly as much as you fear. In fact, there's a

good chance it'll end up even better. You'll be forced to make tough calls and sort out what truly matters.

If you start pushing back deadlines and increasing your budget, you'll never stop.



### **Focus on what won't change**

A lot of companies focus on the next big thing. They latch on to what's hot and new. They follow the latest trends and technology.

That's a fool's path. You start focusing on fashion instead of substance. You start paying attention to things that are constantly changing instead of things that last.

The core of your business should be built around things that won't change. Things that people are going to want today *and* ten years from now. Those are the things you should invest in.

Amazon.com focuses on fast (or free) shipping, great selection, friendly return

policies, and affordable prices. These things will always be in high demand.

Japanese automakers also focus on core principles that don't change: reliability, affordability, and practicality. People wanted those things thirty years ago, they want them today, and they'll want them thirty years from now.

For 37signals, things like speed, simplicity, ease of use, and clarity are our focus. Those are timeless desires. People aren't going to wake up in ten years and say, "Man, I wish software was harder to use." They won't say, "I wish this application was slower."

Remember, fashion fades away. When you focus on *permanent* features, you're in bed with things that never go out of style.



### Tone is in your fingers

Guitar gurus say, "Tone is in your fingers." You can buy the same guitar, effects pedals, and amplifier that Eddie Van Halen uses. But when you play that rig, it's still going to sound like you.

Likewise, Eddie could plug into a crappy Strat/Pignose setup at a pawn shop, and you'd still be able to recognize that it's Eddie Van Halen playing. Fancy gear can help, but the truth is your tone comes from you.

It's tempting for people to obsess over tools instead of what they're going to do with those tools. You know the type: Designers who use an avalanche of funky typefaces and fancy Photoshop filters but don't have anything to say. Amateur photographers who

want to debate film versus digital endlessly instead of focusing on what actually makes a photograph great.

Many amateur golfers think they need expensive clubs. But it's the swing that matters, not the club. Give Tiger Woods a set of cheap clubs and he'll still destroy you.

People use equipment as a crutch. They don't want to put in the hours on the driving range so they spend a ton in the pro shop. They're looking for a shortcut. But you just don't need the best gear in the world to be good. And you definitely don't need it to get started.

In business, too many people obsess over tools, software tricks, scaling issues, fancy office space, lavish furniture, and other frivolities instead of what really matters. And what really matters is how to actually get customers and make money.

You also see it in people who want to blog, podcast, or shoot videos for their business but get hung up on which tools to use. The content is what matters. You can spend tons on fancy equipment, but if you've got nothing to say ... well, you've got nothing to say.

Use whatever you've got already or can afford cheaply. Then go. It's not the gear that matters. It's playing what you've got as well as you can. Your tone is in your fingers.



### Sell your by-products

When you make something, you always make something else. You can't make just one thing. Everything has a by-product. Observant and creative business minds spot these by-products and see opportunities.

The lumber industry sells what used to be waste--sawdust, chips, and shredded wood--for a pretty profit. You'll find these by-products in synthetic fireplace logs, concrete, ice strengtheners, mulch, particleboard, fuel, and more.

But you're probably not manufacturing anything. That can make it tough to spot your by-products. People at a lumber company see their waste. They can't ignore sawdust. But you don't see yours. Maybe you don't even think you produce any by-products. But that's myopic.

Our last book, *Getting Real*, was a by-product. We wrote that book without even

knowing it. The experience that came from building a company and building software was the waste from actually doing the work. We swept up that knowledge first into blog posts, then into a workshop series, then into a .pdf, and then into a paperback. That by-product has made 37signals more than \$1 million directly and probably more than another \$1 million indirectly. The book you're reading right now is a by-product too.

The rock band Wilco found a valuable by-product in its recording process. The band filmed the creation of an album and released it as a documentary called *I Am Trying to Break Your Heart*. It offered an uncensored and fascinating look at the group's creative process and infighting. The band made money off the movie and also used it as a stepping-stone toward reaching a wider audience.

Henry Ford learned of a process for turning wood scraps from the production of Model T's into charcoal briquets. He built a charcoal plant and Ford Charcoal was created (later renamed Kingsford Charcoal). Today, Kingsford is still the leading manufacturer of charcoal in America.\*

Software companies don't usually think about writing books. Bands don't usually think about filming the recording process. Car manufacturers don't usually think about selling charcoal. There's probably something you haven't thought about that you could sell too.



# GET IT OUT THERE!



## Launch now

When is your product or service finished? When should you put it out on the market? When is it safe to let people have it? Probably a lot sooner than you're comfortable with. Once your product does what it needs to do, get it out there.

Just because you've still got a list of things to do doesn't mean it's not done. Don't hold everything else up because of a few leftovers. You can do them later. And doing them later may mean doing them better, too.

Think about it this way: If you had to launch your business in two weeks, what would you cut out? Funny how a question like that forces you to focus. You suddenly realize there's a lot of stuff you don't need. And what you *do* need seems obvious. When you impose a deadline, you gain clarity. It's the best way to get to that gut instinct that tells you, "We don't need this."

Put off anything you don't need for launch. Build the necessities now, worry about the luxuries later. If you really think about it, there's a whole lot you don't need on day one.

When we launched Basecamp, we didn't even have the ability to bill customers! Because the product billed in monthly cycles, we knew we had a thirty-day gap to figure it out. So we used the time before launch to solve more urgent problems that actually mattered on day one. Day 30 could wait.

Camper, a brand of shoes, opened a store in San Francisco before construction was even finished and called it a Walk in Progress. Customers could draw on the walls of the empty store. Camper displayed shoes on cheap plywood laid over dozens of shoe boxes. The most popular message written by customers on the walls: "Keep the store just the way it is."<sup>\*</sup>

Likewise, the founders of Crate and Barrel didn't wait to build fancy displays when they opened their first store. They turned over the crates and barrels that the merchandise came in and stacked products on top of them.<sup>+</sup>

Don't mistake this approach for skimping on quality, either. You still want to make something great. This approach just recognizes that the best way to get there is through iterations. Stop imagining what's going to work. Find out for real.<sup>\*</sup>Walt Stanchfield, *Drawn to Life: 20 Golden Years of Disney Master Classes*, vol. 1, *The Walt Stanchfield Lectures*, Oxford, UK: Focal Press, 2009. <sup>\*</sup>Pasolivo Olive Oil, Zingerman's, [www.zingermans.com/product.aspx?productid=o-psl](http://www.zingermans.com/product.aspx?productid=o-psl)<sup>\*</sup>"About Kingsford: Simply a Matter of Taste," Kingsford, [www.kingsford.com/about/index.htm](http://www.kingsford.com/about/index.htm)<sup>\*</sup>Fara Warner, "Walk in Progress," *Fast Company*, Dec. 19, 2007, [www.fastcompany.com/magazine/58/lookfeel.html](http://www.fastcompany.com/magazine/58/lookfeel.html)+Matt Valley, "The Crate and Barrel Story," *Retail Traffic*, June 1, 2001, [retailtrafficmag.com/mag/retail\\_crate\\_barrel\\_story](http://retailtrafficmag.com/mag/retail_crate_barrel_story)

## CHAPTER PRODUCTIVITY

# GET REAL!

## **Illusions of agreement**

The business world is littered with dead documents that do nothing but waste people's time. Reports no one reads, diagrams no one looks at, and specs that never resemble the finished product. These things take forever to make but only seconds to forget.

If you need to explain something, try getting real with it. Instead of describing what something looks like, draw it. Instead of explaining what something sounds like, hum it. Do everything you can to remove layers of abstraction.

The problem with abstractions (like reports and documents) is that they create illusions of agreement. A hundred people can read the same words, but in their heads, they're imagining a hundred different things.

That's why you want to get to something real right away. That's when you get true

understanding. It's like when we read about characters in a book--we each picture them differently in our heads. But when we actually *see* people, we all know exactly what they look like.

When the team at Alaska Airlines wanted to build a new Airport of the Future, they didn't rely on blueprints and sketches. They got a warehouse and built mock-ups using cardboard boxes for podiums, kiosks, and belts. The team then built a small prototype in Anchorage to test systems with real passengers and employees. The design that resulted from this getting-real process has significantly reduced wait times and increased agent productivity.\*

Widely admired furniture craftsman Sam Maloof felt it was impossible to make a working drawing to show all the intricate and fine details that go into a chair or stool. "Many times I do not know how a certain area is to be done until I start working with a chisel, rasp, or whatever tool is needed for that particular job," he said.+

That's the path we all should take. Get the chisel out and start making something real. Anything else is just a distraction.



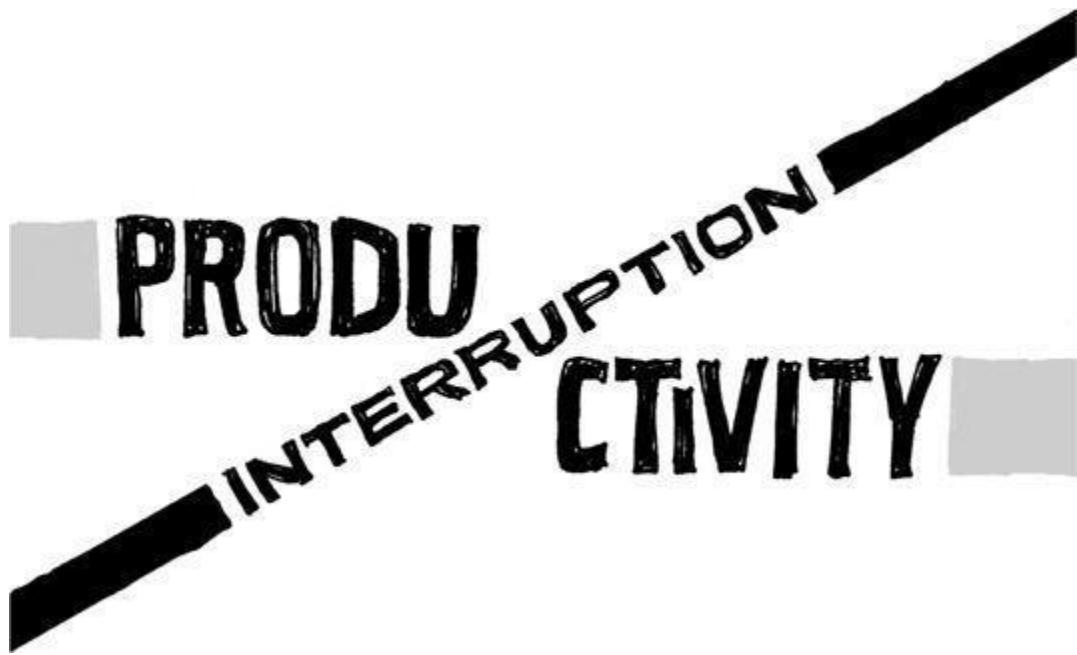
### Reasons to quit

It's easy to put your head down and just work on what you *think* needs to be done. It's a lot harder to pull your head up and ask why. Here are some important questions to ask yourself to ensure you're doing work that matters: **Why are you doing this?** Ever find yourself working on something without knowing exactly why? Someone just told you to do it. It's pretty common, actually. That's why it's important to ask why you're working on \_\_\_\_\_. What is this for? Who benefits? What's the motivation behind it? Knowing the answers to these questions will help you better understand the work itself. **What problem are you solving?** What's the problem? Are customers confused? Are you confused? Is something not clear enough? Was something not possible before that should be possible now? Sometimes when you ask these questions, you'll find you're solving an *imaginary* problem. That's when it's time to stop and reevaluate what the hell

you're doing. **Is this actually useful?** Are you making something useful or just making something? It's easy to confuse enthusiasm with usefulness. Sometimes it's fine to play a bit and build something cool. But eventually you've got to stop and ask yourself if it's useful, too. Cool wears off. Useful never does. **Are you adding value?** Adding something is easy; adding *value* is hard. Is this thing you're working on actually making your product more valuable for customers? Can they get more out of it than they did before? Sometimes things you think are adding value actually subtract from it. Too much ketchup can ruin the fries. Value is about balance. **Will this change behavior?** Is what you're working on really going to change anything? Don't add something unless it has a real impact on how people use your product. **Is there an easier way?** Whenever you're working on something, ask, "Is there an easier way?" You'll often find this easy way is more than good enough for now. Problems are usually pretty simple. We just imagine that they require hard solutions. **What could you be doing instead?** What can't you do because you're doing this? This is especially important for small teams with constrained resources. That's when prioritization is even more important. If you work on A, can you still do B and C before April? If not, would you rather have B and C instead of A? If you're stuck on something for a long period of time, that means there are other things you're not getting done. **Is it really worth it?** Is what you're doing really worth it? Is this meeting worth pulling six people off their work for an hour? Is it worth pulling an all-nighter tonight, or could you just finish it up tomorrow? Is it worth getting all stressed out over a press release from a competitor? Is it worth spending your money on advertising? Determine the real value of what you're about to do before taking the plunge.

Keep asking yourself (and others) the questions listed above. You don't need to make it a formal process, but don't let it slide, either.

Also, don't be timid about your conclusions. Sometimes abandoning what you're working on is the right move, even if you've already put in a lot of effort. Don't throw good time after bad work.



## **Interruption is the enemy of productivity**

If you're constantly staying late and working weekends, it's not because there's too much work to be done. It's because you're not getting enough done at work. And the reason is interruptions.

Think about it: When do you get most of your work done? If you're like most people, it's at night or early in the morning. It's no coincidence that these are the times when nobody else is around.

At 2 p.m., people are usually in a meeting or answering e-mail or chatting with colleagues. Those taps on the shoulder and little impromptu get-togethers may seem harmless, but they're actually corrosive to productivity. Interruption is not collaboration, it's just interruption. And when you're interrupted, you're not getting work done.

Interruptions break your workday into a series of work moments. Forty-five minutes and then you have a call. Fifteen minutes and then you have lunch. An hour later, you have an afternoon meeting. Before you know it, it's five o'clock, and you've only had a couple uninterrupted hours to get your work done. You can't get meaningful things done when you're constantly going start, stop, start, stop.

Instead, you should get in the alone zone. Long stretches of alone time are when you're most productive. When you don't have to mind-shift between various tasks, you get a boatload done. (Ever notice how much work you get done on a plane since you're offline and there are zero outside distractions?)

Getting into that zone takes time and requires avoiding interruptions. It's like REM sleep: You don't just go directly into REM sleep. You go to sleep first and then make your way to REM. Any interruptions force you to start over. And just as REM is when the real sleep magic happens, the alone zone is where the real productivity magic happens.

Your alone zone doesn't have to be in the wee hours, though. You can set up a rule at work that half the day is set aside for alone time. Decree that from 10 a.m. to 2 p.m., people can't talk to each other (except during lunch). Or make the first or last half of the day *your* alone-time period. Or instead of casual Fridays, try no-talk Thursdays. Just make sure this period is unbroken in order to avoid productivity-zapping interruptions.

And go all the way with it. A successful alone-time period means letting go of communication addiction. During alone time, give up instant messages, phone calls, e-mail, and meetings. Just shut up and get to work. You'll be surprised how much more you get done.

Also, when you do collaborate, try to use passive communication tools, like e-mail, that don't require an instant reply, instead of interruptive ones, like phone calls and face-to-face meetings. That way people can respond when it's convenient for them, instead of being forced to drop everything right away.

Your day is under siege by interruptions. It's on you to fight back.



### **Meetings are toxic**

The worst interruptions of all are meetings. Here's why:

They're usually about words and abstract concepts, not real things.

They usually convey an abysmally small amount of information per minute.

They drift off-subject easier than a Chicago cab in a snowstorm.

They require thorough preparation that most people don't have time for.

They frequently have agendas so vague that nobody is really sure of the goal.

They often include at least one moron who inevitably gets his turn to waste everyone's time with nonsense.

Meetings procreate. One meeting leads to another meeting leads to another ...

It's also unfortunate that meetings are typically scheduled like TV shows. You set aside thirty minutes or an hour because that's how scheduling software works (you'll never see anyone schedule a seven-minute meeting with Outlook). Too bad. If it only takes seven minutes to accomplish a meeting's goal, then that's all the time you should spend. Don't stretch seven into thirty.

When you think about it, the true cost of meetings is staggering. Let's say you're going to schedule a meeting that lasts one hour, and you invite ten people to attend.

That's actually a ten-hour meeting, not a one-hour meeting. You're trading ten hours of productivity for one hour of meeting time. And it's probably more like fifteen hours,

because there are mental switching costs that come with stopping what you're doing, going somewhere else to meet, and then resuming what you were doing beforehand.

Is it ever OK to trade ten or fifteen hours of productivity for one hour of meeting? Sometimes, maybe. But that's a pretty hefty price to pay. Judged on a pure cost basis, meetings of this size quickly become liabilities, not assets. Think about the time you're actually losing and ask yourself if it's really worth it.

If you decide you absolutely *must* get together, try to make your meeting a productive one by sticking to these simple rules:

Set a timer. When it rings, meeting's over. Period.

Invite as few people as possible.

Always have a clear agenda.

Begin with a specific problem.

Meet at the site of the problem instead of a conference room. Point to real things and suggest real changes.

End with a solution and make someone responsible for implementing it.



### Good enough is fine

A lot of people get off on solving problems with complicated solutions. Flexing your intellectual muscles can be intoxicating. Then you start looking for another big challenge that gives you that same rush, regardless of whether it's a good idea or not.

A better idea: Find a judo solution, one that delivers maximum efficiency with

minimum effort. Judo solutions are all about getting the most out of doing the least. Whenever you face an obstacle, look for a way to judo it.

Part of this is recognizing that problems are negotiable. Let's say your challenge is to get a bird's-eye view. One way to do it is to climb Mount Everest. That's the ambitious solution. But then again, you could take an elevator to the top of a tall building. That's a judo solution.

Problems can usually be solved with simple, mundane solutions. That means there's no glamorous work. You don't get to show off your amazing skills. You just build something that gets the job done and then move on. This approach may not earn you oohs and aahs, but it lets you get on with it.

Look at political campaign ads. A big issue pops up, and politicians have an ad about it on the air the next day. The production quality is low. They use photos instead of live footage. They have static, plain-text headlines instead of fancy animated graphics. The only audio is a voice-over done by an unseen narrator. Despite all that, the ad is still good enough. If they waited weeks to perfect it, it would come out too late. It's a situation where timeliness is more important than polish or even quality.

When good enough gets the job done, go for it. It's way better than wasting resources or, even worse, doing nothing because you can't afford the complex solution. And remember, you can usually turn good enough into great later.

# QUICK WINS



## **Quick wins**

Momentum fuels motivation. It keeps you going. It drives you. Without it, you can't go anywhere. If you aren't motivated by what you're working on, it won't be very good.

The way you build momentum is by getting something done and then moving on to the next thing. No one likes to be stuck on an endless project with no finish line in sight. Being in the trenches for nine months and not having anything to show for it is a real buzzkill. Eventually it just burns you out. To keep your momentum and motivation up, get in the habit of accomplishing small victories along the way. Even a tiny improvement can give you a good jolt of momentum.

The longer something takes, the less likely it is that you're going to finish it.

Excitement comes from doing something and then letting customers have at it. Planning a menu for a year is boring. Getting the new menu out, serving the food, and getting feedback is exciting. So don't wait too long--you'll smother your sparks if you do.

If you absolutely have to work on long-term projects, try to dedicate one day a week (or every two weeks) to small victories that generate enthusiasm. Small victories let you celebrate and release good news. And you want a steady stream of good news. When there's something new to announce every two weeks, you energize your team and give your customers something to be excited about.

So ask yourself, "What can we do in two weeks?" And then do it. Get it out there and let people use it, taste it, play it, or whatever. The quicker it's in the hands of customers, the better off you'll be.



### **Don't be a hero**

A lot of times it's better to be a quitter than a hero.

For example, let's say you think a task can be done in two hours. But four hours into it, you're still only a quarter of the way done. The natural instinct is to think, "But I can't give up now, I've already spent four hours on this!"

So you go into hero mode. You're determined to make it work (and slightly embarrassed that it isn't already working). You grab your cape and shut yourself off from the world.

And sometimes that kind of sheer effort overload works. But is it worth it? Probably not. The task was worth it when you thought it would cost two hours, not sixteen. In those sixteen hours, you could have gotten a bunch of other things done. Plus, you cut yourself off from feedback, which can lead you even further down the wrong path. Even heroes need a fresh pair of eyes sometimes--someone else to give them a reality check.

We've experienced this problem firsthand. So we decided that if anything takes

one of us longer than two weeks, we've got to bring other people in to take a look. They might not do any work on the task, but at least they can review it quickly and give their two cents. Sometimes an obvious solution is staring you right in the face, but you can't even see it.

Keep in mind that the obvious solution might very well be quitting. People automatically associate quitting with failure, but sometimes that's *exactly* what you should do. If you already spent too much time on something that wasn't worth it, walk away. You can't get that time back. The worst thing you can do now is waste even more time.



### **Go to sleep**

Forgoing sleep is a bad idea. Sure, you get those extra hours right now, but you

pay in spades later: You destroy your creativity, morale, and attitude.

Once in a while, you can pull an all-nighter if you fully understand the consequences. Just don't make it a habit. If it becomes a constant, the costs start to mount:**Stubbornness:** When you're really tired, it always seems easier to plow down whatever bad path you happen to be on instead of reconsidering the route. The finish line is a constant mirage and you wind up walking in the desert way too long. **Lack of creativity:** Creativity is one of the first things to go when you lose sleep. What distinguishes people who are ten times more effective than the norm is not that they work ten times as hard; it's that they use their creativity to come up with solutions that require one-tenth of the effort. Without sleep, you stop coming up with those one-tenth solutions. **Diminished morale:** When your brain isn't firing on all cylinders, it loves to feed on less demanding tasks. Like reading yet another article about stuff that doesn't matter. When you're tired, you lose motivation to attack the big problems. **Irritability:** Your ability to remain patient and tolerant is severely reduced when you're tired. If you encounter someone who's acting like a fool, there's a good chance that person is suffering from sleep deprivation.

These are just some of the costs you incur when not getting enough sleep. Yet some people still develop a masochistic sense of honor about sleep deprivation. They even brag about how tired they are. Don't be impressed. It'll come back to bite them in the ass.



## Your estimates suck

We're all terrible estimators. We think we can guess how long something will take, when we really have no idea. We see everything going according to a best-case scenario, without the delays that inevitably pop up. Reality never sticks to best-case scenarios.

That's why estimates that stretch weeks, months, and years into the future are fantasies. The truth is you just don't know what's going to happen that far in advance.

How often do you think a quick trip to the grocery store will take only a few minutes and then it winds up taking an hour? And remember when cleaning out the attic took you all day instead of just the couple of hours you thought it would? Or sometimes it's the opposite, like that time you planned on spending four hours raking the yard only to have it take just thirty-five minutes. We humans are just plain *bad* at estimating.

Even with these simple tasks, our estimates are often off by a factor of two or more. If we can't be accurate when estimating a few hours, how can we expect to accurately predict the length of a "six-month project"?

Plus, we're not just a little bit wrong when we guess how long something will take--we're a lot wrong. That means if you're guessing six months, you might be *way* off: We're not talking seven months instead of six, we're talking one year instead of six months.

That's why Boston's "Big Dig" highway project finished five years late and billions over budget. Or the Denver International Airport opened sixteen months late, at a cost overrun of \$2 billion.

The solution: Break the big thing into smaller things. The smaller it is, the easier it is to estimate. You're probably still going to get it wrong, but you'll be a lot less wrong than if you estimated a big project. If something takes twice as long as you expected, better to have it be a small project that's a couple *weeks* over rather than a long one that's a couple *months* over.

Keep breaking your time frames down into smaller chunks. Instead of one twelve-week project, structure it as twelve one-week projects. Instead of guesstimating at tasks that take thirty hours or more, break them down into more realistic six-to-ten-hour chunks. Then go one step at a time.



### **Long lists don't get done**

Start making smaller to-do lists too. Long lists collect dust. When's the last time you finished a long list of things? You might have knocked off the first few, but chances are you eventually abandoned it (or blindly checked off items that weren't really done properly).

Long lists are guilt trips. The longer the list of unfinished items, the worse you feel about it. And at a certain point, you just stop looking at it because it makes you feel bad. Then you stress out and the whole thing turns into a big mess.

There's a better way. Break that long list down into a bunch of smaller lists. For example, break a single list of a hundred items into ten lists of ten items. That means when you finish an item on a list, you've completed 10 percent of that list, instead of 1 percent.

Yes, you still have the same amount of stuff left to do. But now you can look at the small picture and find satisfaction, motivation, and progress. That's a lot better than staring at the huge picture and being terrified and demoralized.

Whenever you can, divide problems into smaller and smaller pieces until you're able to deal with them completely and quickly. Simply rearranging your tasks this way can have an amazing impact on your productivity and motivation.

And a quick suggestion about prioritization: Don't prioritize with numbers or labels. Avoid saying, "This is high priority, this is low priority." Likewise, don't say, "This is a three, this is a two, this is a one, this is a three," etc. Do that and you'll almost always end up with a ton of really high-priority things. That's not really prioritizing.

Instead, prioritize visually. Put the most important thing at the top. When you're done with that, the next thing on the list becomes the next most important thing. That way you'll only have a single next most important thing to do at a time. And that's enough.



### **Make tiny decisions**

Big decisions are hard to make and hard to change. And once you make one, the tendency is to continue believing you made the right decision, even if you didn't. You stop being objective.

Once ego and pride are on the line, you can't change your mind without looking bad. The desire to save face trumps the desire to make the right call. And then there's inertia too: The more steam you put into going in one direction, the harder it is to change course.

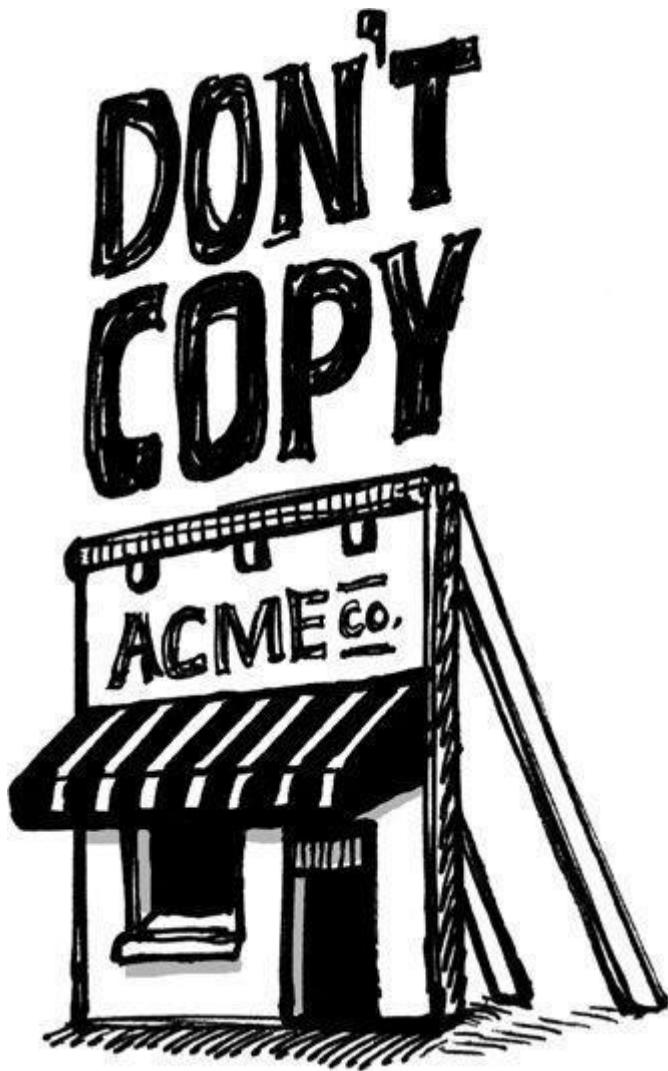
Instead, make choices that are small enough that they're effectively temporary. When you make tiny decisions, you can't make big mistakes. These small decisions mean you can afford to change. There's no big penalty if you mess up. You just fix it.

Making tiny decisions doesn't mean you can't make big plans or think big ideas. It just means you believe the best way to achieve those big things is one tiny decision at a time.

Polar explorer Ben Saunders said that during his solo North Pole expedition (thirty-one marathons back-to-back, seventy-two days alone) the "huge decision" was often so horrifically overwhelming to contemplate that his day-to-day decision making rarely extended beyond "getting to that bit of ice a few yards in front of me."

Attainable goals like that are the best ones to have. Ones you can actually accomplish and build on. You get to say, "We nailed it. Done!" Then you get going on the next one. That's a lot more satisfying than some pie-in-the-sky fantasy goal you never meet.\*Dave Demerjian, "Hustle & Flow," *Fast Company*, [www.fastcompany.com/magazine/123/hustle-and-flow.html](http://www.fastcompany.com/magazine/123/hustle-and-flow.html)+"Maloof on Maloof: Quotations and Works of Sam Maloof," Smithsonian American Art Museum, [americanart.si.edu/exhibitions/online/maloof/introduction](http://americanart.si.edu/exhibitions/online/maloof/introduction)

## **CHAPTER COMPETITORS**



### Don't copy

Sometimes copying can be part of the learning process, like when you see an art student replicating a painting in a museum or a drummer playing along to John Bonham's solo on Led Zeppelin's "Moby Dick." When you're a student, this sort of imitation can be a helpful tool on the path to discovering your own voice.

Unfortunately, copying in the business arena is usually more nefarious. Maybe it's because of the copy-and-paste world we live in these days. You can steal someone's words, images, or code instantly. And that means it's tempting to try to build a business by being a copycat.

That's a formula for failure, though. The problem with this sort of copying is it skips understanding--and understanding is how you grow. You have to understand why something works or why something is the way it is. When you just copy and paste, you miss that. You just repurpose the last layer instead of understanding all the layers underneath.

So much of the work an original creator puts into something is invisible. It's buried beneath the surface. The copycat doesn't really know why something looks the

way it looks or feels the way it feels or reads the way it reads. The copy is a faux finish. It delivers no substance, no understanding, and nothing to base future decisions on.

Plus, if you're a copycat, you can never keep up. You're always in a passive position. You never lead; you always follow. You give birth to something that's already behind the times--just a knockoff, an inferior version of the original. That's no way to live.

How do you know if you're copying someone? If someone else is doing the bulk of the work, you're copying. Be influenced, but don't steal.



### **Decommoditize your product**

If you're successful, people will try to copy what you do. It's just a fact of life. But there's a great way to protect yourself from copycats: Make *you* part of your product or service. Inject what's unique about the way you think into what you sell. Decommoditize

your product. Make it something no one else can offer.

Look at Zappos.com, a billion-dollar online shoe retailer. A pair of sneakers from Zappos is the same as a pair from Foot Locker or any other retailer. But Zappos sets itself apart by injecting CEO Tony Hsieh's obsession with customer service into everything it does.

At Zappos, customer-service employees don't use scripts and are allowed to talk at length with customers. The call center and the company's headquarters are in the same place, not oceans apart. And all Zappos employees--even those who don't work in customer service or fulfillment--start out by spending four weeks answering phones and working in the warehouse. It's this devotion to customer service that makes Zappos unique among shoe sellers.\*

Another example is Polyface, an environmentally friendly Virginia farm owned by Joel Salatin. Salatin has a strong set of beliefs and runs his business accordingly. Polyface sells the idea that it does things a bigger agribusiness can't do. Even though it's more expensive to do so, it feeds cows grass instead of corn and never gives them antibiotics. It never ships food. Anyone is welcome to visit the farm anytime and go anywhere (try that at a typical meat-processing plant). Polyface doesn't just sell chickens, it sells a way of thinking. And customers love Polyface for it. Some customers routinely drive from 150 miles away to get "clean" meat for their families.\*

Pour yourself into your product and everything *around* your product too: how you sell it, how you support it, how you explain it, and how you deliver it. Competitors can never copy the *you* in your product.



### Pick a fight

If you think a competitor sucks, say so. When you do that, you'll find that others who agree with you will rally to your side. Being the anti-\_\_\_\_\_ is a great way to differentiate yourself and attract followers.

For example, Dunkin' Donuts likes to position itself as the anti-Starbucks. Its ads mock Starbucks for using "Fritalian" terms instead of small, medium, and large. Another Dunkin' campaign is centered on a taste test in which it beat Starbucks. There's even a site called [DunkinBeatStarbucks.com](http://DunkinBeatStarbucks.com) where visitors can send e-cards with statements like "Friends don't let friends drink Starbucks."

Audi is another example. It's been taking on the old guard of car manufacturers. It puts "old luxury" brands like Rolls-Royce and Mercedes "on notice" in ads touting Audi as the fresh luxury alternative. Audi takes on Lexus's automatic parking systems with ads that say Audi drivers know how to park their own cars. Another ad gives a side-by-side

comparison of BMW and Audi owners: The BMW owner uses the rearview mirror to adjust his hair while the Audi driver uses the mirror to see what's behind him.

Apple jabs at Microsoft with ads that compare Mac and PC owners, and 7UP bills itself as the Uncola. Under Armour positions itself as Nike for a new generation.

All these examples show the power and direction you can gain by having a target in your sights. Who do you want to take a shot at?

You can even pit yourself as the opponent of an entire industry. Dyson's Airblade starts with the premise that the hand-dryer industry is a failure and then sells itself as faster and more hygienic than the others. I Can't Believe It's Not Butter puts its enemy right there in its product name.

Having an enemy gives you a great story to tell customers, too. Taking a stand always stands out. People get stoked by conflict. They take sides. Passions are ignited. And that's a good way to get people to take notice.

UNDERDO  
*your*  
COMPETITION

## **Underdo your competition**

Conventional wisdom says that to beat your competitors, you need to one-up them. If they have four features, you need five (or fifteen, or twenty-five). If they're spending \$20,000, you need to spend \$30,000. If they have fifty employees, you need a hundred.

This sort of one-upping, Cold War mentality is a dead end. When you get suckered into an arms race, you wind up in a never-ending battle that costs you massive amounts of money, time, and drive. And it forces you to constantly be on the defensive, too. Defensive companies can't think ahead; they can only think behind. They don't lead; they follow.

So what do you do instead? Do less than your competitors to beat them. Solve the simple problems and leave the hairy, difficult, nasty problems to the competition. Instead of one-upping, try one-downing. Instead of outdoing, try underdoing.

The bicycle world provides a great example. For years, major bicycle brands focused on the latest in hightech equipment: mountain bikes with suspension and ultrastrong disc brakes, or lightweight titanium road bikes with carbon-fiber everything. And it was assumed that bikes should have multiple gears: three, ten, or twenty-one.

But recently, fixed-gear bicycles have boomed in popularity, despite being as low-tech as you can get. These bikes have just one gear. Some models don't have brakes. The advantage: They're simpler, lighter, cheaper, and don't require as much maintenance.

Another great example of a product that is succeeding by underdoing the competition: the Flip--an ultrasimple, point-and-shoot, compact camcorder that's taken a significant percentage of the market in a short time. Look at all the things the Flip does *not* deliver:

No big screen (and the tiny screen doesn't swing out for self-portraits either)

No photo-taking ability

No tapes or discs (you have to offload the videos to a computer)

No menus

No settings

No video light

No viewfinder

No special effects

No headphone jack

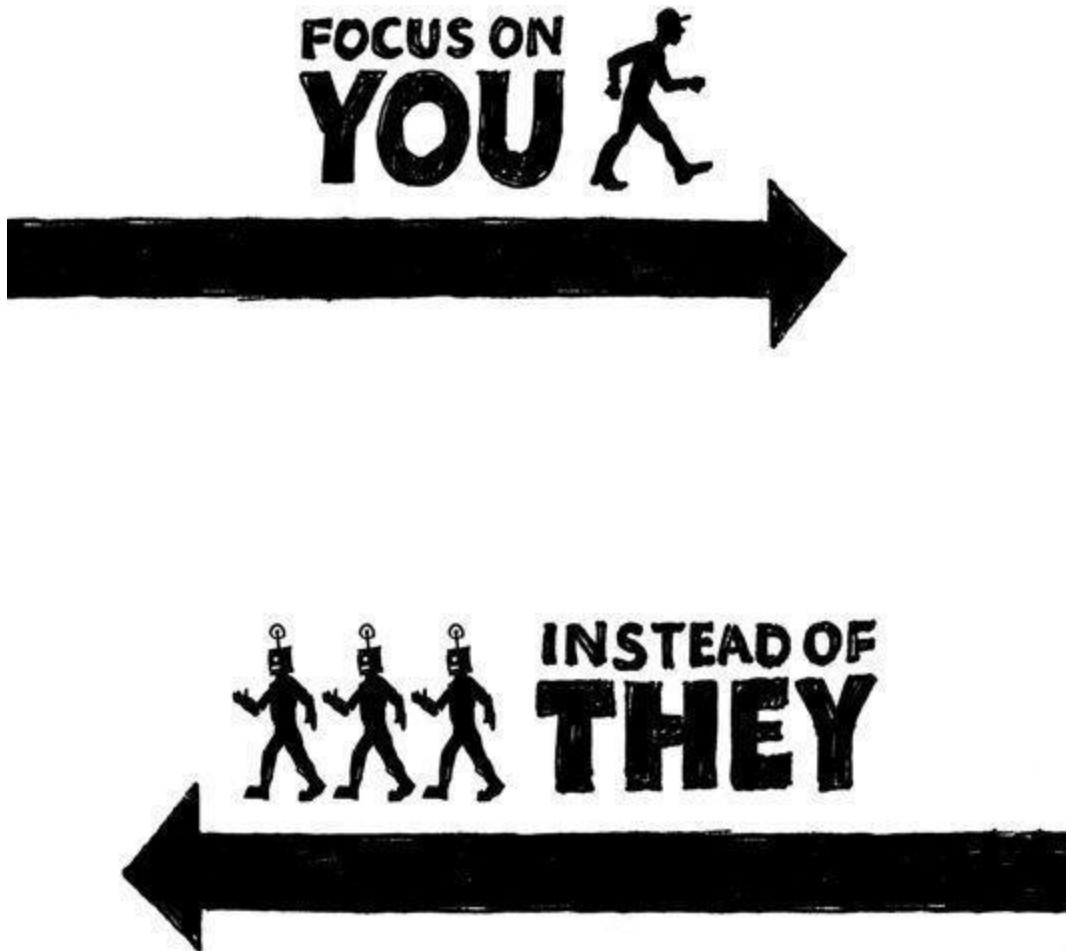
No lens cap

No memory card

No optical zoom

The Flip wins fans because it only does a few simple things and it does them well. It's easy and fun to use. It goes places a bigger camera would never go and gets used by people who would never use a fancier camera.

Don't shy away from the fact that your product or service does less. Highlight it. Be proud of it. Sell it as aggressively as competitors sell their extensive feature lists.



### **Who cares what they're doing?**

In the end, it's not worth paying much attention to the competition anyway. Why not? Because worrying about the competition quickly turns into an obsession. What are they doing right now? Where are they going next? How should we react?

Every little move becomes something to be analyzed. And that's a terrible mind-set. It leads to overwhelming stress and anxiety. That state of mind is bad soil for growing anything.

It's a pointless exercise anyway. The competitive landscape changes all the time. Your competitor tomorrow may be completely different from your competitor today. It's out of your control. What's the point of worrying about things you can't control?

Focus on yourself instead. What's going on in here is way more important than what's going on out there. When you spend time worrying about someone else, you can't spend that time improving yourself.

Focus on competitors too much and you wind up diluting your own vision. Your chances of coming up with something fresh go way down when you keep feeding your brain other people's ideas. You become reactionary instead of visionary. You wind up

offering your competitor's products with a different coat of paint.

If you're planning to build "the iPod killer" or "the next Pokemon," you're already dead. You're allowing the competition to set the parameters. You're not going to out-Apple Apple. They're defining the rules of the game. And you can't beat someone who's making the rules. You need to redefine the rules, not just build something slightly better.

Don't ask yourself whether you're "beating" Apple (or whoever the big boy is in your industry). That's the wrong question to ask. It's not a win-or-lose battle. Their profits and costs are theirs. Yours are yours.

If you're just going to be like everyone else, why are you even doing this? If you merely replicate competitors, there's no point to your existence. Even if you wind up losing, it's better to go down fighting for what you believe in instead of just imitating others.\*"A Shine on Their Shoes," *Business Week*, Dec. 5, 2005,  
[www.businessweek.com/magazine/content/05\\_49/b3962118.htm](http://www.businessweek.com/magazine/content/05_49/b3962118.htm)\*"The Polyface Story,"  
[www.polyfacefarms.com/story.aspx](http://www.polyfacefarms.com/story.aspx)

## CHAPTER EVOLUTION



**Say no by default***If I'd listened to customers,  
I'd have given them a faster horse.* --HENRY FORD

It's so easy to say yes. Yes to another feature, yes to an overly optimistic deadline,

yes to a mediocre design. Soon, the stack of things you've said yes to grows so tall you can't even see the things you should really be doing.

Start getting into the habit of saying no--even to many of your best ideas. Use the power of no to get your priorities straight. You rarely regret saying no. But you often wind up regretting saying yes.

People avoid saying no because confrontation makes them uncomfortable. But the alternative is even worse. You drag things out, make things complicated, and work on ideas you don't believe in.

It's like a relationship: Breaking one up is hard to do, but staying in it just because you're too chicken to drop the ax is even worse. Deal with the brief discomfort of confrontation up front and avoid the long-term regret.

Don't believe that "customer is always right" stuff, either. Let's say you're a chef. If enough of your customers say your food is too salty or too hot, you change it. But if a few persnickety patrons tell you to add bananas to your lasagna, you're going to turn them down, and that's OK. Making a few vocal customers happy isn't worth it if it ruins the product for everyone else.

ING Direct has built the fastest-growing bank in America by saying no. When customers ask for a credit card, the answer is no. When they ask for an online brokerage, the answer is no. When they ask if they can open an account with a million dollars in it, the answer is no (the bank has a strict deposit maximum). ING wants to keep things simple. That's why the bank offers just a few savings accounts, certificates of deposit, and mutual funds--and that's it.

Don't be a jerk about saying no, though. Just be honest. If you're not willing to yield to a customer request, be polite and explain why. People are surprisingly understanding when you take the time to explain your point of view. You may even win them over to your way of thinking. If not, recommend a competitor if you think there's a better solution out there. It's better to have people be happy using someone else's product than disgruntled using yours.

Your goal is to make sure your product stays right for you. You're the one who has to believe in it most. That way, you can say, "I think you'll love it because I love it."



# LET YOUR CUSTOMERS **OUTGROW** *you*

## **Let your customers outgrow you**

Maybe you've seen this scenario: There's a customer that's paying a company a lot of money. The company tries to please that customer in any way possible. It tweaks and changes the product per this one customer's requests and starts to alienate its general customer base.

Then one day that big customer winds up leaving and the company is left holding the bag--and the bag is a product that's ideally suited to someone who's not there anymore. And now it's a bad fit for everyone else.

When you stick with your current customers come hell or high water, you wind up cutting yourself off from new ones. Your product or service becomes so tailored to your current customers that it stops appealing to fresh blood. And that's how your company starts to die.

After our first product had been around for a while, we started getting some heat from folks who had been with us from the beginning. They said they were starting to grow out of the application. Their businesses were changing and they wanted us to change our product to mirror their newfound complexity and requirements.

We said no. Here's why: We'd rather our customers grow out of our products eventually than never be able to grow into them in the first place. Adding power-user features to satisfy some can intimidate those who aren't on board yet. Scaring away new customers is worse than losing old customers.

When you let customers outgrow you, you'll most likely wind up with a product that's basic--and that's fine. Small, simple, basic needs are constant. There's an endless supply of customers who need exactly that.

And there are always more people who are *not* using your product than people who are. Make sure you make it easy for these people to get on board. That's where your continued growth potential lies.

People and situations change. You can't be everything to everyone. Companies need to be true to a *type* of customer more than a specific individual customer with changing needs.



### **Don't confuse enthusiasm with priority**

Coming up with a great idea gives you a rush. You start imagining the possibilities and the benefits. And of course, you want all that right away. So you drop everything else you're working on and begin pursuing your latest, greatest idea.

Bad move. The enthusiasm you have for a new idea is not an accurate indicator of its true worth. What seems like a sure-fire hit right now often gets downgraded to just a "nice to have" by morning. And "nice to have" isn't worth putting everything else on hold.

We have ideas for new features all the time. On top of that, we get dozens of interesting ideas from customers every day too. Sure, it'd be fun to immediately chase all these ideas to see where they lead. But if we did that, we'd just wind up running on a treadmill and never get anywhere.

So let your latest grand ideas cool off for a while first. By all means, have as many great ideas as you can. Get excited about them. Just don't act in the heat of the moment. Write them down and park them for a few days. Then, evaluate their actual priority with a calm mind.



### **Be at-home good**

You know what it feels like. You go to a store. You're comparing a few different products, and you're sold on the one that sounds like it's the best deal. It's got the most features. It looks the coolest. The packaging looks hot. There's sensational copy on the box. Everything seems great.

But then you get it home, and it doesn't deliver. It's not as easy to use as you thought it'd be. It has too many features you don't need. You end up feeling that you've been taken. You didn't really get what you needed and you realize you spent too much.

You just bought an in-store-good product. That's a product you're more excited about in the store than you are after you've actually used it.

Smart companies make the opposite: something that's at-home good. When you get the product home, you're actually more impressed with it than you were at the store.

You live with it and grow to like it more and more. And you tell your friends, too.

When you create an at-home-good product, you may have to sacrifice a bit of in-store sizzle. A product that executes on the basics beautifully may not seem as sexy as competitors loaded with bells and whistles. Being great at a few things often doesn't look all that flashy from afar. That's OK. You're aiming for a long-term relationship, not a one-night stand.

This is as true for advertising as it is for in-store packaging or displays. We've all seen a TV ad for some "revolutionary" gadget that will change your life. But when the actual product arrives in the mail, it turns out to be a disappointment. In-media good isn't nearly as important as at-home good. You can't paint over a bad experience with good advertising or marketing.



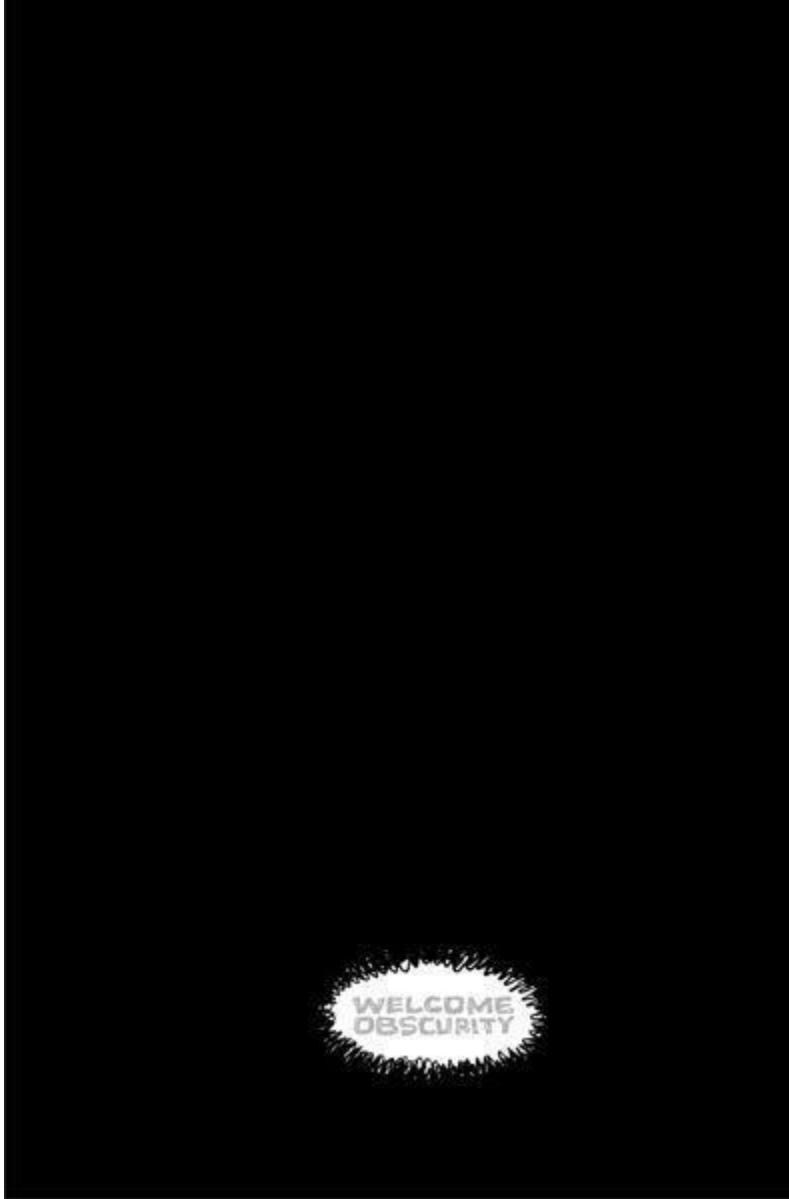
### **Don't write it down**

How should you keep track of what customers want? Don't. Listen, but then forget what people said. Seriously.

There's no need for a spreadsheet, database, or filing system. The requests that really matter are the ones you'll hear over and over. After a while, you won't be able to forget them. Your customers will be your memory. They'll keep reminding you. They'll show you which things you truly need to worry about.

If there's a request that you keep forgetting, that's a sign that it isn't very important. The really important stuff doesn't go away.

## CHAPTER PROMOTION



### Welcome obscurity

No one knows who you are right now. And that's just fine. Being obscure is a great position to be in. Be happy you're in the shadows.

Use this time to make mistakes without the whole world hearing about them. Keep tweaking. Work out the kinks. Test random ideas. Try new things. No one knows you, so it's no big deal if you mess up. Obscurity helps protect your ego and preserve your confidence.

Retailers experiment with test markets all the time for this reason. When Dunkin'

Donuts thought about selling pizza, hot dogs, and other hot sandwiches, it test-marketed the products at just ten select locations.

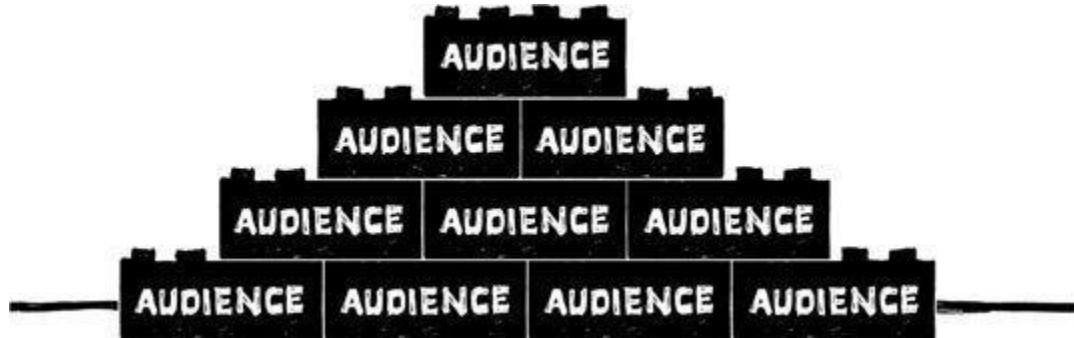
Broadway shows also provide a great example of testing ideas on a small stage first. They routinely do a trial run in a smaller city before coming to New York. Testing out of town lets actors get some reps in front of a live audience before the show goes up in front of harsher critics and tastemakers.

Would you want the whole world to watch you the first time you do anything? If you've never given a speech before, do you want your first speech to be in front of ten thousand people or ten people? You don't want everyone to watch you *starting* your business. It makes no sense to tell everyone to look at you if you're not ready to be looked at yet.

And keep in mind that once you do get bigger and more popular, you're inevitably going to take fewer risks. When you're a success, the pressure to maintain predictability and consistency builds. You get more conservative. It's harder to take risks. That's when things start to fossilize and change becomes difficult.

If millions of people are using your product, every change you make will have a much bigger impact. Before, you might have upset a hundred people when you changed something. Now you might upset thousands. You can reason with a hundred people, but you need riot gear to deal with ten thousand angry customers.

These early days of obscurity are something you'll miss later on, when you're really under the microscope. Now's the time to take risks without worrying about embarrassing yourself.



### **Build an audience**

All companies have customers. Lucky companies have fans. But the most fortunate companies have *audiences*. An audience can be your secret weapon.

A lot of businesses still spend big bucks to reach people. Every time they want to say something, they dip into their budgets, pull out a huge wad of cash, and place some ads. But this approach is both expensive and unreliable. As they say, you waste half of

your ad budget--you just don't know which half.

Today's smartest companies know better. Instead of going out to reach people, you want people to come to you. An audience returns often--on its own--to see what you have to say. This is the most receptive group of customers and potential customers you'll ever have.

Over the past ten years, we've built an audience of more than a hundred thousand daily readers for our Signal vs. Noise blog. Every day they come back to see what we have to say. We may talk about design or business or software or psychology or usability or our industry at large. Whatever it is, these people are interested enough to come back to hear more. And if they like what we have to say, they'll probably also like what we have to sell.

How much would it cost us to reach those hundred thousand people every day the old-fashioned way? Hundreds of thousands? Millions? And how would we have done it? Running ads? Buying radio spots? Sending direct mail?

When you build an audience, you don't have to buy people's attention--they give it to you. This is a huge advantage.

So build an audience. Speak, write, blog, tweet, make videos--whatever. Share information that's valuable and you'll slowly but surely build a loyal audience. Then when you need to get the word out, the right people will already be listening.



*don't*  
**OUT-SPEND**  
**OUT-TEACH**

### **Out-teach your competition**

You can advertise. You can hire salespeople. You can sponsor events. But your competitors are doing the same things. How does that help you stand out?

Instead of trying to outspend, outsell, or outsponsor competitors, try to out-teach them. Teaching probably isn't something your competitors are even thinking about. Most businesses focus on selling or servicing, but teaching never even occurs to them.

The Hoefler Type Foundry teaches designers about type at [Typography.com](#). Etsy, an online store for things handmade, holds entrepreneurial workshops that explain "best practices" and promotional ideas to people who sell at the site. Gary Vaynerchuk, who owns a large wine shop, teaches people about wine online at [Wine Library TV](#), and tens of thousands of people watch every day.

Teach and you'll form a bond you just don't get from traditional marketing tactics.

Buying people's attention with a magazine or online banner ad is one thing. Earning their loyalty by teaching them forms a whole different connection. They'll trust you more. They'll respect you more. Even if they don't use your product, they can still be your fans.

Teaching is something individuals and small companies can do that bigger competitors can't. Big companies can afford a Super Bowl ad; you can't. But you can afford to teach, and that's something they'll never do, because big companies are obsessed with secrecy. Everything at those places has to get filtered through a lawyer and go through layers of red tape. Teaching is your chance to outmaneuver them.



### **Emulate chefs**

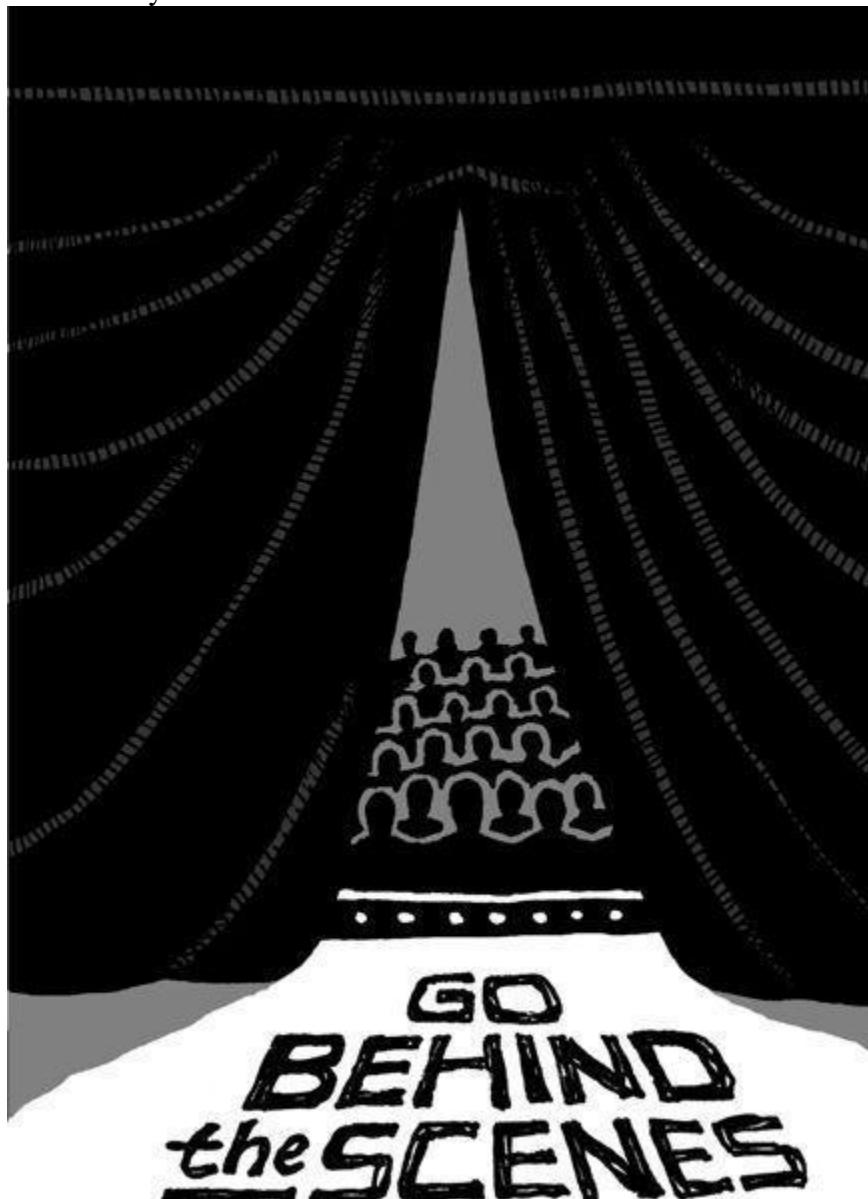
You've probably heard of Emeril Lagasse, Mario Batali, Bobby Flay, Julia Child, Paula Deen, Rick Bayless, or Jacques Pepin. They're great chefs, but there are a lot of great chefs out there. So why do you know these few better than others? Because they share everything they know. They put their recipes in cookbooks and show their techniques on cooking shows.

As a business owner, you should share everything you know too. This is anathema to most in the business world. Businesses are usually paranoid and secretive.

They think they have proprietary this and competitive advantage that. Maybe a rare few do, but most don't. And those that don't should stop acting like those that do. Don't be afraid of sharing.

A recipe is much easier to copy than a business. Shouldn't that scare Mario Batali? Why would he go on TV and show you how he does what he does? Why would he put all his recipes in cookbooks where anyone can buy and replicate them? Because he knows those recipes and techniques aren't enough to beat him at his own game. No one's going to buy his cookbook, open a restaurant next door, and put him out of business. It just doesn't work like that. Yet this is what many in the business world think will happen if their competitors learn how they do things. Get over it.

So emulate famous chefs. They cook, so they write cookbooks. What do you do? What are your "recipes"? What's your "cookbook"? What can you tell the world about how you operate that's informative, educational, and promotional? This book is our cookbook. What's yours?



### **Go behind the scenes**

Give people a backstage pass and show them how your business works. Imagine that someone wanted to make a reality show about your business. What would they share? Now stop waiting for someone else and do it yourself.

Think no one will care? Think again. Even seemingly boring jobs can be fascinating when presented right. What could be more boring than commercial fishing and trucking? Yet the Discovery Channel and History Channel have turned these professions into highly rated shows: *Deadliest Catch* and *Ice Road Truckers*.

It doesn't need to be a dangerous job, either. People love finding out the little secrets of all kinds of businesses, even one that makes those tiny marshmallows in breakfast cereals. That's why the Food Network's *Unwrapped*--which explores the secrets behind lunch-box treats, soda pop, movie candy, and more--is such a popular program.

People are curious about how things are made. It's why they like factory tours or behind-the-scenes footage on DVDs. They want to see how the sets are built, how the animation is done, how the director cast the film, etc. They want to know how and why other people make decisions.

Letting people behind the curtain changes your relationship with them. They'll feel a bond with you and see you as human beings instead of a faceless company. They'll see the sweat and effort that goes into what you sell. They'll develop a deeper level of understanding and appreciation for what you do.



### Nobody likes plastic flowers

The business world is full of "professionals" who wear the uniform and try to seem perfect. In truth, they just come off as stiff and boring. No one can relate to people like that.

Don't be afraid to show your flaws. Imperfections are real and people respond to real. It's why we like real flowers that wilt, not perfect plastic ones that never change. Don't worry about how you're supposed to sound and how you're supposed to act. Show the world what you're really like, warts and all.

There's a beauty to imperfection. This is the essence of the Japanese principle of *wabi-sabi*. *Wabi-sabi* values character and uniqueness over a shiny facade. It teaches that cracks and scratches in things should be embraced. It's also about simplicity. You strip things down and then use what you have. Leonard Koren, author of a book on *wabi-sabi*, gives this advice: Pare down to the essence, but don't remove the poetry. Keep things clean and unencumbered but don't sterilize. \*

It's a beautiful way to put it: Leave the poetry in what you make. When something

becomes too polished, it loses its soul. It seems robotic.

So talk like you really talk. Reveal things that others are unwilling to discuss. Be upfront about your shortcomings. Show the latest version of what you're working on, even if you're not done yet. It's OK if it's not perfect. You might not seem as professional, but you will seem a lot more genuine.



### **Press releases are spam**

What do you call a generic pitch sent out to hundreds of strangers hoping that one will bite? Spam. That's what press releases are too: generic pitches for coverage sent out to hundreds of journalists you don't know, hoping that one will write about you.

Let's dissect the purpose of a press release for a moment: It's something you send out because you want to be noticed. You want the press to pick up on your new company, product, service, announcement, or whatever. You want them to be excited enough to write a story about you.

But press releases are a terrible way to accomplish that. They're tired and formulaic. There's nothing exciting about them. Journalists sift through dozens a day. They wind up buried under an avalanche of hyperbolic headlines and fake quotes from

CEOs. Everything is labeled sensational, revolutionary, groundbreaking, and amazing. It's numbing.

If you want to get someone's attention, it's silly to do exactly the same thing as everyone else. You need to stand out. So why issue press releases like everyone else does? Why spam journalists when their inbox is already filled with other people's spam?

Furthermore, a press release is generic. You write it once and then send it to tons of reporters--people whom you don't know and who don't know you. And your first introduction is this vague, generic note you also send to everyone else? Is that the impression you want to make? Is that really going to get you the story?

Instead, call someone. Write a personal note. If you read a story about a similar company or product, contact the journalist who wrote it. Pitch her with some passion, some interest, some life. Do something meaningful. Be remarkable. Stand out. Be unforgettable. That's how you'll get the best coverage.

# NICHE MEDIA OVER MASS MEDIA



### **Forget about the *Wall Street Journal***

Forget about *Time*, *Forbes*, *Newsweek*, *Business Week*, the *New York Times*, and the *Wall Street Journal*. Pitching a reporter at one of these places is practically impossible. Good luck even getting ahold of that guy. And even if you do, he probably won't care anyway. You're not big enough to matter.

You're better off focusing on getting your story into a trade publication or picked up by a niche blogger. With these outlets, the barrier is much lower. You can send an e-mail and get a response (and maybe even a post) the same day. There's no editorial board or PR person involved. There's no pipeline your message has to go through.

These guys are actually hungry for fresh meat. They thrive on being tastemakers, finding the new thing, and getting the ball rolling. That's why many big-time reporters now use these smaller sites to find new stories. Stories that start on the fringe can go mainstream quickly.

We've been written up in big mainstream publications like *Wired* and *Time*, but we've found that we actually get more hits when we're profiled on sites like Daring Fireball, a site for Mac nerds, or Lifehacker, a productivity site. Links from these places result in notable spikes in our traffic and sales. Articles in big-time publications are nice, but they don't result in the same level of direct, instant activity.



# *Emulate* **DRUG DEALERS**

## **Drug dealers get it right**

Drug dealers are astute businesspeople. They know their product is so good they're willing to give a little away for free upfront. They know you'll be back for more--with money.

Emulate drug dealers. Make your product so good, so addictive, so "can't miss" that giving customers a small, free taste makes them come back with cash in hand.

This will force you to make something about your product bite-size. You want an easily digestible introduction to what you sell. This gives people a way to try it without investing any money or a lot of time.

Bakeries, restaurants, and ice cream shops have done this successfully for years. Car dealers let you test-drive cars before buying them. Software firms are also getting on board, with free trials or limited-use versions. How many other industries could benefit

from the drug-dealer model?

Don't be afraid to give a little away for free--as long as you've got something else to sell. Be confident in what you're offering. You should know that people will come back for more. If you're not confident about that, you haven't created a strong enough product.



### **Marketing is not a department**

Do you have a marketing department? If not, good. If you do, don't think these are the only people responsible for marketing. Accounting is a department. Marketing isn't. Marketing is something everyone in your company is doing 24/7/365.

Just as you cannot not communicate, you cannot not market:

Every time you answer the phone, it's marketing.

Every time you send an e-mail, it's marketing.

Every time someone uses your product, it's marketing.

Every word you write on your Web site is marketing.

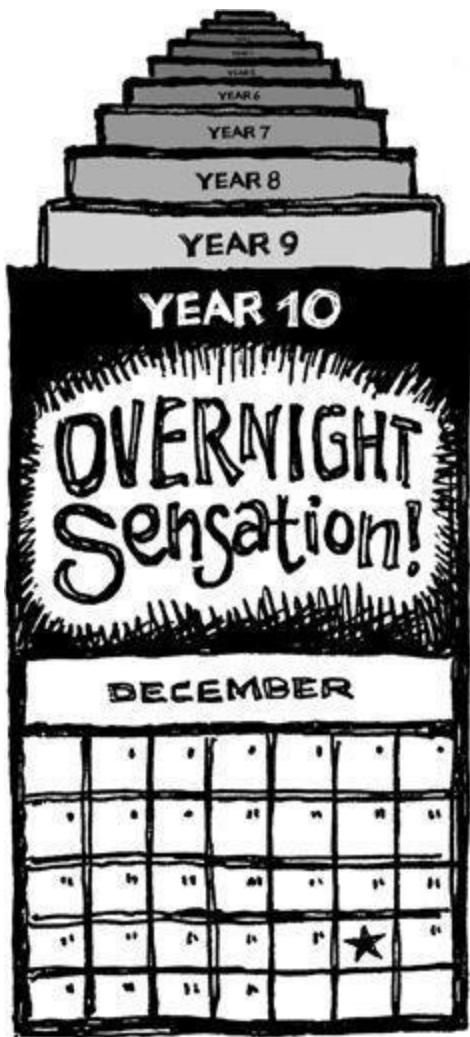
If you build software, every error message is marketing.

If you're in the restaurant business, the after-dinner mint is marketing.

If you're in the retail business, the checkout counter is marketing.

If you're in a service business, your invoice is marketing.

Recognize that all of these little things are more important than choosing which piece of swag to throw into a conference goodie bag. Marketing isn't just a few individual events. It's the sum total of everything you do.



### The myth of the overnight sensation

You will not be a big hit right away. You will not get rich quick. You are not so special that everyone else will instantly pay attention. No one cares about you. At least not yet. Get used to it.

You know those overnight-success stories you've heard about? It's not the whole story. Dig deeper and you'll usually find people who have busted their asses for years to get into a position where things could take off. And on the rare occasion that instant success does come along, it usually doesn't last--there's no foundation there to support it.

Trade the dream of overnight success for slow, measured growth. It's hard, but you have to be patient. You have to grind it out. You have to do it for a long time before the right people notice.

You may think you can speed up the process by hiring a PR firm. Don't bother. You're just not ready for that yet. For one thing, it's too expensive. Good PR firms can cost upward of \$10,000 per month. That's a waste of money right now.

Plus, you're still just a no-name with a product no one's ever heard about. Who's going to write about that? Once you have some customers and a history, you'll have a

story to tell. But just launching isn't a good story.

And remember, great brands launch without PR campaigns all the time. Starbucks, Apple, Nike, Amazon, Google, and Snapple all became great brands over time, not because of a big PR push upfront.

Start building your audience today. Start getting people interested in what you have to say. And then keep at it. In a few years, you too will get to chuckle when people discuss your "overnight" success.\*Pilar Viladas, "The Talk: The Slow Lane," *New York Times Magazine*, Oct. 9, 2005, [www.tinyurl.com/ychqtup](http://www.tinyurl.com/ychqtup)

## CHAPTER HIRING



### **Do it yourself first**

Never hire anyone to do a job until you've tried to do it yourself first. That way, you'll understand the nature of the work. You'll know what a job well done looks like. You'll know how to write a realistic job description and which questions to ask in an interview. You'll know whether to hire someone full-time or part-time, outsource it, or keep doing it yourself (the last is preferable, if possible).

You'll also be a much better manager, because you'll be supervising people who are doing a job you've done before. You'll know when to criticize and when to support.

At 37signals, we didn't hire a system administrator until one of us had spent a whole summer setting up a bunch of servers on his own. For the first three years, one of us did all of our customer support. Then we hired a dedicated support person. We ran

with the ball as far as we could before handing it off. That way, we knew what we were looking for once we did decide to hire.

You may feel out of your element at times. You might even feel like you suck. That's all right. You can hire your way out of that feeling or you can learn your way out of it. Try learning first. What you give up in initial execution will be repaid many times over by the wisdom you gain.

Plus, you should want to be intimately involved in all aspects of your business. Otherwise you'll wind up in the dark, putting your fate solely in the hands of others. That's dangerous.



### **Hire when it hurts**

Don't hire for pleasure; hire to kill pain. Always ask yourself: What if we don't hire anyone? Is that extra work that's burdening us really necessary? Can we solve the problem with a slice of software or a change of practice instead? What if we just don't do it?

Similarly, if you lose someone, don't replace him immediately. See how long you can get by without that person and that position. You'll often discover you don't need as many people as you think.

The right time to hire is when there's more work than you can handle for a sustained period of time. There should be things you can't do anymore. You should notice the quality level slipping. That's when you're hurting. And that's when it's time to hire, not earlier.



### **Pass on great people**

Some companies are addicted to hiring. Some even hire when they aren't hiring. They'll hear about someone great and invent a position or title just to lure them in. And there they'll sit--parked in a position that doesn't matter, doing work that isn't important.

Pass on hiring people you don't need, even if you think that person's a great catch.

You'll be doing your company more harm than good if you bring in talented people who have nothing important to do.

Problems start when you have more people than you need. You start inventing work to keep everyone busy. Artificial work leads to artificial projects. And those artificial projects lead to real costs and complexity.

Don't worry about "the one that got away." It's much worse to have people on staff who aren't doing anything meaningful. There's plenty of talent out there. When you do have a real need, you'll find someone who fits well.

Great has nothing to do with it. If you don't need someone, you don't need someone.



### **Strangers at a cocktail party**

If you go to a cocktail party where everyone is a stranger, the conversation is dull

and stiff. You make small talk about the weather, sports, TV shows, etc. You shy away from serious conversations and controversial opinions.

A small, intimate dinner party among old friends is a different story, though. There are genuinely interesting conversations and heated debates. At the end of the night, you feel you actually got something out of it.

Hire a ton of people rapidly and a "strangers at a cocktail party" problem is exactly what you end up with. There are always new faces around, so everyone is unfailingly polite. Everyone tries to avoid any conflict or drama. No one says, "This idea sucks." People appease instead of challenge.

And that appeasement is what gets companies into trouble. You need to be able to tell people when they're full of crap. If that doesn't happen, you start churning out something that doesn't offend anyone but also doesn't make anyone fall in love.

You need an environment where everyone feels safe enough to be honest when things get tough. You need to know how far you can push someone. You need to know what people really mean when they say something.

So hire slowly. It's the only way to avoid winding up at a cocktail party of strangers.



### Resumes are ridiculous

We all know resumes are a joke. They're exaggerations. They're filled with "action verbs" that don't mean anything. They list job titles and responsibilities that are vaguely accurate at best. And there's no way to verify most of what's on there. The whole thing is a farce.

Worst of all, they're too easy. Anyone can create a decent-enough resume. That's why half-assed applicants love them so much. They can shotgun out hundreds at a time to potential employers. It's another form of spam. They don't care about landing *your* job; they just care about landing *any* job.

If someone sends out a resume to three hundred companies, that's a huge red flag right there. There's no way that applicant has researched you. There's no way he knows what's different about your company.

If you hire based on this garbage, you're missing the point of what hiring is about. You want a specific candidate who cares specifically about your company, your products, your customers, and your job.

So how do you find these candidates? First step: Check the cover letter. In a cover letter, you get actual communication instead of a list of skills, verbs, and years of irrelevance. There's no way an applicant can churn out hundreds of personalized letters. That's why the cover letter is a much better test than a resume. You hear someone's actual voice and are able recognize if it's in tune with you and your company.

Trust your gut reaction. If the first paragraph sucks, the second has to work that much harder. If there's no hook in the first three, it's unlikely there's a match there. On the other hand, if your gut is telling you there's a chance at a real match, then move on to the interview stage.



**Years of irrelevance**

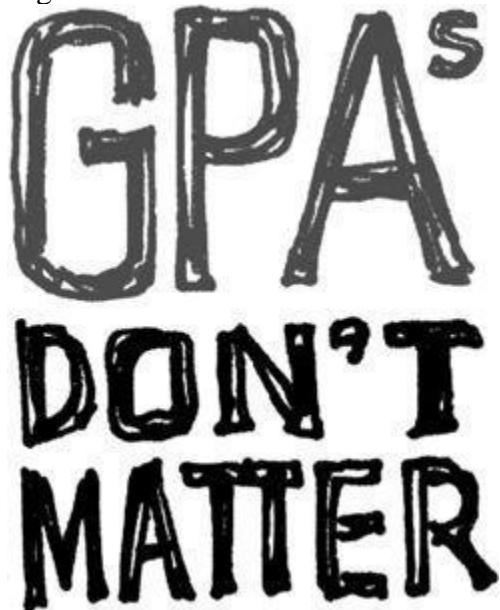
We've all seen job ads that say, "Five years of experience required." That may give you a number, but it tells you nothing.

Of course, requiring some baseline level of experience can be a good idea when hiring. It makes sense to go after candidates with six months to a year of experience. It takes that long to internalize the idioms, learn how things work, understand the relevant tools, etc.

But after that, the curve flattens out. There's surprisingly little difference between a candidate with six months of experience and one with six years. The real difference comes from the individual's dedication, personality, and intelligence.

How do you really measure this stuff anyway? What does five years of experience mean? If you spent a couple of weekends experimenting with something a few years back, can you count that as a year of experience? How is a company supposed to verify these claims? These are murky waters.

How long someone's been doing it is overrated. What matters is how *well* they've been doing it.



**Forget about formal education***I have never let my schooling interfere with my education.* --MARK TWAIN

There are plenty of companies out there who have educational requirements. They'll only hire people with a college degree (sometimes in a specific field) or an advanced degree or a certain GPA or certification of some sort or some other requirement.

Come on. There are plenty of intelligent people who don't excel in the classroom. Don't fall into the trap of thinking you need someone from one of the "best" schools in order to get results. Ninety percent of CEOs currently heading the top five hundred American companies did not receive undergraduate degrees from Ivy League colleges. In

fact, more received their undergraduate degrees from the University of Wisconsin than from Harvard (the most heavily represented Ivy school, with nine CEOs).\*

Too much time in academia can actually do you harm. Take writing, for example. When you get out of school, you have to unlearn so much of the way they teach you to write there. Some of the misguided lessons you learn in academia:

The longer a document is, the more it matters.

Stiff, formal tone is better than being conversational.

Using big words is impressive.

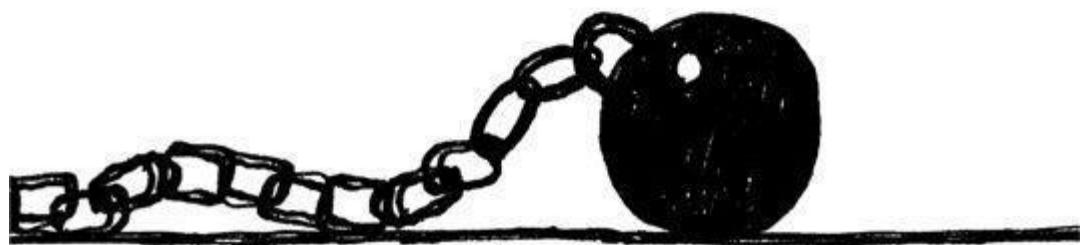
You need to write a certain number of words or pages to make a point.

The format matters as much (or more) than the content of what you write.

It's no wonder so much business writing winds up dry, wordy, and dripping with nonsense. People are just continuing the bad habits they picked up in school. It's not just academic writing, either. There are a lot of skills that are useful in academia that aren't worth much outside of it.

Bottom line: The pool of great candidates is far bigger than just people who completed college with a stellar GPA. Consider dropouts, people who had low GPAs, community-college students, and even those who just went to high school.

# **DELEGATORS ARE DEAD WEIGHT**



### **Everybody works**

With a small team, you need people who are going to *do* work, not delegate work. Everyone's got to be producing. No one can be above the work.

That means you need to avoid hiring delegators, those people who love telling others what to do. Delegators are dead weight for a small team. They clog the pipes for others by coming up with busywork. And when they run out of work to assign, they make up more--regardless of whether it needs to be done.

Delegators love to pull people into meetings, too. In fact, meetings are a delegator's best friend. That's where he gets to seem important. Meanwhile, everyone else who attends is pulled away from getting real work done.



### **Hire managers of one**

Managers of one are people who come up with their own goals and execute them. They don't need heavy direction. They don't need daily check-ins. They do what a manager would do--set the tone, assign items, determine what needs to get done, etc.--but they do it by themselves and for themselves.

These people free you from oversight. They set their own direction. When you

leave them alone, they surprise you with how much they've gotten done. They don't need a lot of hand-holding or supervision.

How can you spot these people? Look at their backgrounds. They have set the tone for how they've worked at other jobs. They've run something on their own or launched some kind of project.

You want someone who's capable of building something from scratch and seeing it through. Finding these people frees the rest of your team to work more and manage less.

**HIRE  
THE  
BETTER  
WRITER**



### **Hire great writers**

If you are trying to decide among a few people to fill a position, hire the best writer. It doesn't matter if that person is a marketer, salesperson, designer, programmer, or whatever; their writing skills will pay off.

That's because being a good writer is about more than writing. Clear writing is a sign of clear thinking. Great writers know how to communicate. They make things easy to understand. They can put themselves in someone else's shoes. They know what to

omit. And those are qualities you want in any candidate.

Writing is making a comeback all over our society. Look at how much people e-mail and text-message now rather than talk on the phone. Look at how much communication happens via instant messaging and blogging. Writing is today's currency for good ideas.

## THE BEST ARE



## EVERYWHERE

### The best are everywhere

It's crazy not to hire the best people just because they live far away. Especially now that there's so much technology out there making it easier to bring everyone together online.

Our headquarters are in Chicago, but more than half of our team lives elsewhere. We've got people in Spain, Canada, Idaho, Oklahoma, and elsewhere. Had we limited our search only to people in Chicago, we would have missed out on half of the great people we have.

To make sure your remote team stays in touch, have at least a few hours a day of real-time overlap. Working in time zones where there's no workday overlap at all is tough. If you face that situation, someone might need to shift hours a bit so they start a little later or earlier in the day, so you're available at the same time. You don't need eight hours of overlap, though. (Actually, we've found it preferable to *not* have complete

overlap--you get more alone time that way.) Two to four hours of overlap should be plenty.

Also, meet in person once in a while. You should see each other at least every few months. We make sure our whole team gets together a few times a year. These are great times to review progress, discuss what's going right or wrong, plan for the future, and get reacquainted with one another on a personal level.

Geography just doesn't matter anymore. Hire the best talent, regardless of where it is.



### **Test-drive employees**

Interviews are only worth so much. Some people sound like pros but don't work like pros. You need to evaluate the work they can do now, not the work they say they did in the past.

The best way to do that is to actually see them work. Hire them for a miniproject, even if it's for just twenty or forty hours. You'll see how they make decisions. You'll see if you get along. You'll see what kind of questions they ask. You'll get to judge them by their actions instead of just their words.

You can even make up a fake project. In a factory in South Carolina, BMW built a simulated assembly line where job candidates get ninety minutes to perform a variety of work-related tasks.\*

Cessna, the airplane manufacturer, has a role-playing exercise for prospective managers that simulates the day of an executive. Candidates work through memos, deal with (phony) irate customers, and handle other problems. Cessna has hired more than a hundred people using this simulation.+

These companies have realized that when you get into a real work environment, the truth comes out. It's one thing to look at a portfolio, read a resume, or conduct an interview. It's another to actually work with someone.\*Carol Hymowitz, "Any College Will Do," *Wall Street Journal*, Sept. 18, 2006,  
[online.wsj.com/article/SB115853818747665842.html](http://online.wsj.com/article/SB115853818747665842.html)\*Peter Carbonara, "Hire for Attitude, Train for Skill," *Fast Company*, Dec. 18, 2007,  
[www.fastcompany.com/magazine/04/hiring.html](http://www.fastcompany.com/magazine/04/hiring.html)+Ibid.

## **CHAPTER DAMAGE CONTROL**

# OWN YOUR BAD NEWS



## Own your bad news

When something goes wrong, someone is going to tell the story. You'll be better off if it's you. Otherwise, you create an opportunity for rumors, hearsay, and false information to spread.

When something bad happens, tell your customers (even if they never noticed in the first place). Don't think you can just sweep it under the rug. You can't hide anymore. These days, someone else will call you on it if you don't do it yourself. They'll post about it online and everyone will know. There are no more secrets.

People will respect you more if you are open, honest, public, and responsive during a crisis. Don't hide behind spin or try to keep your bad news on the down low. You want your customers to be as informed as possible.

Back in 1989, the *Exxon Valdez* oil tanker spilled 11 million gallons of oil into

Alaska's Prince William Sound. Exxon made the mistake of waiting a long time before responding to the spill and sending aid to Alaska. Exxon's chairman failed to go there until two weeks after the spill. The company held news briefings in Valdez, a remote Alaskan town that was difficult for the press to reach. The result: a PR disaster for Exxon that led the public to believe the company was either hiding something or didn't really care about what had happened. \*

Contrast that Exxon story to the rupture of an Ashland Oil storage tank that spilled oil into a river near Pittsburgh around the same time. Ashland Oil's chairman, John Hall, went to the scene of the Ashland spill and took charge. He pledged to clean everything up. He visited news bureaus to explain what the company would do and answer any questions. Within a day, he had shifted the story from a rotten-oil-company-does-evil narrative to a good-oil-company-tries-to-clean-up story. +

Here are some tips on how you can own the story:

The message should come from the top. The highest-ranking person available should take control in a forceful way.

Spread the message far and wide. Use whatever megaphone you have. Don't try to sweep it under the rug.

"No comment" is not an option.

Apologize the way a real person would and explain what happened in detail.

Honestly be concerned about the fate of your customers--then prove it.



### **Speed changes everything**

"Your call is very important to us. We appreciate your patience. The average hold time right now is sixteen minutes." Give me a fucking break.

Getting back to people quickly is probably the most important thing you can do when it comes to customer service. It's amazing how much that can defuse a bad situation and turn it into a good one.

Have you ever sent an e-mail and it took days or weeks for the company to get back to you? How did it make you feel? These days, that's what people have come to expect. They're used to being put on hold. They're used to platitudes about "caring" that aren't backed up.

That's why so many support queries start off with an antagonistic tone. Some people may even make threats or call you names. Don't take it personally. They think

that's the only way to be heard. They're only trying to be a squeaky wheel in hopes it'll get them a little grease.

Once you answer quickly, they shift 180 degrees. They light up. They become extra polite. Often they thank you profusely.

It's especially true if you offer a personal response. Customers are so used to canned answers, you can really differentiate yourself by answering thoughtfully and showing that you're listening. And even if you don't have a perfect answer, say something. "Let me do some research and get back to you" can work wonders.



### How to say you're sorry

There's never really a great way to say you're sorry, but there are plenty of terrible ways.

One of the worst ways is the non-apology apology, which sounds like an apology

but doesn't really accept any blame. For example, "We're sorry if this upset you." Or "I'm sorry that you don't feel we lived up to your expectations." Whatever.

A good apology accepts responsibility. It has no conditional *if* phrase attached. It shows people that the buck stops with you. And then it provides real details about what happened and what you're doing to prevent it from happening again. And it seeks a way to make things right.

Here's another bad one: "We apologize for any inconvenience this may have caused." Oh, please. Let's break down why that's bad:

**"We apologize..."** If you spilled coffee on someone while riding the subway, would you say, "I apologize"? No, you'd say, "I'm so, so sorry!" Well, if your service is critical to your customers, an interruption to that service is like spilling hot coffee all over them. So use the appropriate tone and language to show that you understand the severity of what happened. Also, the person in charge should take personal responsibility. An "I" apology is a lot stronger than a "we" apology.

**"... any inconvenience..."** If customers depend on your service and can't get to it, it's not merely an inconvenience. It's a crisis. An inconvenience is a long line at the grocery store. This ain't that.

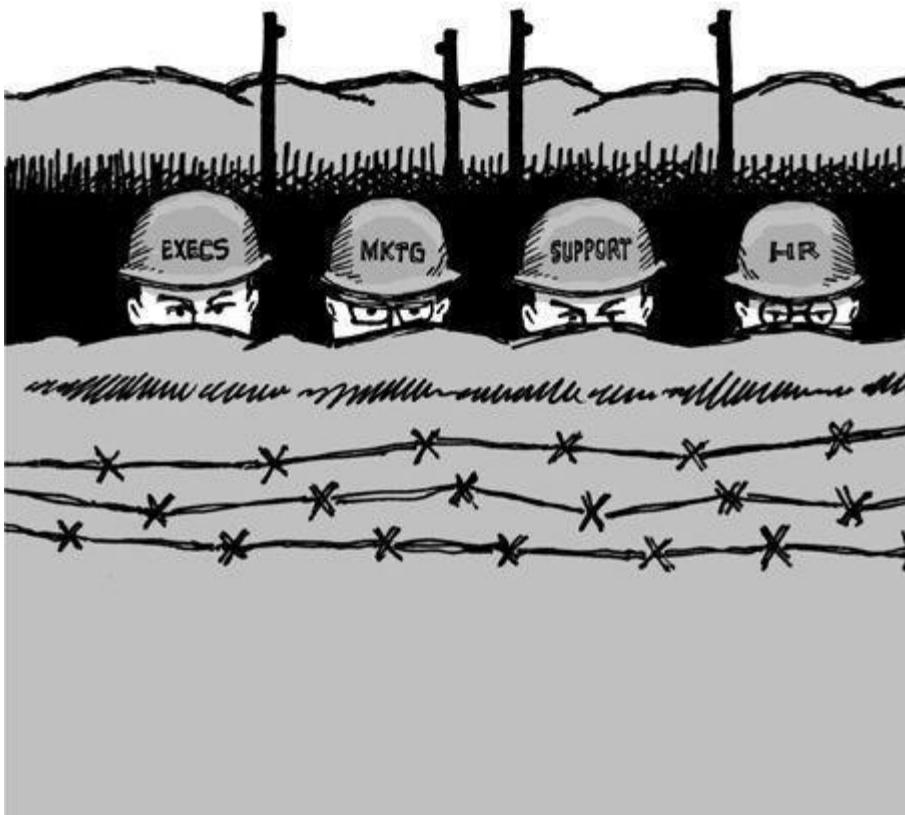
**"... this may have caused"** The "may" here implies there might not be *anything* wrong at all. That's a classic non-apology apology move. It slighted the very real problem(s) that customers are experiencing. If this didn't affect them, you don't really need to say anything. If it did affect them, then there's no need for "may" here. Stop wavering.

So what's the perfect way to say you're sorry? There's no magic bullet. Any stock answer will sound generic and hollow. You're going to have to take it on a case-by-case basis.

The number-one principle to keep in mind when you apologize: How would you feel about the apology if you were on the other end? If someone said those words to you, would you believe them?

Keep in mind that you can't apologize your way out of being an ass. Even the best apology won't rescue you if you haven't earned people's trust. Everything you do before things go wrong matters far more than the actual words you use to apologize. If you've built rapport with customers, they'll cut you some slack and trust you when you say you're sorry.

# **EVERYONE ON THE FRONT LINES**



## **Put everyone on the front lines**

In the restaurant business, there's a world of difference between working in the kitchen and dealing with customers. Cooking schools and smart restaurateurs know it's important for both sides to understand and empathize with each other. That's why they often have chefs work out front as waiters for a stretch. That way, the kitchen staff can interact with customers and see what it's actually like on the front lines.

A lot of companies have a similar front-of-house/back-of-house split. The people who make the product work in the "kitchen" while support handles the customers. Unfortunately, that means the product's chefs never get to directly hear what customers are saying. Too bad. Listening to customers is the best way to get in tune with a product's strengths and weaknesses.

Think about the children's game Telephone. There are ten kids sitting in a circle.

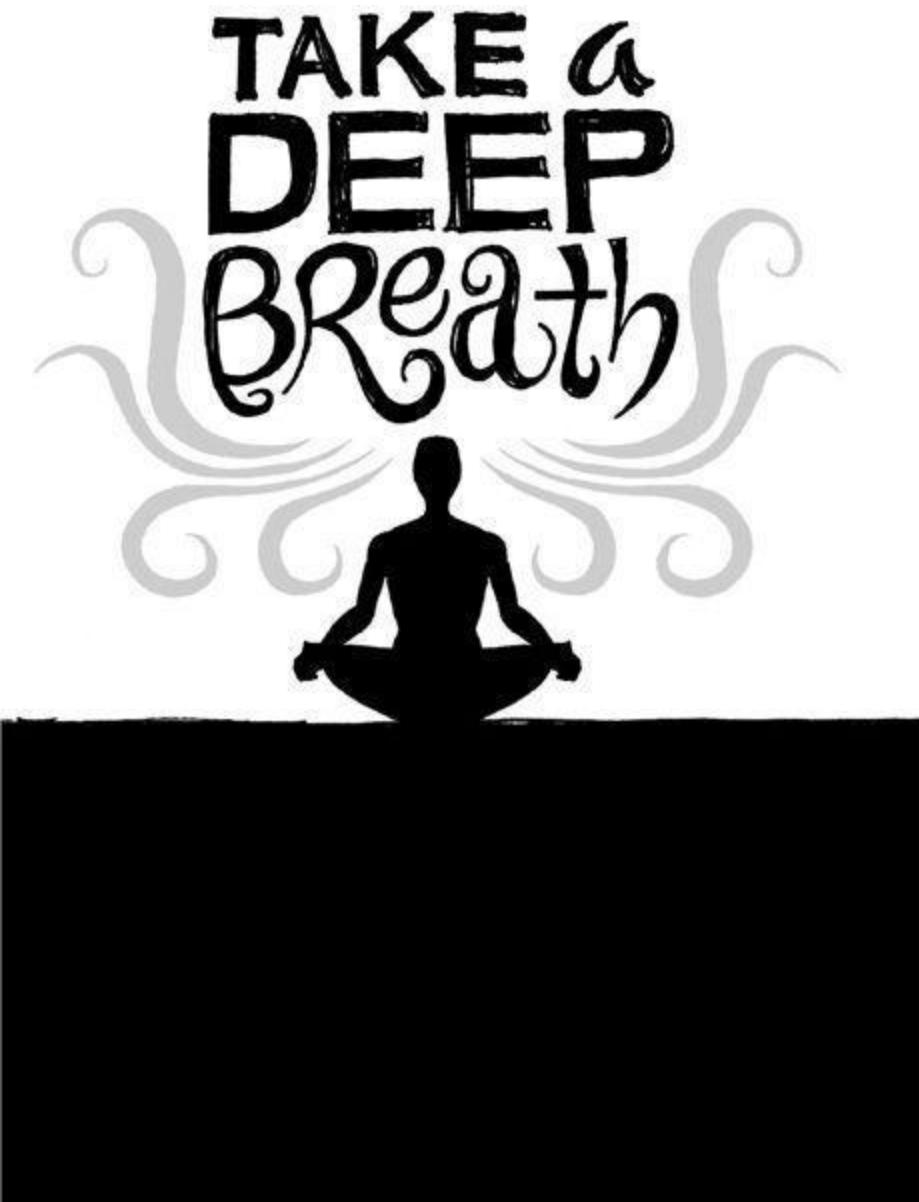
A message starts and is whispered from one child to another. By the time it gets all the way around, the message is completely distorted--to the point where it's usually hilarious. A sentence that makes sense at first comes out the other end as "Macaroni cantaloupe knows the future." And the more people you have in the circle, the more distorted the message gets.

The same thing is true at your company. The more people you have between your customers' words and the people doing the work, the more likely it is that the message will get lost or distorted along the way.

Everyone on your team should be connected to your customers--maybe not every day, but at least a few times throughout the year. That's the only way your team is going to feel the hurt your customers are experiencing. It's feeling the hurt that really motivates people to fix the problem. And the flip side is true too: The joy of happy customers or ones who have had a problem solved can also be wildly motivating.

So don't protect the people doing the work from customer feedback. No one should be shielded from direct criticism.

Maybe you think you don't have time to interact with customers. Then make time. Craigslist founder Craig Newmark still answers support e-mails today (often within minutes). He also deletes racist comments from the site's discussion boards and pesters New York City Realtors who post apartments for rent that don't exist.\* If he can devote this kind of attention to customer service, you can too.



### **Take a deep breath**

When you rock the boat, there will be waves. After you introduce a new feature, change a policy, or remove something, knee-jerk reactions will pour in. Resist the urge to panic or make rapid changes in response. Passions flare in the beginning. That's normal. But if you ride out that first rocky week, things usually settle down.

People are creatures of habit. That's why they react to change in such a negative way. They're used to using something in a certain way and any change upsets the natural order of things. So they push back. They complain. They demand that you revert to the way things were.

But that doesn't mean you should act. Sometimes you need to go ahead with a decision you believe in, even if it's unpopular at first.

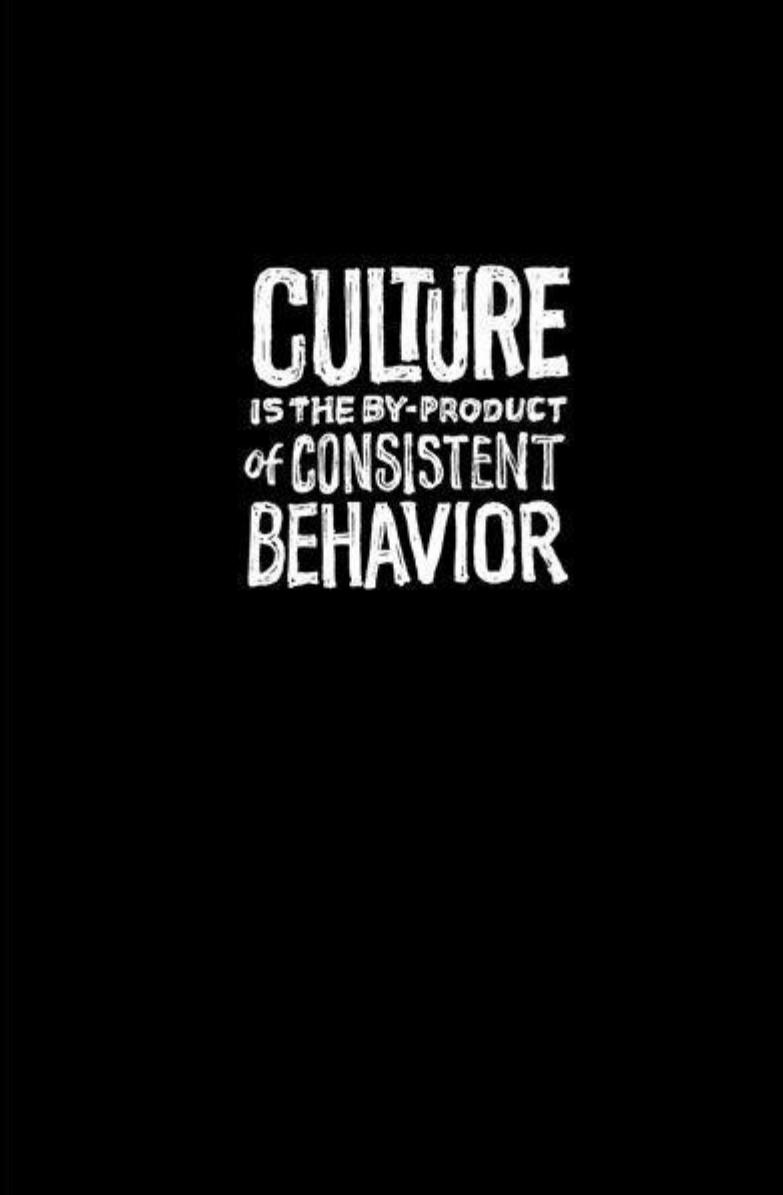
People often respond before they give a change a fair chance. Sometimes that

initial negative reaction is more of a primal response. That's why you'll sometimes hear things like, "It's the worst thing I've ever seen." No, it's not. It's a minor change. Come on.

Also, remember that negative reactions are almost always louder and more passionate than positive ones. In fact, you may hear only negative voices even when the majority of your customers are happy about a change. Make sure you don't foolishly backpedal on a necessary but controversial decision.

So when people complain, let things simmer for a while. Let them know you're listening. Show them you're aware of what they're saying. Let them know you understand their discontent. But explain that you're going to let it go for a while and see what happens. You'll probably find that people will adjust eventually. They may even wind up liking the change more than the old way, once they get used to it.\*Reyna Susi, "The Exxon Crisis, 1989," Effective Crisis Management, [iml.jou.ufl.edu/projects/Fall02/Susi/exxon.htm](http://iml.jou.ufl.edu/projects/Fall02/Susi/exxon.htm) +John Holusha, "Exxon's Public-Relations Problem," *New York Times*, Apr. 21, 1989, [www.tinyurl.com/yg2bgff](http://www.tinyurl.com/yg2bgff)\*Scott Kirsner, "Craigslist's Unorthodox Path," *Boston Globe*, June 15, 2008, [www.tinyurl.com/4vkg58](http://www.tinyurl.com/4vkg58)

## CHAPTER CULTURE



**CULTURE**  
IS THE BY-PRODUCT  
of CONSISTENT  
**BEHAVIOR**

### **You don't create a culture**

Instant cultures are artificial cultures. They're big bangs made of mission statements, declarations, and rules. They are obvious, ugly, and plastic. Artificial culture is paint. Real culture is patina.

You don't create a culture. It happens. This is why new companies don't have a culture. Culture is the byproduct of consistent behavior. If you encourage people to share, then sharing will be built into your culture. If you reward trust, then trust will be built in. If you treat customers right, then treating customers right becomes your culture.

Culture isn't a foosball table or trust falls. It isn't policy. It isn't the Christmas party or the company picnic. Those are objects and events, not culture. And it's not a slogan, either. Culture is action, not words.

So don't worry too much about it. Don't force it. You can't install a culture. Like a

fine scotch, you've got to give it time to develop.



### **Decisions are temporary**

"But what if ...?" "What happens when ...?" "Don't we need to plan for ...?"

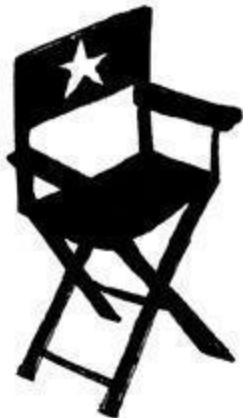
Don't make up problems you don't have yet. It's not a problem until it's a *real* problem. Most of the things you worry about never happen anyway.

Besides, the decisions you make today don't need to last forever. It's easy to shoot down good ideas, interesting policies, or worthwhile experiments by assuming that whatever you decide now needs to work for years on end. It's just not so, especially for a small business. If circumstances change, your decisions can change. Decisions are temporary.

At this stage, it's silly to worry about whether or not your concept will scale from five to five thousand people (or from a hundred thousand to 100 million people). Getting a product or service off the ground is hard enough without inventing even more obstacles. Optimize for now and worry about the future later.

The ability to change course is one of the big advantages of being small. Compared with larger competitors, you're way more capable of making quick, sweeping changes. Big companies just can't move that fast. So pay attention to today and worry about later when it gets here. Otherwise you'll waste energy, time, and money fixating on problems that may never materialize.

# BUILD A ROCKSTAR ENVIRONMENT



## Skip the rock stars

A lot of companies post help-wanted ads seeking "rock stars" or "ninjas." Lame. Unless your workplace is filled with groupies and throwing stars, these words have nothing to do with your business.

Instead of thinking about how you can land a roomful of rock stars, think about the room instead. We're all capable of bad, average, and great work. The environment has a lot more to do with great work than most people realize.

That's not to say we're all created equal and you'll unlock star power in anyone with a rock star environment. But there's a ton of untapped potential trapped under lame policies, poor direction, and stifling bureaucracies. Cut the crap and you'll find that people are waiting to do great work. They just need to be given the chance.

This isn't about casual Fridays or bring-your-dog-to-work day. (If those are such good things, then why aren't you doing them every day of the week?)

Rockstar environments develop out of trust, autonomy, and responsibility. They're a result of giving people the privacy, workspace, and tools they deserve. Great environments show respect for the people who do the work and how they do it.



### They're not thirteen

When you treat people like children, you get children's work. Yet that's exactly how a lot of companies and managers treat their employees. Employees need to ask permission before they can do anything. They need to get approval for every tiny expenditure. It's surprising they don't have to get a hall pass to go take a shit.

When everything constantly needs approval, you create a culture of nonthinkers. You create a boss-versus-worker relationship that screams, "I don't trust you."

What do you gain if you ban employees from, say, visiting a social-networking site or watching YouTube while at work? You gain nothing. That time doesn't magically convert to work. They'll just find some other diversion.

And look, you're not going to get a full eight hours a day out of people anyway. That's a myth. They might be at the office for eight hours, but they're not actually working eight hours. People *need* diversions. It helps disrupt the monotony of the workday. A little YouTube or Facebook time never hurt anyone.

Then there's all the money and time you spend policing this stuff. How much does it cost to set up surveillance software? How much time do IT employees waste on

monitoring other employees instead of working on a project that's actually valuable? How much time do you waste writing rule books that never get read? Look at the costs and you quickly realize that failing to trust your employees is awfully expensive.



SEND PEOPLE  
**HOME**  
at **FIVE**

### **Send people home at 5**

The dream employee for a lot of companies is a twenty-something with as little of a life as possible outside of work--someone who'll be fine working fourteen-hour days and sleeping under his desk.

But packing a room full of these burn-the-midnight-oil types isn't as great as it seems. It lets you get away with lousy execution. It perpetuates myths like "This is the only way we can compete against the big guys." You don't need more hours; you need *better* hours.

When people have something to do at home, they get down to business. They get

their work done at the office because they have somewhere else to be. They find ways to be more efficient because they have to. They need to pick up the kids or get to choir practice. So they use their time wisely.

As the saying goes, "If you want something done, ask the busiest person you know." You want busy people. People who have a life outside of work. People who care about more than one thing. You shouldn't expect the job to be someone's entire life--at least not if you want to keep them around for a long time.



### **Don't scar on the first cut**

The second something goes wrong, the natural tendency is to create a policy. "Someone's wearing shorts!? We need a dress code!" No, you don't. You just need to tell John not to wear shorts again.

Policies are organizational scar tissue. They are codified overreactions to

situations that are unlikely to happen again. They are collective punishment for the misdeeds of an individual.

This is how bureaucracies are born. No one sets out to create a bureaucracy. They sneak up on companies slowly. They are created one policy--one scar--at a time.

So don't scar on the first cut. Don't create a policy because one person did something wrong once. Policies are only meant for situations that come up over and over again.



### **Sound like you**

What is it with businesspeople trying to sound big? The stiff language, the formal announcements, the artificial friendliness, the legalese, etc. You read this stuff and it sounds like a robot wrote it. These companies talk *at* you, not *to* you.

This mask of professionalism is a joke. We all know this. Yet small companies still try to emulate it. They think sounding big makes them appear bigger and more "professional." But it really just makes them sound ridiculous. Plus, you sacrifice one of a small company's greatest assets: the ability to communicate simply and directly, without running every last word through a legal-and PR-department sieve.

There's nothing wrong with sounding your own size. Being honest about who you are is smart business, too. Language is often your first impression--why start it off with a lie? Don't be afraid to be you.

That applies to the language you use everywhere--in e-mail, packaging, interviews, blog posts, presentations, etc. Talk to customers the way you would to friends. Explain things as if you were sitting next to them. Avoid jargon or any sort of corporate-speak. Stay away from buzzwords when normal words will do just fine. Don't talk about "monetization" or being "transparent;" talk about making money and being honest. Don't use seven words when four will do.

And don't force your employees to end e-mails with legalese like "This e-mail message is for the sole use of the intended recipient(s) and may contain confidential and privileged information." That's like ending all your company e-mails with a signature that says, "We don't trust you and we're ready to prove it in court." Good luck making friends that way.

Write to be read, don't write just to write. Whenever you write something, read it out loud. Does it sound the way it would if you were actually talking to someone? If not, how can you make it more conversational?

Who said writing needs to be formal? Who said you have to strip away your personality when putting words on paper? Forget rules. Communicate!

And when you're writing, don't think about all the people who may read your words. Think of one person. Then write for that one person. Writing for a mob leads to generalities and awkwardness. When you write to a specific target, you're a lot more likely to hit the mark.



### Four-letter words

There are four-letter words you should never use in business. They're not *fuck* or *shit*. They're *need*, *must*, *can't*, *easy*, *just*, *only*, and *fast*. These words get in the way of healthy communication. They are red flags that introduce animosity, torpedo good discussions, and cause projects to be late.

When you use these four-letter words, you create a black-and-white situation. But the truth is rarely black and white. So people get upset and problems ensue. Tension and conflict are injected unnecessarily.

Here's what's wrong with some of them:**Need**. Very few things actually need to get done. Instead of saying "need," you're better off saying "maybe" or "What do you think about this?" or "How does this sound?" or "Do you think we could get away with that?" **Can't**. When you say "can't," you probably can. Sometimes there are even

opposing can'ts: "We can't launch it like that, because it's not quite right" versus "We can't spend any more time on this because we have to launch." Both of those statements can't be true. Or wait a minute, can they? **Easy.** *Easy* is a word that's used to describe other people's jobs. "That should be easy for you to do, right?" But notice how rarely people describe their own tasks as easy. For you, it's "Let me look into it"--but for others, it's "Get it done."

These four-letter words often pop up during debates (and also watch out for their cousins: *everyone*, *no one*, *always*, and *never*). Once uttered, they make it tough to find a solution. They box you into a corner by pitting two absolutes against each other. That's when head-butting occurs. You squeeze out any middle ground.

And these words are especially dangerous when you string them together: "We need to add this feature now. We can't launch without this feature. Everyone wants it. It's only one little thing so it will be easy. You should be able to get it in there fast!" Only thirty-six words, but a hundred assumptions. That's a recipe for disaster.



### ASAP is poison

Stop saying ASAP. We get it. It's implied. Everyone wants things done as soon as they can be done.

When you turn into one of these people who adds ASAP to the end of every request, you're saying everything is high priority. And when everything is high priority, nothing is. (Funny how everything is a top priority until you actually have to prioritize things.)

ASAP is inflationary. It devalues any request that doesn't say ASAP. Before you know it, the only way to get anything done is by putting the ASAP sticker on it.

Most things just don't warrant that kind of hysteria. If a task doesn't get done this very instant, nobody is going to die. Nobody's going to lose their job. It won't cost the company a ton of money. What it will do is create artificial stress, which leads to burnout and worse.

So reserve your use of emergency language for true emergencies. The kind where there are direct, measurable consequences to inaction. For everything else, chill out.

## CHAPTER CONCLUSION



### **Inspiration is perishable**

We all have ideas. Ideas are immortal. They last forever.

What doesn't last forever is inspiration. Inspiration is like fresh fruit or milk: It has an expiration date.

If you want to do something, you've got to do it now. You can't put it on a shelf and wait two months to get around to it. You can't just say you'll do it later. Later, you won't be pumped up about it anymore.

If you're inspired on a Friday, swear off the weekend and dive into the project. When you're high on inspiration, you can get two weeks of work done in twenty-four hours. Inspiration is a time machine in that way.

Inspiration is a magical thing, a productivity multiplier, a motivator. But it won't wait for you. Inspiration is a now thing. If it grabs you, grab it right back and put it to work.

## **Thank you for reading our book**

We hope it inspires you to rework how you do things. If so, drop a line to [rework@37signals.com](mailto:rework@37signals.com) and let us know how it's going. We look forward to hearing from you.

## **CHAPTER RESOURCES**

### **About 37signals**

#### **37signals**

[www.37signals.com](http://www.37signals.com)

About 37signals and our products.

#### **Rework site**

[www.37signals.com/rework](http://www.37signals.com/rework)

The official book site.

#### **Signal vs. Noise**

[www.37signals.com/svn](http://www.37signals.com/svn)

Our company blog about business, design, culture, and more.

#### **37signals video**

[www.37signals.com/speaks](http://www.37signals.com/speaks)

Presentations and rants by 37signals.

#### **Subscribe to 37signals newsletters**

[www.37signals.com/subscribe](http://www.37signals.com/subscribe)

Newsletter about new products, discounts, and more (sent out roughly twice a month).

#### **Stuff we like**

[www.37signals.com/stuffwelike](http://www.37signals.com/stuffwelike)

A list of books, sites, and other things that we enjoy.

#### **E-mail**

[rework@37signals.com](mailto:rework@37signals.com)

### **37signals products**

#### **Basecamp**

[www.basecamphq.com](http://www.basecamphq.com)

Manage projects and collaborate with your team and clients.

#### **Highrise**

[www.highrisehq.com](http://www.highrisehq.com)

Track your contacts, leads, and deals. Always be prepared.

#### **Backpack**

[www.backpackit.com](http://www.backpackit.com)

Organize and share information across your business.

#### **Campfire**

[www.campfirenow.com](http://www.campfirenow.com)

Real-time chat and file and code sharing for remote teams.

### **Ta-da List**

[www.tadalist.com](http://www.tadalist.com)

Ta-da List makes it easy to create and share your to-do's.

### **Writeboard**

[www.writeboard.com](http://www.writeboard.com)

Writeboard is a collaborative writing tool.

### **Getting Real**

[gettingreal.37signals.com](http://gettingreal.37signals.com)

This book by 37signals will help you discover the smarter, faster, easier way to build a successful Web-based application.

### **Ruby on Rails**

[www.rubyonrails.org](http://www.rubyonrails.org)

An open-source Web framework created by 37signals.

### **Acknowledgments**

Very special thanks go to Matthew Linderman. Matt was 37signals' first employee in 1999--and he's still with the company today. This book wouldn't have come together without Matt. In addition to writing original content, he helped merge the distinctly different writing styles of the coauthors into a focused, cohesive book. He made it look easy, but it wasn't easy work. Thank you, Matt.

We also want to thank our families, our customers, and everyone at 37signals. And here's a list of some of the people we know, and don't know, who have inspired us in one way or another:Frank Lloyd Wright Seth Godin Warren Buffett Jamie Larson Clayton Christensen Ralph Nader Jim Coudal Benjamin Franklin Ernest Kim Jeff Bezos Scott Heiferman Antoni Gaudi Carlos Segura Larry David Steve Jobs Dean Kamen Bill Maher Thomas Jefferson Mies van der Rohe Ricardo Semler Christopher Alexander James Dyson Kent Beck Thomas Paine Gerald Weinberg Kathy Sierra Julia Child Marc Hedlund Nicholas Karavites Michael Jordan Richard Bird Jeffrey Zeldman Dieter Rams Judith Sheindlin Ron Paul Timothy Ferriss

Copyright (c) 2010 by 37signals, LLC.

All rights reserved.

Published in the United States by Crown Business of the Crown Publishing Group, a division of Random House, Inc., New York.

[www.crownpublishing.com](http://www.crownpublishing.com)

CROWN and the Crown colophon are registered trademarks of Random House, Inc.

This book is available for special discounts for bulk purchases for sales promotions or premiums. Special editions, including personalized covers, excerpts of existing books, and corporate imprints, can be created in large quantities for special needs. For more information, write to Random House, Inc.

Library of Congress Cataloging-in-Publication Data

Fried, Jason.

Rework / Jason Fried and David Hansson.--1st ed.

p. cm.

1. Industrial management. 2. 37signals--company.

I. Hansson, David Heinemeier. II. Title.

HD31.F755 2010

658.22--dc22 2009036114

eISBN: 978-0-307-46376-0

rohdesign.com

v3.0

# REWORK

*Jason Fried and  
David Heinemeier Hansson*

A stylized crown logo composed of a red circle with eight sharp, upward-pointing red spikes or points around its perimeter.

To subscribe to the free Crown Business E-Newsletter,  
e-mail: [CrownBusiness@RandomHouse.com](mailto:CrownBusiness@RandomHouse.com)

# **REWORK**

## **JASON FRIED**

### **INTRODUCTION**

FIRST The new reality

TAKEDOWNS Ignore the real world Learning from mistakes is overrated Planning is guessing Why grow? Workaholism Enough with "entrepreneurs"

GOMake a dent in the universe Scratch your own itch Start making something No time is no excuse Draw a line in the sand Mission statement impossible Outside money is Plan Z You need less than you think Start a business, not a startup Building to flip is building to flop Less mass

PROGRESS Embrace constraints Build half a product, not a half-assed product Start at the epicenter Ignore the details early on Making the call is making progress Be a curator Throw less at the problem Focus on what won't change Tone is in your fingers Sell your by-products Launch now

PRODUCTIVITY Illusions of agreement Reasons to quit Interruption is the enemy of productivity Meetings are toxic Good enough is fine Quick wins Don't be a hero Go to sleep Your estimates suck Long lists don't get done Make tiny decisions

COMPETITORS Don't copy De commoditize your product Pick a fight Underdo your competition Who cares what they're doing?

EVOLUTION Say no by default Let your customers outgrow you Don't confuse enthusiasm with priority Be at-home good Don't write it down

PROMOTION Welcome obscurity Build an audience Out-teach your competition Emulate chefs Go behind the scenes Nobody likes plastic flowers Press releases are spam Forget about the *Wall Street Journal* Drug dealers get it right Marketing is not a department The myth of the overnight sensation

HIRING Do it yourself first Hire when it hurts Pass on great people Strangers at a cocktail party Resumes are ridiculous Years of irrelevance Forget about formal education Everybody works Hire managers of one Hire great writers The best are everywhere Test-drive employees

DAMAGE CONTROL Own your bad news Speed changes everything How to say you're sorry Put everyone on the front lines Take a deep breath

CULTURE You don't create a culture Decisions are temporary Skip the rock stars They're not thirteen Send people home at 5 Don't scar on the first cut Sound like you Four-letter words ASAP is poison

### **CONCLUSION**

Inspiration is perishable

## CHAPTER INTRODUCTION

We have something new to say about building, running, and growing (or not growing) a business.

This book isn't based on academic theories. It's based on our experience. We've been in business for more than ten years. Along the way, we've seen two recessions, one burst bubble, business-model shifts, and doom-and-gloom predictions come and go--and we've remained profitable through it all.

We're an intentionally small company that makes software to help small companies and groups get things done the easy way. More than 3 million people around the world use our products.

We started out in 1999 as a three-person Web-design consulting firm. In 2004, we weren't happy with the project-management software used by the rest of the industry, so we created our own: Basecamp. When we showed the online tool to clients and colleagues, they all said the same thing: "We need this for our business too." Five years later, Basecamp generates millions of dollars a year in profits.

We now sell other online tools too. Highrise, our contact manager and simple CRM (customer relationship management) tool, is used by tens of thousands of small businesses to keep track of leads, deals, and more than 10 million contacts. More than 500,000 people have signed up for Backpack, our intranet and knowledge-sharing tool. And people have sent more than 100 million messages using Campfire, our real-time business chat tool. We also invented and open-sourced a computer-programming framework called Ruby on Rails that powers much of the Web 2.0 world.

Some people consider us an Internet company, but that makes us cringe. Internet companies are known for hiring compulsively, spending wildly, and failing spectacularly. That's not us. We're small (sixteen people as this book goes to press), frugal, and profitable.

A lot of people say we can't do what we do. They call us a fluke. They advise others to ignore our advice. Some have even called us irresponsible, reckless, and--gasp!--unprofessional.

These critics don't understand how a company can reject growth, meetings, budgets, boards of directors, advertising, salespeople, and "the real world," yet thrive. That's their problem, not ours. They say you need to sell to the Fortune 500. Screw that. We sell to the Fortune 5,000,000.

They don't think you can have employees who almost never see each other spread out across eight cities on two continents. They say you can't succeed without making financial projections and five-year plans. They're wrong.

They say you need a PR firm to make it into the pages of *Time*, *Business Week*, *Inc.*, *Fast Company*, the *New York Times*, the *Financial Times*, the *Chicago Tribune*, the

*Atlantic*, *Entrepreneur*, and *Wired*. They're wrong. They say you can't share your recipes and bare your secrets and still withstand the competition. Wrong again.

They say you can't possibly compete with the big boys without a hefty marketing and advertising budget. They say you can't succeed by building products that do less than your competition's. They say you can't make it all up as you go. But that's exactly what we've done.

They say a lot of things. We say they're wrong. We've *proved* it. And we wrote this book to show you how to prove them wrong too.

First, we'll start out by gutting business. We'll take it down to the studs and explain why it's time to throw out the traditional notions of what it takes to run a business. Then we'll rebuild it. You'll learn how to begin, why you need less than you think, when to launch, how to get the word out, whom (and when) to hire, and how to keep it all under control.

Now, let's get on with it.

## **CHAPTER FIRST**

# WORK WORK WORK **REWORK** WORK WORK WORK

## **The new reality**

This is a different kind of business book for different kinds of people--from those who have never dreamed of starting a business to those who already have a successful company up and running.

It's for hard-core entrepreneurs, the Type A go-getters of the business world. People who feel like they were born to start, lead, and conquer.

It's also for less intense small-business owners. People who may not be Type A but still have their business at the center of their lives. People who are looking for an edge that'll help them do more, work smarter, and kick ass.

It's even for people stuck in day jobs who have always dreamed about doing their own thing. Maybe they like what they do, but they don't like their boss. Or maybe they're just bored. They want to do something they love and get paid for it.

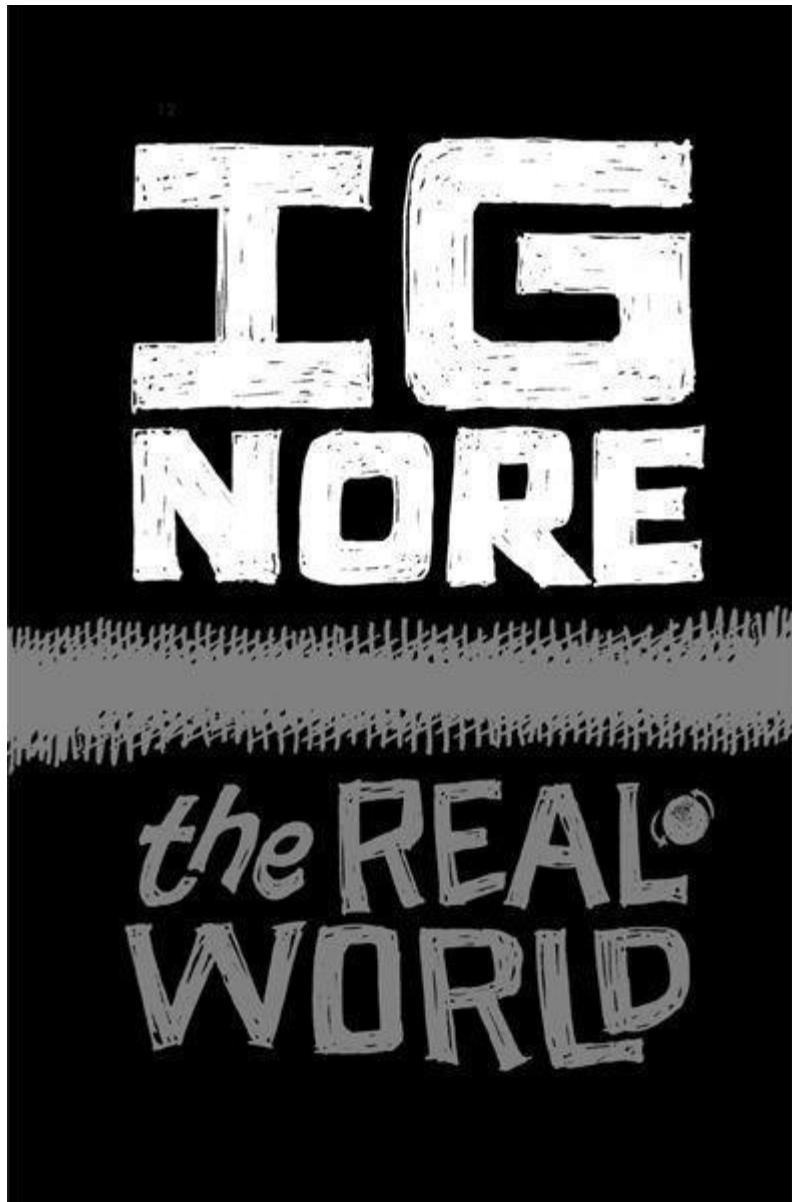
Finally, it's for all those people who've never considered going out on their own and starting a business. Maybe they don't think they're cut out for it. Maybe they don't think they have the time, money, or conviction to see it through. Maybe they're just afraid of putting themselves on the line. Or maybe they just think *business* is a dirty word. Whatever the reason, this book is for them, too.

There's a new reality. Today anyone can be in business. Tools that used to be out of reach are now easily accessible. Technology that cost thousands is now just a few bucks or even free. One person can do the job of two or three or, in some cases, an entire department. Stuff that was impossible just a few years ago is simple today.

You don't have to work miserable 60/80/100-hour weeks to make it work. 10-40 hours a week is plenty. You don't have to deplete your life savings or take on a boatload of risk. Starting a business on the side while keeping your day job can provide all the cash flow you need. You don't even need an office. Today you can work from home or collaborate with people you've never met who live thousands of miles away.

It's time to rework work. Let's get started.

## **CHAPTER TAKEDOWNS**



### **Ignore the real world**

"That would never work in the real world." You hear it all the time when you tell people about a fresh idea.

This real world sounds like an awfully depressing place to live. It's a place where new ideas, unfamiliar approaches, and foreign concepts *always* lose. The only things that win are what people already know and do, even if those things are flawed and inefficient.

Scratch the surface and you'll find these "real world" inhabitants are filled with pessimism and despair. They expect fresh concepts to fail. They assume society isn't ready for or capable of change.

Even worse, they want to drag others down into their tomb. If you're hopeful and ambitious, they'll try to convince you your ideas are impossible. They'll say you're wasting your time.

Don't believe them. That world may be real for them, but it doesn't mean you have to live in it.

We know because our company fails the real-world test in all kinds of ways. In the real world, you can't have more than a dozen employees spread out in eight different cities on two continents. In the real world, you can't attract millions of customers without any salespeople or advertising. In the real world, you can't reveal your formula for success to the rest of the world. But we've done all those things and prospered.

The real world isn't a place, it's an excuse. It's a justification for not trying. It has nothing to do with you.



**FAILURE  
IS NOT  
A RITE of PASSAGE**

#### **Learning from mistakes is overrated**

In the business world, failure has become an expected rite of passage. You hear all the time how nine out of ten new businesses fail. You hear that your business's

chances are slim to none. You hear that failure builds character. People advise, "Fail early and fail often."

With so much failure in the air, you can't help but breathe it in. Don't inhale. Don't get fooled by the stats. Other people's failures are just that: *other* people's failures.

If other people can't market their product, it has nothing to do with you. If other people can't build a team, it has nothing to do with you. If other people can't price their services properly, it has nothing to do with you. If other people can't earn more than they spend ... well, you get it.

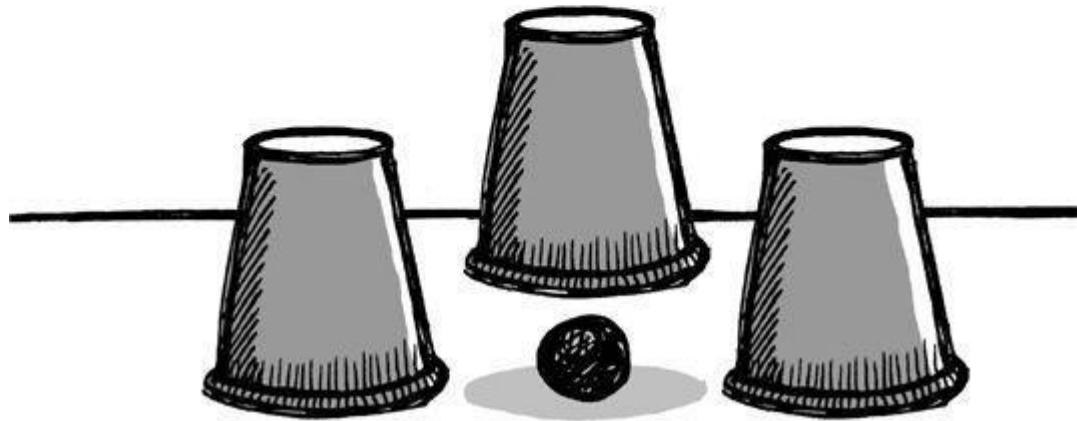
Another common misconception: You need to learn from your mistakes. What do you really learn from mistakes? You might learn what *not* to do again, but how valuable is that? You still don't know what you *should* do next.

Contrast that with learning from your successes. Success gives you real ammunition. When something succeeds, you know what worked--and you can do it again. And the next time, you'll probably do it even better.

Failure is not a prerequisite for success. A Harvard Business School study found already-successful entrepreneurs are far more likely to succeed again (the success rate for their future companies is 34 percent). But entrepreneurs whose companies failed the first time had almost the same follow-on success rate as people starting a company for the first time: just 23 percent. People who failed before have the same amount of success as people who have never tried at all.\* Success is the experience that actually counts.

That shouldn't be a surprise: It's exactly how nature works. Evolution doesn't linger on past failures, it's always building upon what worked. So should you.

# PLANNING IS GUESSING



**Planning is guessing**

Unless you're a fortune-teller, long-term business planning is a fantasy. There are just too many factors that are out of your hands: market conditions, competitors, customers, the economy, etc. Writing a plan makes you feel in control of things you can't actually control.

Why don't we just call plans what they really are: guesses. Start referring to your business plans as business guesses, your financial plans as financial guesses, and your strategic plans as strategic guesses. Now you can stop worrying about them as much. They just aren't worth the stress.

When you turn guesses into plans, you enter a danger zone. Plans let the past drive the future. They put blinders on you. "This is where we're going because, well, that's where we said we were going." And that's the problem: Plans are inconsistent with improvisation.

And you have to be able to improvise. You have to be able to pick up opportunities that come along. Sometimes you need to say, "We're going in a new direction because that's what makes sense *today*."

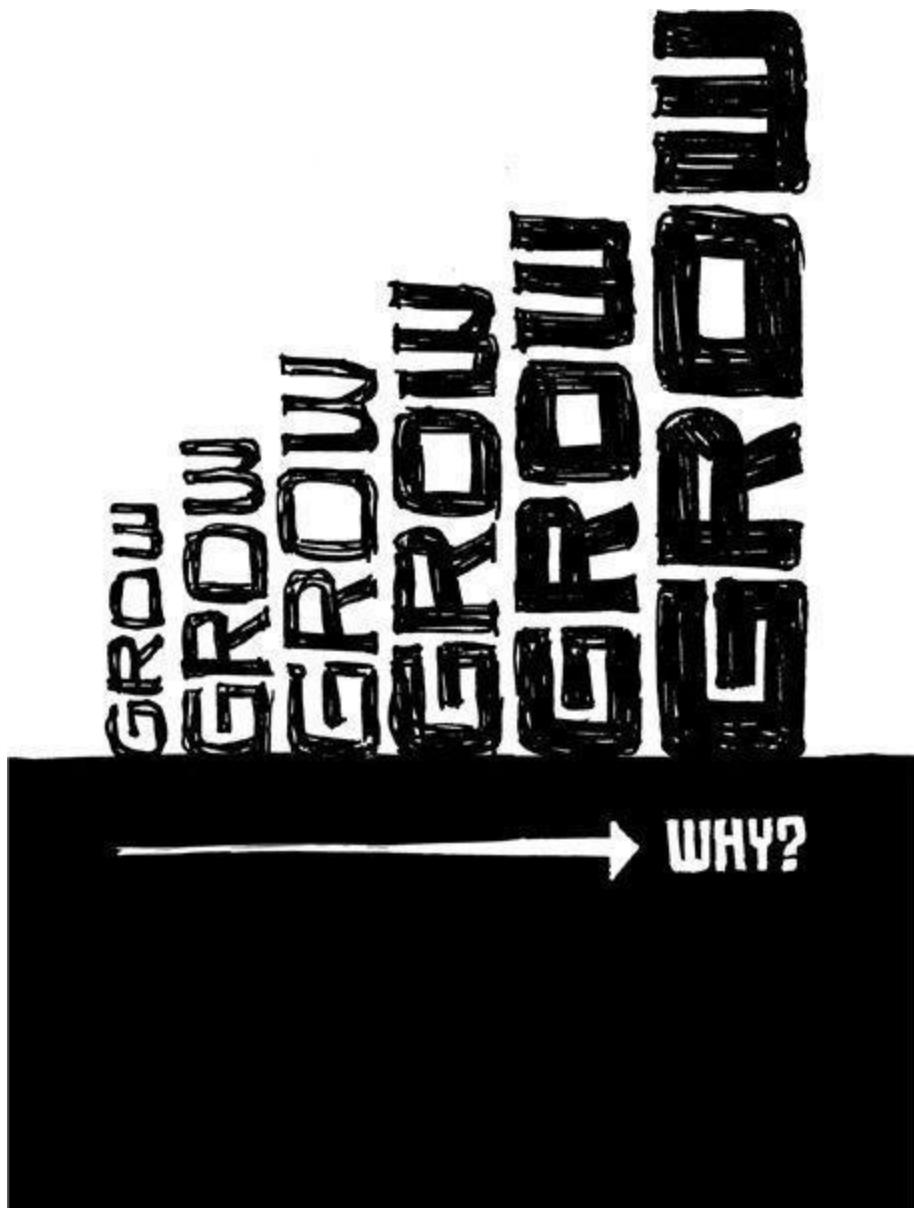
The timing of long-range plans is screwed up too. You have the most information when you're doing something, not *before* you've done it. Yet when do you write a plan? Usually it's before you've even begun. That's the worst time to make a big decision.

Now this isn't to say you shouldn't think about the future or contemplate how you might attack upcoming obstacles. That's a worthwhile exercise. Just don't feel you need to write it down or obsess about it. If you write a big plan, you'll most likely never look at it anyway. Plans more than a few pages long just wind up as fossils in your file cabinet.

Give up on the guesswork. Decide what you're going to do this week, not this year. Figure out the next most important thing and do that. Make decisions right before you do something, not far in advance.

It's OK to wing it. Just get on the plane and go. You can pick up a nicer shirt, shaving cream, and a toothbrush once you get there.

Working without a plan may seem scary. But blindly following a plan that has no relationship with reality is even scarier.



### Why grow?

People ask, "How big is your company?" It's small talk, but they're not looking for a small answer. The bigger the number, the more impressive, professional, and powerful you sound. "Wow, nice!" they'll say if you have a hundred-plus employees. If you're small, you'll get an "*Oh ...* that's nice." The former is meant as a compliment; the latter is said just to be polite.

Why is that? What is it about growth and business? Why is expansion always the goal? What's the attraction of big besides ego? (You'll need a better answer than "economies of scale.") What's wrong with finding the right size and staying there?

Do we look at Harvard or Oxford and say, "If they'd only expand and branch out and hire thousands more professors and go global and open other campuses all over the world ... *then* they'd be great schools." Of course not. That's not how we measure the

value of these institutions. So why is it the way we measure businesses?

Maybe the right size for your company is five people. Maybe it's forty. Maybe it's two hundred. Or maybe it's just you and a laptop. Don't make assumptions about how big you should be ahead of time. Grow slow and see what feels right--premature hiring is the death of many companies. And avoid huge growth spurts too--they can cause you to skip right over your appropriate size.

Small is not just a stepping-stone. Small is a great destination in itself.

Have you ever noticed that while small businesses wish they were bigger, big businesses dream about being more agile and flexible? And remember, once you get big, it's really hard to shrink without firing people, damaging morale, and changing the entire way you do business.

Ramping up doesn't have to be your goal. And we're not talking just about the number of employees you have either. It's also true for expenses, rent, IT infrastructure, furniture, etc. These things don't just happen to you. You decide whether or not to take them on. And if you do take them on, you'll be taking on new headaches, too. Lock in lots of expenses and you force yourself into building a complex business--one that's a lot more difficult and stressful to run.

Don't be insecure about aiming to be a small business. Anyone who runs a business that's sustainable and profitable, whether it's big or small, should be proud.



### **Workaholism**

Our culture celebrates the idea of the workaholic. We hear about people burning the midnight oil. They pull all-nighters and sleep at the office. It's considered a badge of honor to kill yourself over a project. No amount of work is too much work.

Not only is this workaholism unnecessary, it's stupid. Working more doesn't mean you care more or get more done. It just means you work more.

Workaholics wind up creating more problems than they solve. First off, working like that just isn't sustainable over time. When the burnout crash comes--and it will--it'll hit that much harder.

Workaholics miss the point, too. They try to fix problems by throwing sheer hours at them. They try to make up for intellectual laziness with brute force. This results in inelegant solutions.

They even create crises. They don't look for ways to be more efficient because they actually *like* working overtime. They enjoy feeling like heroes. They create problems (often unwittingly) just so they can get off on working more.

Workaholics make the people who don't stay late feel inadequate for "merely" working reasonable hours. That leads to guilt and poor morale all around. Plus, it leads to an ass-in-seat mentality--people stay late out of obligation, even if they aren't really being productive.

If all you do is work, you're unlikely to have sound judgments. Your values and decision making wind up skewed. You stop being able to decide what's worth extra effort and what's not. And you wind up just plain tired. No one makes sharp decisions when tired.

In the end, workaholics don't actually accomplish more than nonworkaholics. They may claim to be perfectionists, but that just means they're wasting time fixating on inconsequential details instead of moving on to the next task.

Workaholics aren't heroes. They don't save the day, they just use it up. The real hero is already home because she figured out a faster way to get things done.

BE  
a



## STARTER!

### Enough with "entrepreneurs"

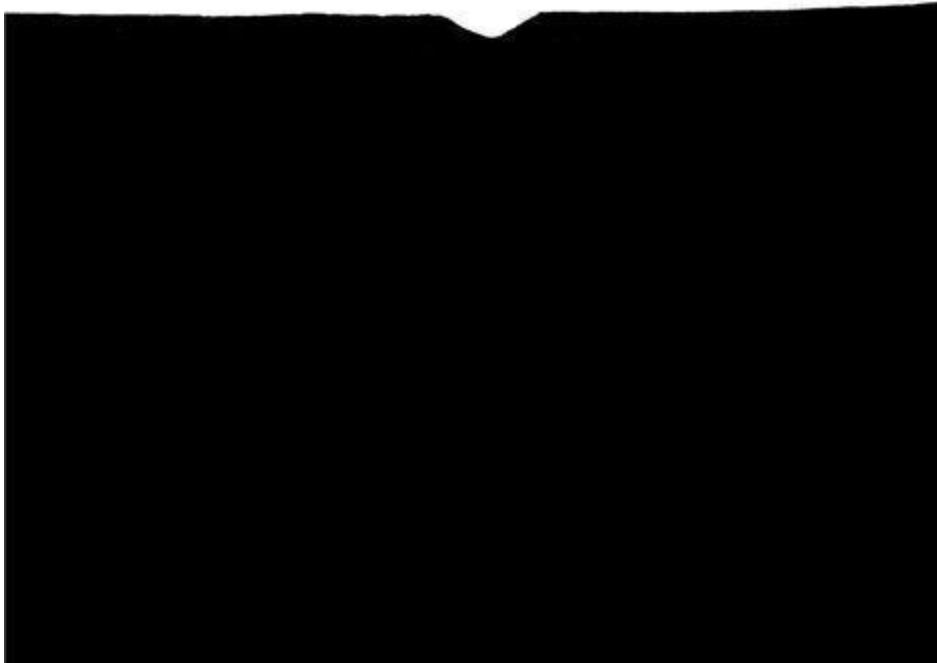
Let's retire the term *entrepreneur*. It's outdated and loaded with baggage. It smells like a members-only club. Everyone should be encouraged to start his own business, not just some rare breed that self-identifies as entrepreneurs.

There's a new group of people out there starting businesses. They're turning profits yet never think of themselves as entrepreneurs. A lot of them don't even think of themselves as business owners. They are just doing what they love on their own terms and getting paid for it.

So let's replace the fancy-sounding word with something a bit more down-to-earth. Instead of entrepreneurs, let's just call them starters. Anyone who creates a new business is a starter. You don't need an MBA, a certificate, a fancy suit, a briefcase, or an above-average tolerance for risk. You just need an idea, a touch of confidence, and a push to get started.\*Leslie Berlin, "Try, Try Again, or Maybe Not," *New York Times*, Mar. 21,

2009.

CHAPTER  
GO



**Make a dent in the universe**

To do great work, you need to feel that you're making a difference. That you're putting a meaningful dent in the universe. That you're part of something important.

This doesn't mean you need to find the cure for cancer. It's just that your efforts need to feel valuable. You want your customers to say, "This makes my life better." You want to feel that if you stopped doing what you do, people would notice.

You should feel an urgency about this too. You don't have forever. This is your

life's work. Do you want to build just another me-too product or do you want to shake things up? What you do is your legacy. Don't sit around and wait for someone else to make the change you want to see. And don't think it takes a huge team to make that difference either.

Look at Craigslist, which demolished the traditional classified-ad business. With just a few dozen employees, the company generates tens of millions in revenue, has one of the most popular sites on the Internet, and disrupted the entire newspaper business.

The Drudge Report, run by Matt Drudge, is just one simple page on the Web run by one guy. Yet it's had a huge impact on the news industry--television producers, radio talk show hosts and newspaper reporters routinely view it as the go-to place for new stories.\*

If you're going to do something, do something that matters. These little guys came out of nowhere and destroyed old models that had been around for decades. You can do the same in your industry.



SCRATCH  
YOUR OWN  
ITCH

## **Scratch your own itch**

The easiest, most straightforward way to create a great product or service is to make something *you* want to use. That lets you design what you know--and you'll figure out immediately whether or not what you're making is any good.

At 37signals, we build products we need to run our own business. For example, we wanted a way to keep track of whom we talked to, what we said, and when we need to follow up next. So we created Highrise, our contact-management software. There was no need for focus groups, market studies, or middlemen. We had the itch, so we scratched it.

When you build a product or service, you make the call on hundreds of tiny decisions each day. If you're solving someone else's problem, you're constantly stabbing in the dark. When you solve your own problem, the light comes on. You know exactly what the right answer is.

Inventor James Dyson scratched his own itch. While vacuuming his home, he realized his bag vacuum cleaner was constantly losing suction power--dust kept clogging the pores in the bag and blocking the airflow. It wasn't someone else's *imaginary* problem; it was a real one that he experienced firsthand. So he decided to solve the problem and came up with the world's first cyclonic, bagless vacuum cleaner.\*

Vic Firth came up with the idea of making a better drumstick while playing timpani for the Boston Symphony Orchestra. The sticks he could buy commercially didn't measure up to the job, so he began making and selling drumsticks from his basement at home. Then one day he dropped a bunch of sticks on the floor and heard all the different pitches. That's when he began to match up sticks by moisture content, weight, density, and pitch so they were identical pairs. The result became his product's tag line: "the perfect pair." Today, Vic Firth's factory turns out more than 85,000 drumsticks a day and has a 62 percent share in the drumstick market.+

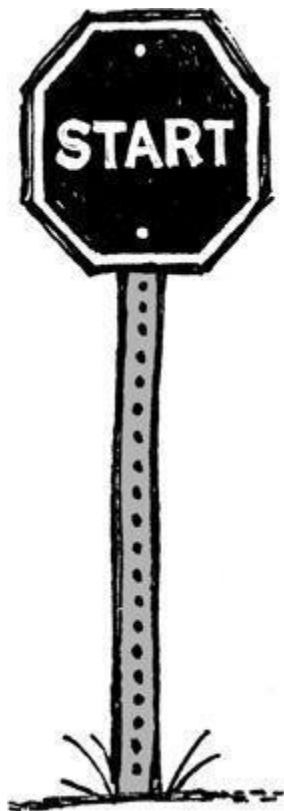
Track coach Bill Bowerman decided that his team needed better, lighter running shoes. So he went out to his workshop and poured rubber into the family waffle iron. That's how Nike's famous waffle sole was born.++

These people scratched their own itch and exposed a huge market of people who needed exactly what they needed. That's how you should do it too.

When you build what *you* need, you can also assess the quality of what you make quickly and directly, instead of by proxy.

Mary Kay Wagner, founder of Mary Kay Cosmetics, knew her skin-care products were great because she used them herself. She got them from a local cosmetologist who sold homemade formulas to patients, relatives, and friends. When the cosmetologist passed away, Wagner bought the formulas from the family. She didn't need focus groups or studies to know the products were good. She just had to look at her own skin.\*

Best of all, this "solve your own problem" approach lets you fall in love with what you're making. You know the problem and the value of its solution intimately. There's no substitute for that. After all, you'll (hopefully) be working on this for years to come. Maybe even the rest of your life. It better be something you really care about.



### **Start making something**

We all have that one friend who says, "I had the idea for eBay. If only I had acted on it, I'd be a billionaire!" That logic is pathetic and delusional. Having the idea for eBay has nothing to do with actually creating eBay. What you *do* is what matters, not what you think or say or plan.

Think your idea's that valuable? Then go try to sell it and see what you get for it. *Not much* is probably the answer. Until you actually start making something, your brilliant idea is just that, an idea. And everyone's got one of those.

Stanley Kubrick gave this advice to aspiring filmmakers: "Get hold of a camera and some film and make a movie of any kind at all."\* Kubrick knew that when you're new at something, you need to start creating. The most important thing is to begin. So get a camera, hit Record, and start shooting.

Ideas are cheap and plentiful. The original pitch idea is such a small part of a business that it's almost negligible. The real question is how well you execute.



### No time is no excuse

The most common excuse people give: "There's not enough time." They claim they'd love to start a company, learn an instrument, market an invention, write a book, or whatever, but there just aren't enough hours in the day.

Come on. There's always enough time if you spend it right. And don't think you have to quit your day job, either. Hang onto it and start work on your project at night.

Instead of watching TV or playing World of Warcraft, work on your idea. Instead of going to bed at ten, go to bed at eleven. We're not talking about all-nighters or sixteen-hour days--we're talking about squeezing out a few extra hours a week. That's enough time to get something going.

Once you do that, you'll learn whether your excitement and interest is real or just a passing phase. If it doesn't pan out, you just keep going to work every day like you've been doing all along. You didn't risk or lose anything, other than a bit of time, so it's no big deal.

When you want something bad enough, you make the time--regardless of your other obligations. The truth is most people just don't want it bad enough. Then they protect their ego with the excuse of time. Don't let yourself off the hook with excuses. It's entirely your responsibility to make your dreams come true.

Besides, the *perfect* time never arrives. You're always too young or old or busy or broke or something else. If you constantly fret about timing things perfectly, they'll never happen.



### **Draw a line in the sand**

As you get going, keep in mind *why* you're doing what you're doing. Great businesses have a point of view, not just a product or service. You have to believe in something. You need to have a backbone. You need to know what you're willing to fight for. And then you need to show the world.

A strong stand is how you attract superfans. They point to you and defend you. And they spread the word further, wider, and more passionately than any advertising could.

Strong opinions aren't free. You'll turn some people off. They'll accuse you of being arrogant and aloof. That's life. For everyone who loves you, there will be others who hate you. If no one's upset by what you're saying, you're probably not pushing hard enough. (And you're probably boring, too.)

Lots of people hate us because our products do less than the competition's. They're insulted when we refuse to include their pet feature. But we're just as proud of what our products don't do as we are of what they do.

We design them to be simple because we believe most software is too complex: too many features, too many buttons, too much confusion. So we build software that's the opposite of that. If what we make isn't right for everyone, that's OK. We're willing to lose some customers if it means that others love our products intensely. That's our line in the sand.

When you don't know what you believe, everything becomes an argument. Everything is debatable. But when you stand for something, decisions are obvious.

For example, Whole Foods stands for selling the highest quality natural and organic products available. They don't waste time deciding over and over again what's appropriate. No one asks, "Should we sell this product that has artificial flavors?" There's no debate. The answer is clear. That's why you can't buy a Coke or a Snickers there.

This belief means the food is more expensive at Whole Foods. Some haters even call it Whole Paycheck and make fun of those who shop there. But so what? Whole Foods is doing pretty damn well.

Another example is Vinnie's Sub Shop, just down the street from our office in Chicago. They put this homemade basil oil on subs that's just perfect. You better show up on time, though. Ask when they close and the woman behind the counter will respond, "We close when the bread runs out."

Really? "Yeah. We get our bread from the bakery down the street early in the morning, when it's the freshest. Once we run out (usually around two or three p.m.), we close up shop. We could get more bread later in the day, but it's not as good as the fresh-baked bread in the morning. There's no point in selling a few more sandwiches if the bread isn't good. A few bucks isn't going to make up for selling food we can't be proud of."

Wouldn't you rather eat at a place like that instead of some generic sandwich chain?



**LIVE IT  
OR LEAVE IT!**



### **Mission statement impossible**

There's a world of difference between truly standing for something and having a mission statement that *says* you stand for something. You know, those "providing the best service" signs that are created just to be posted on a wall. The ones that sound phony and disconnected from reality.

Imagine you're standing in a rental-car office. The room's cold. The carpet is dirty. There's no one at the counter. And then you see a tattered piece of paper with some clip art at the top of it pinned to a bulletin board. It's a mission statement: Our mission is to fulfill the automotive and commercial truck rental, leasing, car sales and related needs of our customers and, in doing so, exceed their expectations for service, quality and value. We will strive to earn our customers' long-term loyalty by working to deliver more than promised, being honest and fair and "going the extra mile" to provide exceptional

personalized service that creates a pleasing business experience. We must motivate our employees to provide exceptional service to our customers by supporting their development, providing opportunities for personal growth and fairly compensating them for their successes and achievements ... \*

And it drones on. And you're sitting there reading this crap and wondering, "What kind of idiot do they take me for?" The words on the paper are clearly disconnected from the reality of the experience.

It's like when you're on hold and a recorded voice comes on telling you how much the company values you as a customer. Really? Then maybe you should hire some more support people so I don't have to wait thirty minutes to get help.

Or just say nothing. But don't give me an automated voice that's telling me how much you care about me. It's a robot. I know the difference between genuine affection and a robot that's programmed to say nice things.

Standing for something isn't just about writing it down. It's about believing it and living it.



### Outside money is Plan Z

One of the first questions you'll probably ask: Where's the seed money going to come from? Far too often, people think the answer is to raise money from outsiders. If you're building something like a factory or restaurant, then you may indeed need that outside cash. But a lot of companies don't need expensive infrastructure--especially these days.

We're in a service economy now. Service businesses (e.g., consultants, software companies, wedding planners, graphic designers, and hundreds of others) don't require much to get going. If you're running a business like that, avoid outside funding.

In fact, no matter what kind of business you're starting, take on as little outside cash as you can. Spending other people's money may sound great, but there's a noose attached. Here's why: **You give up control.** When you turn to outsiders for funding, you

have to answer to them too. That's fine at first, when everyone agrees. But what happens down the road? Are you starting your own business to take orders from someone else? Raise money and that's what you'll wind up doing. **"Cashing out" begins to trump building a quality business.** Investors want their money back--and quickly (usually three to five years). Long-term sustainability goes out the window when those involved only want to cash out as soon as they can. **Spending other people's money is addictive.** There's nothing easier than spending other people's money. But then you run out and need to go back for more. And every time you go back, they take more of your company. **It's usually a bad deal.** When you're just beginning, you have no leverage. That's a terrible time to enter into any financial transaction. **Customers move down the totem pole.** You wind up building what *investors* want instead of what *customers* want. **Raising money is incredibly distracting.** Seeking funding is difficult and draining. It takes months of pitch meetings, legal maneuvering, contracts, etc. That's an enormous distraction when you should really be focused on building something great.

It's just not worth it. We hear over and over from business owners who have gone down this road and regret it. They usually give a variation on the investment-hangover story: First, you get that quick investment buzz. But then you start having meetings with your investors and/or board of directors, and you're like, "Oh man, what have I gotten myself into?" Now someone else is calling the shots.

Before you stick your head in that noose, look for another way.



**—DO YOU—  
REALLY  
NEED?**

**You need less than you think**

Do you really need ten people or will two or three do for now?

Do you really need \$500,000 or is \$50,000 (or \$5,000) enough for now?

Do you really need six months or can you make something in two?

Do you really need a big office or can you share office space (or work from home) for a while?

Do you really need a warehouse or can you rent a small storage space (or use your garage or basement) or outsource it completely?

Do you really need to buy advertising and hire a PR firm or are there other ways to get noticed?

Do you really need to build a factory or can you hire someone else to manufacture your products?

Do you really need an accountant or can you use Quicken and do it yourself?  
Do you really need an IT department or can you outsource it?  
Do you really need a full-time support person or can you handle inquiries on your own?

Do you really need to open a retail store or can you sell your product online?  
Do you really need fancy business cards, letterhead, and brochures or can you forego that stuff?

You get the point. Maybe eventually you'll need to go the bigger, more expensive route, but not right now.

There's nothing wrong with being frugal. When we launched our first product, we did it on the cheap. We didn't get our own office; we shared space with another company. We didn't get a bank of servers; we had only one. We didn't advertise; we promoted by sharing our experiences online. We didn't hire someone to answer customer e-mails; the company founder answered them himself. And everything worked out just fine.

Great companies start in garages all the time. Yours can too.



### **Start a business, not a startup**

Ah, the startup. It's a special breed of company that gets a lot of attention (especially in the tech world).

The start up is a magical place. It's a place where expenses are someone else's problem. It's a place where that pesky thing called revenue is never an issue. It's a place where you can spend other people's money until you figure out a way to make your own. It's a place where the laws of business physics don't apply.

The problem with this magical place is it's a fairy tale. The truth is every business, new or old, is governed by the same set of market forces and economic rules. Revenue in, expenses out. Turn a profit or wind up gone.

Startups try to ignore this reality. They are run by people trying to postpone the inevitable, i.e., that moment when their business has to grow up, turn a profit, and be a

real, sustainable business.

Anyone who takes a "we'll figure out how to profit in the future" attitude to business is being ridiculous. That's like building a rocket ship but starting off by saying, "Let's pretend gravity doesn't exist." *A business without a path to profit isn't a business, it's a hobby.*

So don't use the idea of a startup as a crutch. Instead, start an actual business. Actual businesses have to deal with actual things like bills and payroll. Actual businesses worry about profit from day one. Actual businesses don't mask deep problems by saying, "It's OK, we're a startup." Act like an actual business and you'll have a much better shot at succeeding.



### **Building to flip is building to flop**

Another thing you hear a lot: "What's your exit strategy?" You hear it even when you're just beginning. What is it with people who can't even start building something without knowing how they're going to leave it? What's the hurry? Your priorities are out of whack if you're thinking about getting out before you even dive in.

Would you go into a relationship planning the breakup? Would you write the prenup on a first date? Would you meet with a divorce lawyer the morning of your wedding? That would be ridiculous, right?

You need a commitment strategy, not an exit strategy. You should be thinking about how to make your project grow and succeed, not how you're going to jump ship. If your whole strategy is based on leaving, chances are you won't get far in the first place.

You see so many aspiring businesspeople pinning their hopes on selling out. But the odds of getting acquired are so tiny. There's only a slim chance that some big suitor will come along and make it all worthwhile. Maybe 1 in 1,000? Or 1 in 10,000?

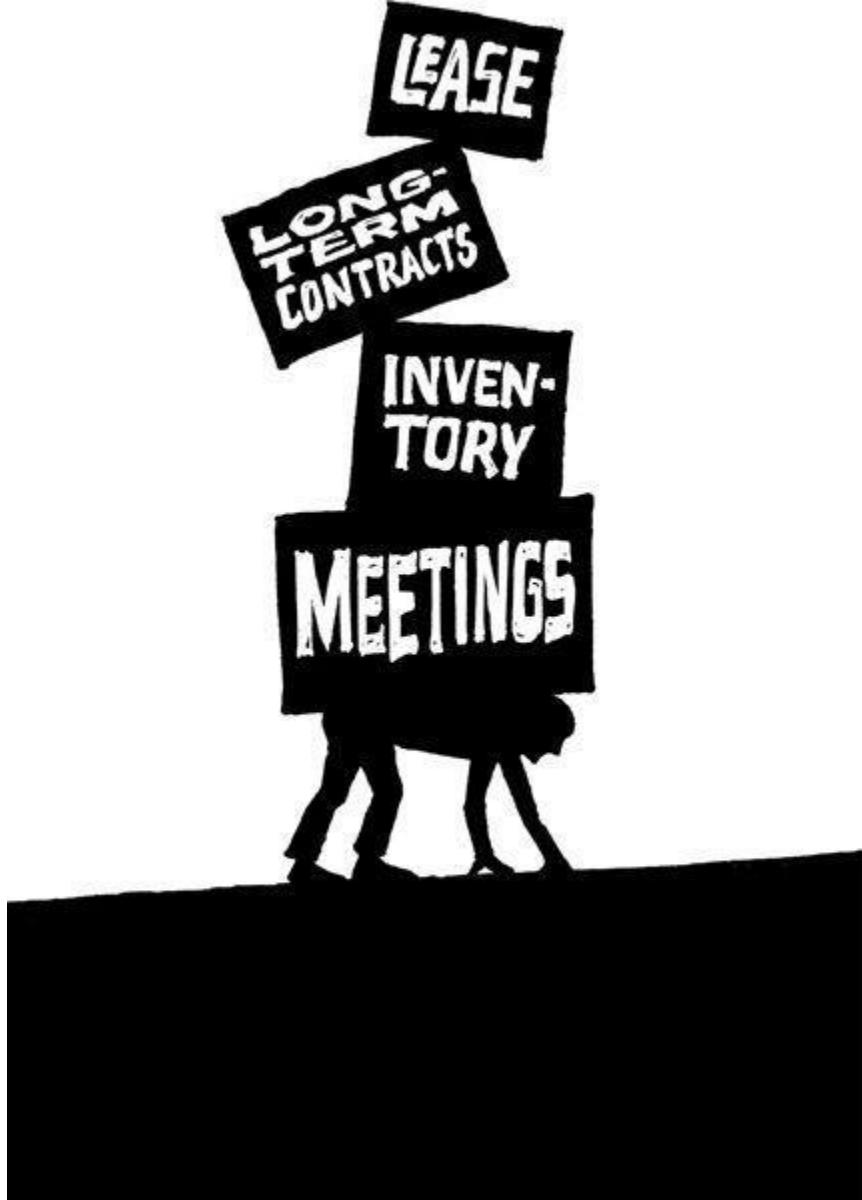
Plus, when you build a company with the intention of being acquired, you emphasize the wrong things. Instead of focusing on getting customers to love you, you

worry about who's going to buy you. That's the wrong thing to obsess over.

And let's say you ignore this advice and do pull off a flip. You build your business, sell it, and get a nice payday. Then what? Move to an island and sip pina coladas all day? Will that really satisfy you? Will money alone truly make you happy? Are you sure you'll like that more than running a business you actually enjoy and believe in?

That's why you often hear about business owners who sell out, retire for six months, and then get back in the game. They miss the thing they gave away. And usually, they're back with a business that isn't nearly as good as their first.

Don't be that guy. If you do manage to get a good thing going, keep it going. Good things don't come around that often. Don't let your business be the one that got away.



### **Less mass**

Embrace the idea of having less mass. Right now, you're the smallest, the leanest, and the fastest you'll ever be. From here on out, you'll start accumulating mass. And the more massive an object, the more energy required to change its direction. It's as true in the business world as it is in the physical world. Mass is increased by ...

- Long-term contracts
- Excess staff
- Permanent decisions
- Meetings
- Thick process
- Inventory (physical or mental)
- Hardware, software, and technology lock-ins
- Long-term road maps
- Office politics

Avoid these things whenever you can. That way, you'll be able to change direction easily. The more expensive it is to make a change, the less likely you are to make it.

Huge organizations can take years to pivot. They talk instead of act. They meet instead of do. But if you keep your mass low, you can quickly change anything: your entire business model, product, feature set, and/or marketing message. You can make mistakes and fix them quickly. You can change your priorities, product mix, or focus. And most important, you can change your mind.\*Jim Rutenberg, "Clinton Finds Way to Play Along with Drudge," *New York Times*, Oct. 22, 2007. \*\*"Fascinating Facts About James Dyson, Inventor of the Dyson Vacuum Cleaner in 1978," [www.ideafinder.com/history/inventors/dyson.htm](http://www.ideafinder.com/history/inventors/dyson.htm)+Russ Mitchell, "The Beat Goes On," CBS News, *Sunday Morning*, Mar. 29, 2009, [www.tinyurl.com/cd8gjq++](http://www.tinyurl.com/cd8gjq++)Eric Ransdell, "The Nike Story? Just Tell It!" *Fast Company*, Dec. 19, 2007, [www.fastcompany.com/magazine/31/nike.html](http://www.fastcompany.com/magazine/31/nike.html)\*"Mary Kay Ash: Mary Kay Cosmetics," *Journal of Business Leadership* 1, no. 1 (Spring 1988); American National Business Hall of Fame, [www.anbhf.org/laureates/mkash.html](http://www.anbhf.org/laureates/mkash.html)\*"Stanley Kubrick--Biography," IMDB, [www.imdb.com/name/nm00004o/bio](http://www.imdb.com/name/nm00004o/bio)\*Mission, Enterprise Rent-a-Car, [http://aboutus.enterprise.com/who\\_we\\_are/mission.html](http://aboutus.enterprise.com/who_we_are/mission.html)

## **CHAPTER PROGRESS**



## **Embrace constraints**

"I don't have enough time/money/people/experience." Stop whining. Less is a good thing. Constraints are advantages in disguise. Limited resources force you to make do with what you've got. There's no room for waste. And that forces you to be creative.

Ever seen the weapons prisoners make out of soap or a spoon? They make do with what they've got. Now we're not saying you should go out and shank somebody--but get creative and you'll be amazed at what you can make with just a little.

Writers use constraints to force creativity all the time. Shakespeare reveled in the limitations of sonnets (fourteen-line lyric poems in iambic pentameter with a specific rhyme scheme). Haiku and limericks also have strict rules that lead to creative results. Writers like Ernest Hemingway and Raymond Carver found that forcing themselves to use simple, clear language helped them deliver maximum impact.

*The Price Is Right*, the longest-running game show in history, is also a great example of creativity born from embracing constraints. The show has more than a hundred games, and each one is based on the question "How much does this item cost?" That simple formula has attracted fans for more than thirty years.

Southwest--unlike most other airlines, which fly multiple aircraft models--flies only Boeing 737s. As a result, every Southwest pilot, flight attendant, and ground-crew member can work any flight. Plus, all of Southwest's parts fit all of its planes. All that means lower costs and a business that's easier to run. They made it easy on themselves.

When we were building Basecamp, we had plenty of limitations. We had a design firm to run with existing client work, a seven-hour time difference between principals (David was doing the programming in Denmark, the rest of us were in the States), a small team, and no outside funding. These constraints forced us to keep the product simple.

These days, we have more resources and people, but we still force constraints. We make sure to have only one or two people working on a product at a time. And we always keep features to a minimum. Boxing ourselves in this way prevents us from creating bloated products.

So before you sing the "not enough" blues, see how far you can get with what you have.

YOU'RE BETTER OFF  
— *with a* —  
**KICK-ASS  
HALF**

— *than a* —  
**HALF-ASSED  
WHOLE**

**Build half a product, not a half-assed product**

You can turn a bunch of great ideas into a crappy product real fast by trying to do them all at once. You just can't do *everything* you want to do and do it well. You have limited time, resources, ability, and focus. It's hard enough to do one thing right. Trying to do ten things well at the same time? Forget about it.

So sacrifice some of your darlings for the greater good. Cut your ambition in half. You're better off with a kick-ass half than a half-assed whole.

Most of your great ideas won't seem all that great once you get some perspective, anyway. And if they truly are that fantastic, you can always do them later.

Lots of things get better as they get shorter. Directors cut good scenes to make a great movie. Musicians drop good tracks to make a great album. Writers eliminate good pages to make a great book. We cut this book in half between the next-to-last and final

drafts. From 57,000 words to about 27,000 words. Trust us, it's better for it.

So start chopping. Getting to great starts by cutting out stuff that's merely good.



### Start at the epicenter

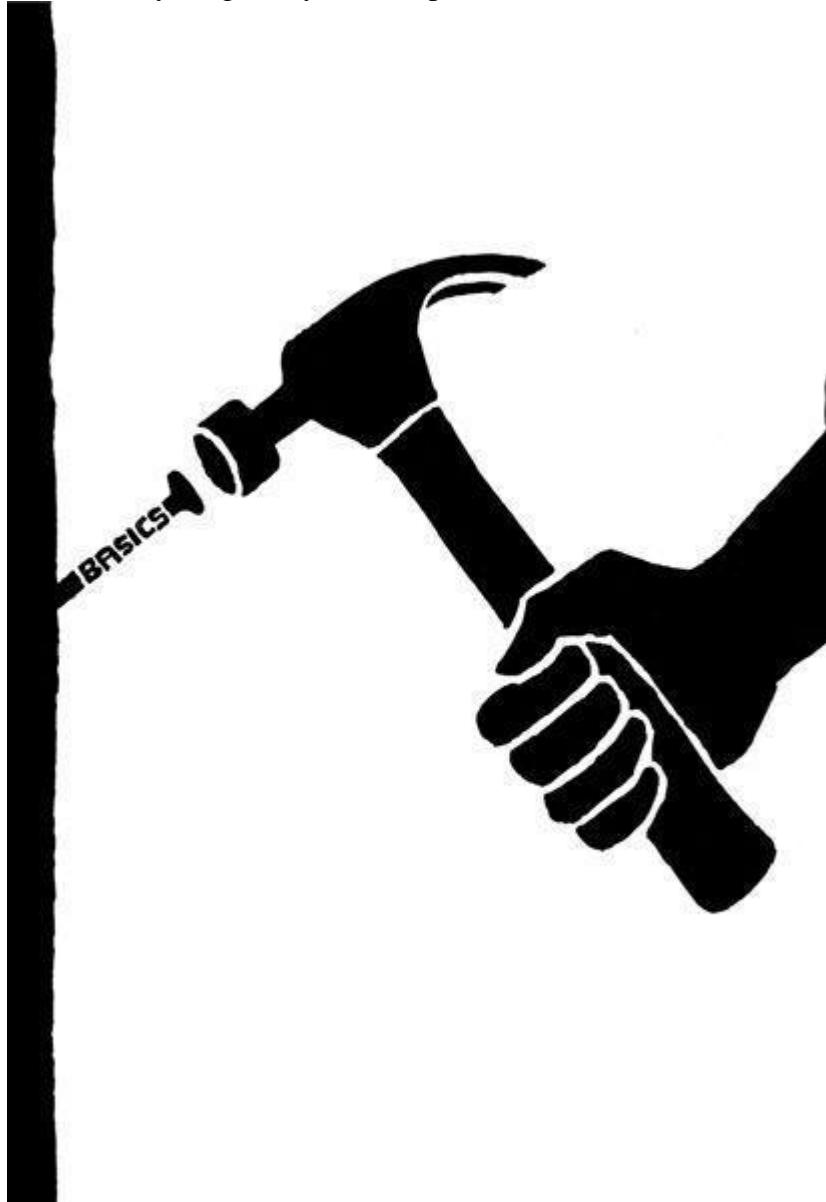
When you start anything new, there are forces pulling you in a variety of directions. There's the stuff you *could* do, the stuff you *want* to do, and the stuff you *have* to do. The stuff you *have* to do is where you should begin. Start at the epicenter.

For example, if you're opening a hot dog stand, you could worry about the condiments, the cart, the name, the decoration. But the first thing you should worry about is the hot dog. The hot dogs are the epicenter. Everything else is secondary.

The way to find the epicenter is to ask yourself this question: "If I took this away, would what I'm selling still exist?" A hot dog stand isn't a hot dog stand without the hot dogs. You can take away the onions, the relish, the mustard, etc. Some people may not

like your toppings-less dogs, but you'd still have a hot dog stand. But you simply cannot have a hot dog stand without any hot dogs.

So figure out your epicenter. Which part of your equation can't be removed? If you can continue to get by without this thing or that thing, then those things aren't the epicenter. When you find it, you'll know. Then focus all your energy on making it the best it can be. Everything else you do depends on that foundation.



### **Ignore the details early on**

Architects don't worry about which tiles go in the shower or which brand of dishwasher to install in the kitchen until *after* the floor plan is finalized. They know it's better to decide these details later.

You need to approach your idea the same way. Details make the difference. But getting infatuated with details too early leads to disagreement, meetings, and delays. You

get lost in things that don't really matter. You waste time on decisions that are going to change anyway. So ignore the details--for a while. Nail the basics first and worry about the specifics later.

When we start designing something, we sketch out ideas with a big, thick Sharpie marker, instead of a ballpoint pen. Why? Pen points are too fine. They're too high-resolution. They encourage you to worry about things that you shouldn't worry about yet, like perfecting the shading or whether to use a dotted or dashed line. You end up focusing on things that should still be out of focus.

A Sharpie makes it impossible to drill down that deep. You can only draw shapes, lines, and boxes. That's good. The big picture is all you should be worrying about in the beginning.

Walt Stanchfield, famed drawing instructor for Walt Disney Studios, used to encourage animators to "forget the detail" at first. The reason: Detail just doesn't buy you anything in the early stages.\*

Besides, you often can't recognize the details that matter most until *after* you start building. That's when you see what needs more attention. You feel what's missing. And that's when you need to pay attention, not sooner.

# DECISIONS



are



# PROGRESS

### **Making the call is making progress**

When you put off decisions, they pile up. And piles end up ignored, dealt with in haste, or thrown out. As a result, the individual problems in those piles stay unresolved.

Whenever you can, swap "Let's think about it" for "Let's decide on it." Commit to making decisions. Don't wait for the perfect solution. Decide and move forward.

You want to get into the rhythm of making choices. When you get in that flow of making decision after decision, you build momentum and boost morale. Decisions are progress. Each one you make is a brick in your foundation. You can't build on top of "We'll decide later," but you *can* build on top of "Done."

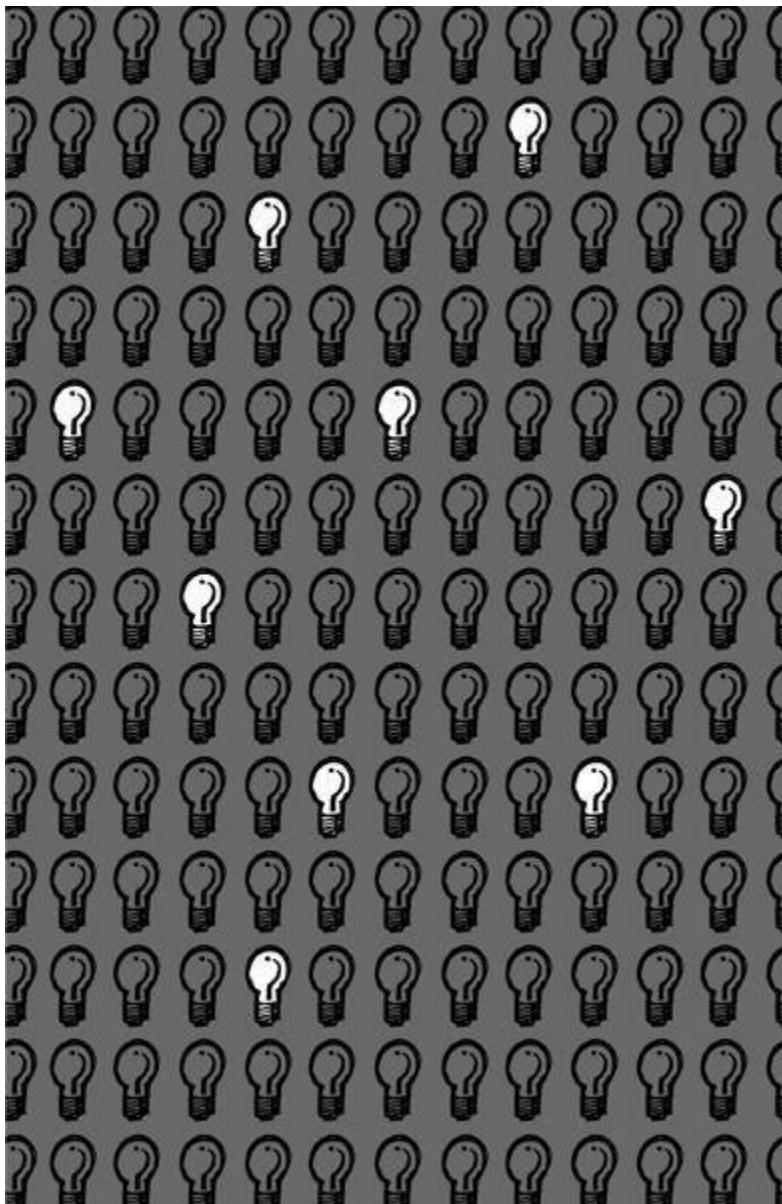
The problem comes when you postpone decisions in the hope that a perfect answer will come to you later. It won't. You're as likely to make a great call today as you are tomorrow.

An example from our world: For a long time, we avoided creating an affiliate program for our products because the "perfect" solution seemed way too complicated: We'd have to automate payments, mail out checks, figure out foreign tax laws for overseas affiliates, etc. The breakthrough came when we asked, "What can we easily do right now that's good enough?" The answer: Pay affiliates in credit instead of cash. So that's what we did.

We stuck with that approach for a while and then eventually implemented a system that pays cash. And that's a big part of this: You don't have to live with a decision forever. If you make a mistake, you can correct it later.

It doesn't matter how much you plan, you'll still get some stuff wrong anyway. Don't make things worse by overanalyzing and delaying before you even get going.

Long projects zap morale. The longer it takes to develop, the less likely it is to launch. Make the call, make progress, and get something out now--while you've got the motivation and momentum to do so.



### **Be a curator**

You don't make a great museum by putting all the art in the world into a single room. That's a warehouse. What makes a museum great is the stuff that's *not* on the walls. Someone says no. A curator is involved, making conscious decisions about what should stay and what should go. There's an editing process. There's a lot more stuff *off* the walls than *on* the walls. The best is a sub-sub-subset of all the possibilities.

It's the stuff you leave out that matters. So constantly look for things to remove, simplify, and streamline. Be a curator. Stick to what's truly essential. Pare things down until you're left with only the most important stuff. Then do it again. You can always add stuff back in later if you need to.

Zingerman's is one of America's best-known delis. And it got that way because its owners think of themselves as curators. They're not just filling their shelves. They're *curating* them.

There's a reason for every olive oil the team at Zingerman's sells: They believe each one is great. Usually, they've known the supplier for years. They've visited and picked olives with them. That's why they can vouch for each oil's authentic, full-bodied flavor.

For example, look how the owner of Zingerman's describes Pasolivo Olive Oil on the company Web site:I tasted this oil for the first time years ago, on a random recommendation and sample. There are plenty of oils that come in nice bottles with very endearing stories to tell--this was no exception--but most simply aren't that great. By contrast Pasolivo got my attention as soon as I tasted it. It's powerful, full and fruity. Everything I like in an oil, without any drawbacks. It still stands as one of America's best oils, on par with the great rustic oils of Tuscany. Strongly recommended.\*

The owner actually tried the oil and chooses to carry it based on its taste. It's not about packaging, marketing, or price. It's about quality. He tried it and knew his store had to carry it. That's the approach you should take too.



### Throw less at the problem

Watch chef Gordon Ramsay's *Kitchen Nightmares* and you'll see a pattern. The menus at failing restaurants offer too many dishes. The owners think making every dish under the sun will broaden the appeal of the restaurant. Instead it makes for crappy food (and creates inventory headaches).

That's why Ramsay's first step is nearly always to trim the menu, usually from thirty-plus dishes to around ten. Think about that. Improving the current menu doesn't come first. Trimming it down comes first. Then he polishes what's left.

When things aren't working, the natural inclination is to throw more at the problem. More people, time, and money. All that ends up doing is making the problem bigger. The right way to go is the opposite direction: Cut back.

So do less. Your project won't suffer nearly as much as you fear. In fact, there's a

good chance it'll end up even better. You'll be forced to make tough calls and sort out what truly matters.

If you start pushing back deadlines and increasing your budget, you'll never stop.



### **Focus on what won't change**

A lot of companies focus on the next big thing. They latch on to what's hot and new. They follow the latest trends and technology.

That's a fool's path. You start focusing on fashion instead of substance. You start paying attention to things that are constantly changing instead of things that last.

The core of your business should be built around things that won't change. Things that people are going to want today *and* ten years from now. Those are the things you should invest in.

Amazon.com focuses on fast (or free) shipping, great selection, friendly return

policies, and affordable prices. These things will always be in high demand.

Japanese automakers also focus on core principles that don't change: reliability, affordability, and practicality. People wanted those things thirty years ago, they want them today, and they'll want them thirty years from now.

For 37signals, things like speed, simplicity, ease of use, and clarity are our focus. Those are timeless desires. People aren't going to wake up in ten years and say, "Man, I wish software was harder to use." They won't say, "I wish this application was slower."

Remember, fashion fades away. When you focus on *permanent* features, you're in bed with things that never go out of style.



### Tone is in your fingers

Guitar gurus say, "Tone is in your fingers." You can buy the same guitar, effects pedals, and amplifier that Eddie Van Halen uses. But when you play that rig, it's still going to sound like you.

Likewise, Eddie could plug into a crappy Strat/Pignose setup at a pawn shop, and you'd still be able to recognize that it's Eddie Van Halen playing. Fancy gear can help, but the truth is your tone comes from you.

It's tempting for people to obsess over tools instead of what they're going to do with those tools. You know the type: Designers who use an avalanche of funky typefaces and fancy Photoshop filters but don't have anything to say. Amateur photographers who

want to debate film versus digital endlessly instead of focusing on what actually makes a photograph great.

Many amateur golfers think they need expensive clubs. But it's the swing that matters, not the club. Give Tiger Woods a set of cheap clubs and he'll still destroy you.

People use equipment as a crutch. They don't want to put in the hours on the driving range so they spend a ton in the pro shop. They're looking for a shortcut. But you just don't need the best gear in the world to be good. And you definitely don't need it to get started.

In business, too many people obsess over tools, software tricks, scaling issues, fancy office space, lavish furniture, and other frivolities instead of what really matters. And what really matters is how to actually get customers and make money.

You also see it in people who want to blog, podcast, or shoot videos for their business but get hung up on which tools to use. The content is what matters. You can spend tons on fancy equipment, but if you've got nothing to say ... well, you've got nothing to say.

Use whatever you've got already or can afford cheaply. Then go. It's not the gear that matters. It's playing what you've got as well as you can. Your tone is in your fingers.



### Sell your by-products

When you make something, you always make something else. You can't make just one thing. Everything has a by-product. Observant and creative business minds spot these by-products and see opportunities.

The lumber industry sells what used to be waste--sawdust, chips, and shredded wood--for a pretty profit. You'll find these by-products in synthetic fireplace logs, concrete, ice strengtheners, mulch, particleboard, fuel, and more.

But you're probably not manufacturing anything. That can make it tough to spot your by-products. People at a lumber company see their waste. They can't ignore sawdust. But you don't see yours. Maybe you don't even think you produce any by-products. But that's myopic.

Our last book, *Getting Real*, was a by-product. We wrote that book without even

knowing it. The experience that came from building a company and building software was the waste from actually doing the work. We swept up that knowledge first into blog posts, then into a workshop series, then into a .pdf, and then into a paperback. That by-product has made 37signals more than \$1 million directly and probably more than another \$1 million indirectly. The book you're reading right now is a by-product too.

The rock band Wilco found a valuable by-product in its recording process. The band filmed the creation of an album and released it as a documentary called *I Am Trying to Break Your Heart*. It offered an uncensored and fascinating look at the group's creative process and infighting. The band made money off the movie and also used it as a stepping-stone toward reaching a wider audience.

Henry Ford learned of a process for turning wood scraps from the production of Model T's into charcoal briquets. He built a charcoal plant and Ford Charcoal was created (later renamed Kingsford Charcoal). Today, Kingsford is still the leading manufacturer of charcoal in America.\*

Software companies don't usually think about writing books. Bands don't usually think about filming the recording process. Car manufacturers don't usually think about selling charcoal. There's probably something you haven't thought about that you could sell too.



# GET IT OUT THERE!

## Launch now

When is your product or service finished? When should you put it out on the market? When is it safe to let people have it? Probably a lot sooner than you're comfortable with. Once your product does what it needs to do, get it out there.

Just because you've still got a list of things to do doesn't mean it's not done. Don't hold everything else up because of a few leftovers. You can do them later. And doing them later may mean doing them better, too.

Think about it this way: If you had to launch your business in two weeks, what would you cut out? Funny how a question like that forces you to focus. You suddenly realize there's a lot of stuff you don't need. And what you *do* need seems obvious. When you impose a deadline, you gain clarity. It's the best way to get to that gut instinct that tells you, "We don't need this."

Put off anything you don't need for launch. Build the necessities now, worry about the luxuries later. If you really think about it, there's a whole lot you don't need on day one.

When we launched Basecamp, we didn't even have the ability to bill customers! Because the product billed in monthly cycles, we knew we had a thirty-day gap to figure it out. So we used the time before launch to solve more urgent problems that actually mattered on day one. Day 30 could wait.

Camper, a brand of shoes, opened a store in San Francisco before construction was even finished and called it a Walk in Progress. Customers could draw on the walls of the empty store. Camper displayed shoes on cheap plywood laid over dozens of shoe boxes. The most popular message written by customers on the walls: "Keep the store just the way it is."<sup>\*</sup>

Likewise, the founders of Crate and Barrel didn't wait to build fancy displays when they opened their first store. They turned over the crates and barrels that the merchandise came in and stacked products on top of them.<sup>+</sup>

Don't mistake this approach for skimping on quality, either. You still want to make something great. This approach just recognizes that the best way to get there is through iterations. Stop imagining what's going to work. Find out for real.<sup>\*</sup>Walt Stanchfield, *Drawn to Life: 20 Golden Years of Disney Master Classes*, vol. 1, *The Walt Stanchfield Lectures*, Oxford, UK: Focal Press, 2009. <sup>\*</sup>Pasolivo Olive Oil, Zingerman's, [www.zingermans.com/product.aspx?productid=o-psl](http://www.zingermans.com/product.aspx?productid=o-psl)<sup>\*</sup>"About Kingsford: Simply a Matter of Taste," Kingsford, [www.kingsford.com/about/index.htm](http://www.kingsford.com/about/index.htm)<sup>\*</sup>Fara Warner, "Walk in Progress," *Fast Company*, Dec. 19, 2007, [www.fastcompany.com/magazine/58/lookfeel.html](http://www.fastcompany.com/magazine/58/lookfeel.html)+Matt Valley, "The Crate and Barrel Story," *Retail Traffic*, June 1, 2001, [retailtrafficmag.com/mag/retail\\_crate\\_barrel\\_story](http://retailtrafficmag.com/mag/retail_crate_barrel_story)

## CHAPTER PRODUCTIVITY

# GET REAL!

## **Illusions of agreement**

The business world is littered with dead documents that do nothing but waste people's time. Reports no one reads, diagrams no one looks at, and specs that never resemble the finished product. These things take forever to make but only seconds to forget.

If you need to explain something, try getting real with it. Instead of describing what something looks like, draw it. Instead of explaining what something sounds like, hum it. Do everything you can to remove layers of abstraction.

The problem with abstractions (like reports and documents) is that they create illusions of agreement. A hundred people can read the same words, but in their heads, they're imagining a hundred different things.

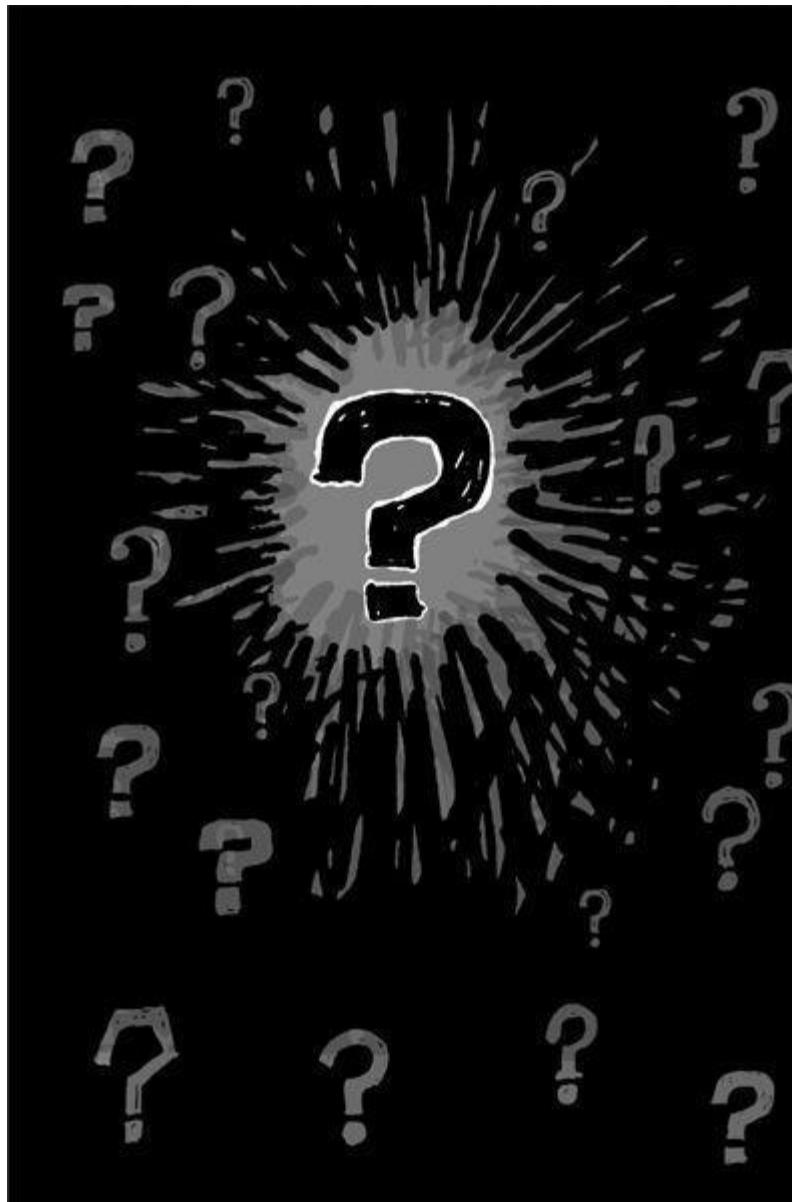
That's why you want to get to something real right away. That's when you get true

understanding. It's like when we read about characters in a book--we each picture them differently in our heads. But when we actually *see* people, we all know exactly what they look like.

When the team at Alaska Airlines wanted to build a new Airport of the Future, they didn't rely on blueprints and sketches. They got a warehouse and built mock-ups using cardboard boxes for podiums, kiosks, and belts. The team then built a small prototype in Anchorage to test systems with real passengers and employees. The design that resulted from this getting-real process has significantly reduced wait times and increased agent productivity.\*

Widely admired furniture craftsman Sam Maloof felt it was impossible to make a working drawing to show all the intricate and fine details that go into a chair or stool. "Many times I do not know how a certain area is to be done until I start working with a chisel, rasp, or whatever tool is needed for that particular job," he said.+

That's the path we all should take. Get the chisel out and start making something real. Anything else is just a distraction.



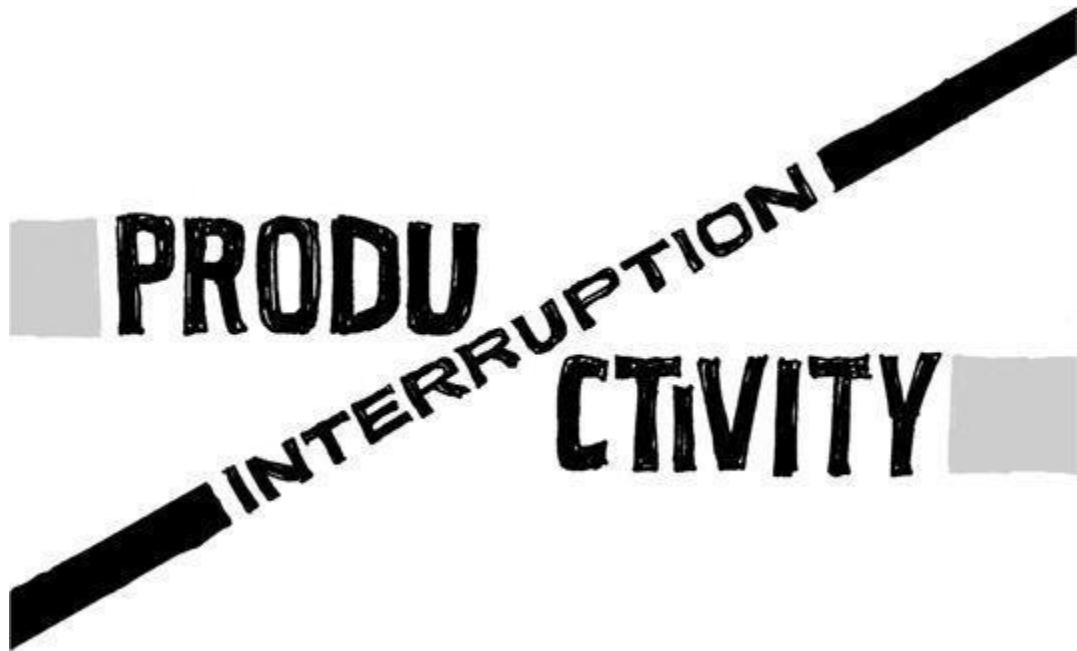
### Reasons to quit

It's easy to put your head down and just work on what you *think* needs to be done. It's a lot harder to pull your head up and ask why. Here are some important questions to ask yourself to ensure you're doing work that matters: **Why are you doing this?** Ever find yourself working on something without knowing exactly why? Someone just told you to do it. It's pretty common, actually. That's why it's important to ask why you're working on \_\_\_\_\_. What is this for? Who benefits? What's the motivation behind it? Knowing the answers to these questions will help you better understand the work itself. **What problem are you solving?** What's the problem? Are customers confused? Are you confused? Is something not clear enough? Was something not possible before that should be possible now? Sometimes when you ask these questions, you'll find you're solving an *imaginary* problem. That's when it's time to stop and reevaluate what the hell

you're doing. **Is this actually useful?** Are you making something useful or just making something? It's easy to confuse enthusiasm with usefulness. Sometimes it's fine to play a bit and build something cool. But eventually you've got to stop and ask yourself if it's useful, too. Cool wears off. Useful never does. **Are you adding value?** Adding something is easy; adding *value* is hard. Is this thing you're working on actually making your product more valuable for customers? Can they get more out of it than they did before? Sometimes things you think are adding value actually subtract from it. Too much ketchup can ruin the fries. Value is about balance. **Will this change behavior?** Is what you're working on really going to change anything? Don't add something unless it has a real impact on how people use your product. **Is there an easier way?** Whenever you're working on something, ask, "Is there an easier way?" You'll often find this easy way is more than good enough for now. Problems are usually pretty simple. We just imagine that they require hard solutions. **What could you be doing instead?** What can't you do because you're doing this? This is especially important for small teams with constrained resources. That's when prioritization is even more important. If you work on A, can you still do B and C before April? If not, would you rather have B and C instead of A? If you're stuck on something for a long period of time, that means there are other things you're not getting done. **Is it really worth it?** Is what you're doing really worth it? Is this meeting worth pulling six people off their work for an hour? Is it worth pulling an all-nighter tonight, or could you just finish it up tomorrow? Is it worth getting all stressed out over a press release from a competitor? Is it worth spending your money on advertising? Determine the real value of what you're about to do before taking the plunge.

Keep asking yourself (and others) the questions listed above. You don't need to make it a formal process, but don't let it slide, either.

Also, don't be timid about your conclusions. Sometimes abandoning what you're working on is the right move, even if you've already put in a lot of effort. Don't throw good time after bad work.



## **Interruption is the enemy of productivity**

If you're constantly staying late and working weekends, it's not because there's too much work to be done. It's because you're not getting enough done at work. And the reason is interruptions.

Think about it: When do you get most of your work done? If you're like most people, it's at night or early in the morning. It's no coincidence that these are the times when nobody else is around.

At 2 p.m., people are usually in a meeting or answering e-mail or chatting with colleagues. Those taps on the shoulder and little impromptu get-togethers may seem harmless, but they're actually corrosive to productivity. Interruption is not collaboration, it's just interruption. And when you're interrupted, you're not getting work done.

Interruptions break your workday into a series of work moments. Forty-five minutes and then you have a call. Fifteen minutes and then you have lunch. An hour later, you have an afternoon meeting. Before you know it, it's five o'clock, and you've only had a couple uninterrupted hours to get your work done. You can't get meaningful things done when you're constantly going start, stop, start, stop.

Instead, you should get in the alone zone. Long stretches of alone time are when you're most productive. When you don't have to mind-shift between various tasks, you get a boatload done. (Ever notice how much work you get done on a plane since you're offline and there are zero outside distractions?)

Getting into that zone takes time and requires avoiding interruptions. It's like REM sleep: You don't just go directly into REM sleep. You go to sleep first and then make your way to REM. Any interruptions force you to start over. And just as REM is when the real sleep magic happens, the alone zone is where the real productivity magic happens.

Your alone zone doesn't have to be in the wee hours, though. You can set up a rule at work that half the day is set aside for alone time. Decree that from 10 a.m. to 2 p.m., people can't talk to each other (except during lunch). Or make the first or last half of the day *your* alone-time period. Or instead of casual Fridays, try no-talk Thursdays. Just make sure this period is unbroken in order to avoid productivity-zapping interruptions.

And go all the way with it. A successful alone-time period means letting go of communication addiction. During alone time, give up instant messages, phone calls, e-mail, and meetings. Just shut up and get to work. You'll be surprised how much more you get done.

Also, when you do collaborate, try to use passive communication tools, like e-mail, that don't require an instant reply, instead of interruptive ones, like phone calls and face-to-face meetings. That way people can respond when it's convenient for them, instead of being forced to drop everything right away.

Your day is under siege by interruptions. It's on you to fight back.



### **Meetings are toxic**

The worst interruptions of all are meetings. Here's why:

They're usually about words and abstract concepts, not real things.

They usually convey an abysmally small amount of information per minute.

They drift off-subject easier than a Chicago cab in a snowstorm.

They require thorough preparation that most people don't have time for.

They frequently have agendas so vague that nobody is really sure of the goal.

They often include at least one moron who inevitably gets his turn to waste everyone's time with nonsense.

Meetings procreate. One meeting leads to another meeting leads to another ...

It's also unfortunate that meetings are typically scheduled like TV shows. You set aside thirty minutes or an hour because that's how scheduling software works (you'll never see anyone schedule a seven-minute meeting with Outlook). Too bad. If it only takes seven minutes to accomplish a meeting's goal, then that's all the time you should spend. Don't stretch seven into thirty.

When you think about it, the true cost of meetings is staggering. Let's say you're going to schedule a meeting that lasts one hour, and you invite ten people to attend.

That's actually a ten-hour meeting, not a one-hour meeting. You're trading ten hours of productivity for one hour of meeting time. And it's probably more like fifteen hours,

because there are mental switching costs that come with stopping what you're doing, going somewhere else to meet, and then resuming what you were doing beforehand.

Is it ever OK to trade ten or fifteen hours of productivity for one hour of meeting? Sometimes, maybe. But that's a pretty hefty price to pay. Judged on a pure cost basis, meetings of this size quickly become liabilities, not assets. Think about the time you're actually losing and ask yourself if it's really worth it.

If you decide you absolutely *must* get together, try to make your meeting a productive one by sticking to these simple rules:

Set a timer. When it rings, meeting's over. Period.

Invite as few people as possible.

Always have a clear agenda.

Begin with a specific problem.

Meet at the site of the problem instead of a conference room. Point to real things and suggest real changes.

End with a solution and make someone responsible for implementing it.



### Good enough is fine

A lot of people get off on solving problems with complicated solutions. Flexing your intellectual muscles can be intoxicating. Then you start looking for another big challenge that gives you that same rush, regardless of whether it's a good idea or not.

A better idea: Find a judo solution, one that delivers maximum efficiency with

minimum effort. Judo solutions are all about getting the most out of doing the least. Whenever you face an obstacle, look for a way to judo it.

Part of this is recognizing that problems are negotiable. Let's say your challenge is to get a bird's-eye view. One way to do it is to climb Mount Everest. That's the ambitious solution. But then again, you could take an elevator to the top of a tall building. That's a judo solution.

Problems can usually be solved with simple, mundane solutions. That means there's no glamorous work. You don't get to show off your amazing skills. You just build something that gets the job done and then move on. This approach may not earn you oohs and aahs, but it lets you get on with it.

Look at political campaign ads. A big issue pops up, and politicians have an ad about it on the air the next day. The production quality is low. They use photos instead of live footage. They have static, plain-text headlines instead of fancy animated graphics. The only audio is a voice-over done by an unseen narrator. Despite all that, the ad is still good enough. If they waited weeks to perfect it, it would come out too late. It's a situation where timeliness is more important than polish or even quality.

When good enough gets the job done, go for it. It's way better than wasting resources or, even worse, doing nothing because you can't afford the complex solution. And remember, you can usually turn good enough into great later.

# QUICK WINS



## **Quick wins**

Momentum fuels motivation. It keeps you going. It drives you. Without it, you can't go anywhere. If you aren't motivated by what you're working on, it won't be very good.

The way you build momentum is by getting something done and then moving on to the next thing. No one likes to be stuck on an endless project with no finish line in sight. Being in the trenches for nine months and not having anything to show for it is a real buzzkill. Eventually it just burns you out. To keep your momentum and motivation up, get in the habit of accomplishing small victories along the way. Even a tiny improvement can give you a good jolt of momentum.

The longer something takes, the less likely it is that you're going to finish it.

Excitement comes from doing something and then letting customers have at it. Planning a menu for a year is boring. Getting the new menu out, serving the food, and getting feedback is exciting. So don't wait too long--you'll smother your sparks if you do.

If you absolutely have to work on long-term projects, try to dedicate one day a week (or every two weeks) to small victories that generate enthusiasm. Small victories let you celebrate and release good news. And you want a steady stream of good news. When there's something new to announce every two weeks, you energize your team and give your customers something to be excited about.

So ask yourself, "What can we do in two weeks?" And then do it. Get it out there and let people use it, taste it, play it, or whatever. The quicker it's in the hands of customers, the better off you'll be.



### **Don't be a hero**

A lot of times it's better to be a quitter than a hero.

For example, let's say you think a task can be done in two hours. But four hours into it, you're still only a quarter of the way done. The natural instinct is to think, "But I can't give up now, I've already spent four hours on this!"

So you go into hero mode. You're determined to make it work (and slightly embarrassed that it isn't already working). You grab your cape and shut yourself off from the world.

And sometimes that kind of sheer effort overload works. But is it worth it? Probably not. The task was worth it when you thought it would cost two hours, not sixteen. In those sixteen hours, you could have gotten a bunch of other things done. Plus, you cut yourself off from feedback, which can lead you even further down the wrong path. Even heroes need a fresh pair of eyes sometimes--someone else to give them a reality check.

We've experienced this problem firsthand. So we decided that if anything takes

one of us longer than two weeks, we've got to bring other people in to take a look. They might not do any work on the task, but at least they can review it quickly and give their two cents. Sometimes an obvious solution is staring you right in the face, but you can't even see it.

Keep in mind that the obvious solution might very well be quitting. People automatically associate quitting with failure, but sometimes that's *exactly* what you should do. If you already spent too much time on something that wasn't worth it, walk away. You can't get that time back. The worst thing you can do now is waste even more time.



### **Go to sleep**

Forgoing sleep is a bad idea. Sure, you get those extra hours right now, but you

pay in spades later: You destroy your creativity, morale, and attitude.

Once in a while, you can pull an all-nighter if you fully understand the consequences. Just don't make it a habit. If it becomes a constant, the costs start to mount:**Stubbornness:** When you're really tired, it always seems easier to plow down whatever bad path you happen to be on instead of reconsidering the route. The finish line is a constant mirage and you wind up walking in the desert way too long. **Lack of creativity:** Creativity is one of the first things to go when you lose sleep. What distinguishes people who are ten times more effective than the norm is not that they work ten times as hard; it's that they use their creativity to come up with solutions that require one-tenth of the effort. Without sleep, you stop coming up with those one-tenth solutions. **Diminished morale:** When your brain isn't firing on all cylinders, it loves to feed on less demanding tasks. Like reading yet another article about stuff that doesn't matter. When you're tired, you lose motivation to attack the big problems. **Irritability:** Your ability to remain patient and tolerant is severely reduced when you're tired. If you encounter someone who's acting like a fool, there's a good chance that person is suffering from sleep deprivation.

These are just some of the costs you incur when not getting enough sleep. Yet some people still develop a masochistic sense of honor about sleep deprivation. They even brag about how tired they are. Don't be impressed. It'll come back to bite them in the ass.



## Your estimates suck

We're all terrible estimators. We think we can guess how long something will take, when we really have no idea. We see everything going according to a best-case scenario, without the delays that inevitably pop up. Reality never sticks to best-case scenarios.

That's why estimates that stretch weeks, months, and years into the future are fantasies. The truth is you just don't know what's going to happen that far in advance.

How often do you think a quick trip to the grocery store will take only a few minutes and then it winds up taking an hour? And remember when cleaning out the attic took you all day instead of just the couple of hours you thought it would? Or sometimes it's the opposite, like that time you planned on spending four hours raking the yard only to have it take just thirty-five minutes. We humans are just plain *bad* at estimating.

Even with these simple tasks, our estimates are often off by a factor of two or more. If we can't be accurate when estimating a few hours, how can we expect to accurately predict the length of a "six-month project"?

Plus, we're not just a little bit wrong when we guess how long something will take--we're a lot wrong. That means if you're guessing six months, you might be *way* off: We're not talking seven months instead of six, we're talking one year instead of six months.

That's why Boston's "Big Dig" highway project finished five years late and billions over budget. Or the Denver International Airport opened sixteen months late, at a cost overrun of \$2 billion.

The solution: Break the big thing into smaller things. The smaller it is, the easier it is to estimate. You're probably still going to get it wrong, but you'll be a lot less wrong than if you estimated a big project. If something takes twice as long as you expected, better to have it be a small project that's a couple *weeks* over rather than a long one that's a couple *months* over.

Keep breaking your time frames down into smaller chunks. Instead of one twelve-week project, structure it as twelve one-week projects. Instead of guesstimating at tasks that take thirty hours or more, break them down into more realistic six-to-ten-hour chunks. Then go one step at a time.



### **Long lists don't get done**

Start making smaller to-do lists too. Long lists collect dust. When's the last time you finished a long list of things? You might have knocked off the first few, but chances are you eventually abandoned it (or blindly checked off items that weren't really done properly).

Long lists are guilt trips. The longer the list of unfinished items, the worse you feel about it. And at a certain point, you just stop looking at it because it makes you feel bad. Then you stress out and the whole thing turns into a big mess.

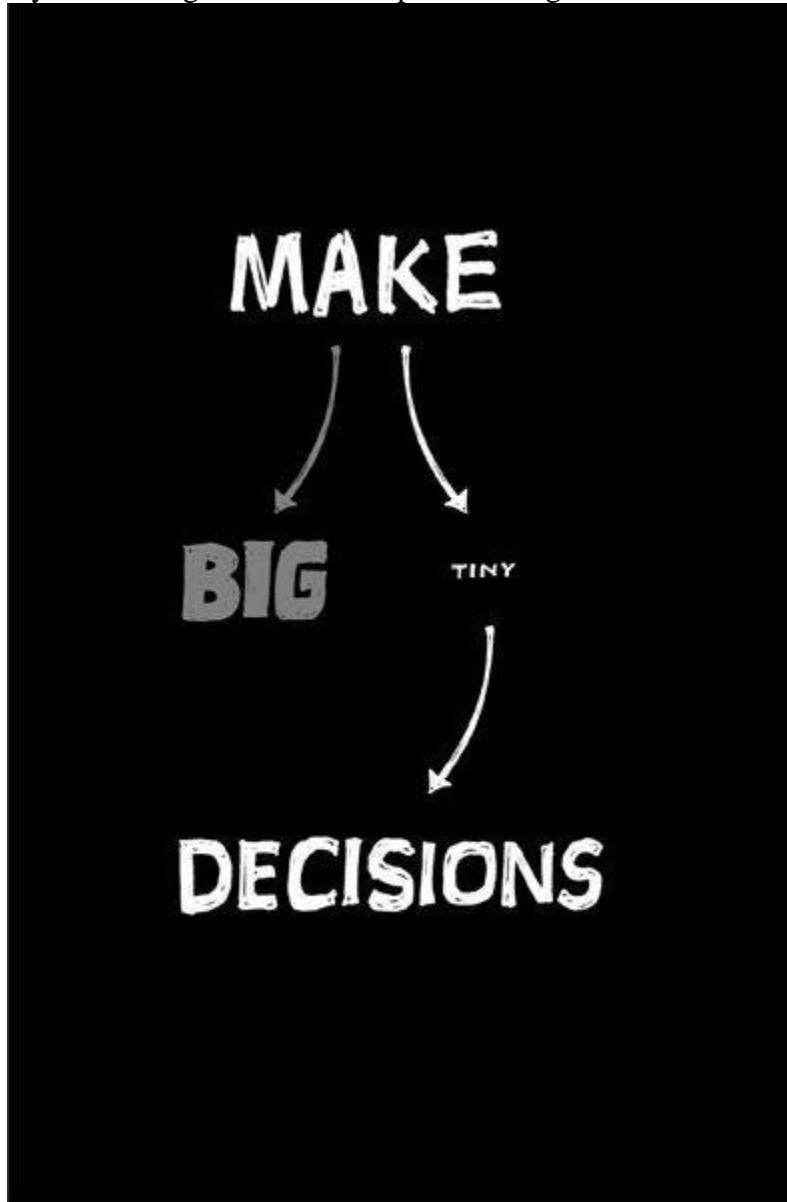
There's a better way. Break that long list down into a bunch of smaller lists. For example, break a single list of a hundred items into ten lists of ten items. That means when you finish an item on a list, you've completed 10 percent of that list, instead of 1 percent.

Yes, you still have the same amount of stuff left to do. But now you can look at the small picture and find satisfaction, motivation, and progress. That's a lot better than staring at the huge picture and being terrified and demoralized.

Whenever you can, divide problems into smaller and smaller pieces until you're able to deal with them completely and quickly. Simply rearranging your tasks this way can have an amazing impact on your productivity and motivation.

And a quick suggestion about prioritization: Don't prioritize with numbers or labels. Avoid saying, "This is high priority, this is low priority." Likewise, don't say, "This is a three, this is a two, this is a one, this is a three," etc. Do that and you'll almost always end up with a ton of really high-priority things. That's not really prioritizing.

Instead, prioritize visually. Put the most important thing at the top. When you're done with that, the next thing on the list becomes the next most important thing. That way you'll only have a single next most important thing to do at a time. And that's enough.



### **Make tiny decisions**

Big decisions are hard to make and hard to change. And once you make one, the tendency is to continue believing you made the right decision, even if you didn't. You stop being objective.

Once ego and pride are on the line, you can't change your mind without looking bad. The desire to save face trumps the desire to make the right call. And then there's inertia too: The more steam you put into going in one direction, the harder it is to change course.

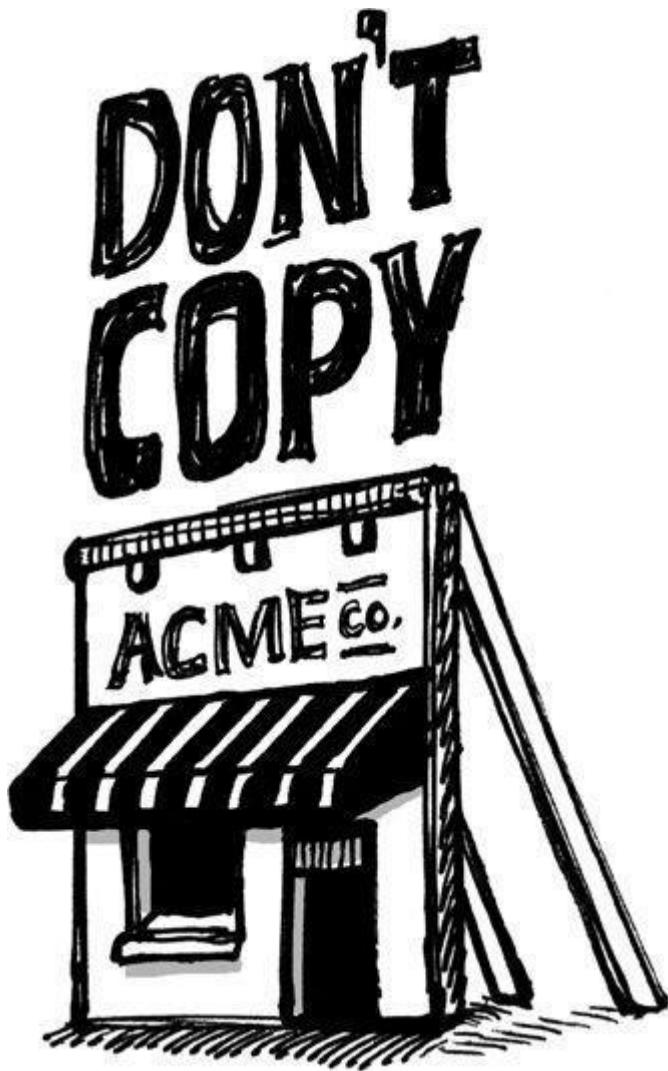
Instead, make choices that are small enough that they're effectively temporary. When you make tiny decisions, you can't make big mistakes. These small decisions mean you can afford to change. There's no big penalty if you mess up. You just fix it.

Making tiny decisions doesn't mean you can't make big plans or think big ideas. It just means you believe the best way to achieve those big things is one tiny decision at a time.

Polar explorer Ben Saunders said that during his solo North Pole expedition (thirty-one marathons back-to-back, seventy-two days alone) the "huge decision" was often so horrifically overwhelming to contemplate that his day-to-day decision making rarely extended beyond "getting to that bit of ice a few yards in front of me."

Attainable goals like that are the best ones to have. Ones you can actually accomplish and build on. You get to say, "We nailed it. Done!" Then you get going on the next one. That's a lot more satisfying than some pie-in-the-sky fantasy goal you never meet.\*Dave Demerjian, "Hustle & Flow," *Fast Company*, [www.fastcompany.com/magazine/123/hustle-and-flow.html](http://www.fastcompany.com/magazine/123/hustle-and-flow.html)+"Maloof on Maloof: Quotations and Works of Sam Maloof," Smithsonian American Art Museum, [americanart.si.edu/exhibitions/online/maloof/introduction](http://americanart.si.edu/exhibitions/online/maloof/introduction)

## **CHAPTER COMPETITORS**



### Don't copy

Sometimes copying can be part of the learning process, like when you see an art student replicating a painting in a museum or a drummer playing along to John Bonham's solo on Led Zeppelin's "Moby Dick." When you're a student, this sort of imitation can be a helpful tool on the path to discovering your own voice.

Unfortunately, copying in the business arena is usually more nefarious. Maybe it's because of the copy-and-paste world we live in these days. You can steal someone's words, images, or code instantly. And that means it's tempting to try to build a business by being a copycat.

That's a formula for failure, though. The problem with this sort of copying is it skips understanding--and understanding is how you grow. You have to understand why something works or why something is the way it is. When you just copy and paste, you miss that. You just repurpose the last layer instead of understanding all the layers underneath.

So much of the work an original creator puts into something is invisible. It's buried beneath the surface. The copycat doesn't really know why something looks the

way it looks or feels the way it feels or reads the way it reads. The copy is a faux finish. It delivers no substance, no understanding, and nothing to base future decisions on.

Plus, if you're a copycat, you can never keep up. You're always in a passive position. You never lead; you always follow. You give birth to something that's already behind the times--just a knockoff, an inferior version of the original. That's no way to live.

How do you know if you're copying someone? If someone else is doing the bulk of the work, you're copying. Be influenced, but don't steal.



### **Decommoditize your product**

If you're successful, people will try to copy what you do. It's just a fact of life. But there's a great way to protect yourself from copycats: Make *you* part of your product or service. Inject what's unique about the way you think into what you sell. Decommoditize

your product. Make it something no one else can offer.

Look at Zappos.com, a billion-dollar online shoe retailer. A pair of sneakers from Zappos is the same as a pair from Foot Locker or any other retailer. But Zappos sets itself apart by injecting CEO Tony Hsieh's obsession with customer service into everything it does.

At Zappos, customer-service employees don't use scripts and are allowed to talk at length with customers. The call center and the company's headquarters are in the same place, not oceans apart. And all Zappos employees--even those who don't work in customer service or fulfillment--start out by spending four weeks answering phones and working in the warehouse. It's this devotion to customer service that makes Zappos unique among shoe sellers.\*

Another example is Polyface, an environmentally friendly Virginia farm owned by Joel Salatin. Salatin has a strong set of beliefs and runs his business accordingly. Polyface sells the idea that it does things a bigger agribusiness can't do. Even though it's more expensive to do so, it feeds cows grass instead of corn and never gives them antibiotics. It never ships food. Anyone is welcome to visit the farm anytime and go anywhere (try that at a typical meat-processing plant). Polyface doesn't just sell chickens, it sells a way of thinking. And customers love Polyface for it. Some customers routinely drive from 150 miles away to get "clean" meat for their families.\*

Pour yourself into your product and everything *around* your product too: how you sell it, how you support it, how you explain it, and how you deliver it. Competitors can never copy the *you* in your product.



### Pick a fight

If you think a competitor sucks, say so. When you do that, you'll find that others who agree with you will rally to your side. Being the anti-\_\_\_\_\_ is a great way to differentiate yourself and attract followers.

For example, Dunkin' Donuts likes to position itself as the anti-Starbucks. Its ads mock Starbucks for using "Fritalian" terms instead of small, medium, and large. Another Dunkin' campaign is centered on a taste test in which it beat Starbucks. There's even a site called [DunkinBeatStarbucks.com](http://DunkinBeatStarbucks.com) where visitors can send e-cards with statements like "Friends don't let friends drink Starbucks."

Audi is another example. It's been taking on the old guard of car manufacturers. It puts "old luxury" brands like Rolls-Royce and Mercedes "on notice" in ads touting Audi as the fresh luxury alternative. Audi takes on Lexus's automatic parking systems with ads that say Audi drivers know how to park their own cars. Another ad gives a side-by-side

comparison of BMW and Audi owners: The BMW owner uses the rearview mirror to adjust his hair while the Audi driver uses the mirror to see what's behind him.

Apple jabs at Microsoft with ads that compare Mac and PC owners, and 7UP bills itself as the Uncola. Under Armour positions itself as Nike for a new generation.

All these examples show the power and direction you can gain by having a target in your sights. Who do you want to take a shot at?

You can even pit yourself as the opponent of an entire industry. Dyson's Airblade starts with the premise that the hand-dryer industry is a failure and then sells itself as faster and more hygienic than the others. I Can't Believe It's Not Butter puts its enemy right there in its product name.

Having an enemy gives you a great story to tell customers, too. Taking a stand always stands out. People get stoked by conflict. They take sides. Passions are ignited. And that's a good way to get people to take notice.

UNDERDO  
*your*  
COMPETITION

## **Underdo your competition**

Conventional wisdom says that to beat your competitors, you need to one-up them. If they have four features, you need five (or fifteen, or twenty-five). If they're spending \$20,000, you need to spend \$30,000. If they have fifty employees, you need a hundred.

This sort of one-upping, Cold War mentality is a dead end. When you get suckered into an arms race, you wind up in a never-ending battle that costs you massive amounts of money, time, and drive. And it forces you to constantly be on the defensive, too. Defensive companies can't think ahead; they can only think behind. They don't lead; they follow.

So what do you do instead? Do less than your competitors to beat them. Solve the simple problems and leave the hairy, difficult, nasty problems to the competition. Instead of one-upping, try one-downing. Instead of outdoing, try underdoing.

The bicycle world provides a great example. For years, major bicycle brands focused on the latest in hightech equipment: mountain bikes with suspension and ultrastrong disc brakes, or lightweight titanium road bikes with carbon-fiber everything. And it was assumed that bikes should have multiple gears: three, ten, or twenty-one.

But recently, fixed-gear bicycles have boomed in popularity, despite being as low-tech as you can get. These bikes have just one gear. Some models don't have brakes. The advantage: They're simpler, lighter, cheaper, and don't require as much maintenance.

Another great example of a product that is succeeding by underdoing the competition: the Flip--an ultrasimple, point-and-shoot, compact camcorder that's taken a significant percentage of the market in a short time. Look at all the things the Flip does *not* deliver:

No big screen (and the tiny screen doesn't swing out for self-portraits either)

No photo-taking ability

No tapes or discs (you have to offload the videos to a computer)

No menus

No settings

No video light

No viewfinder

No special effects

No headphone jack

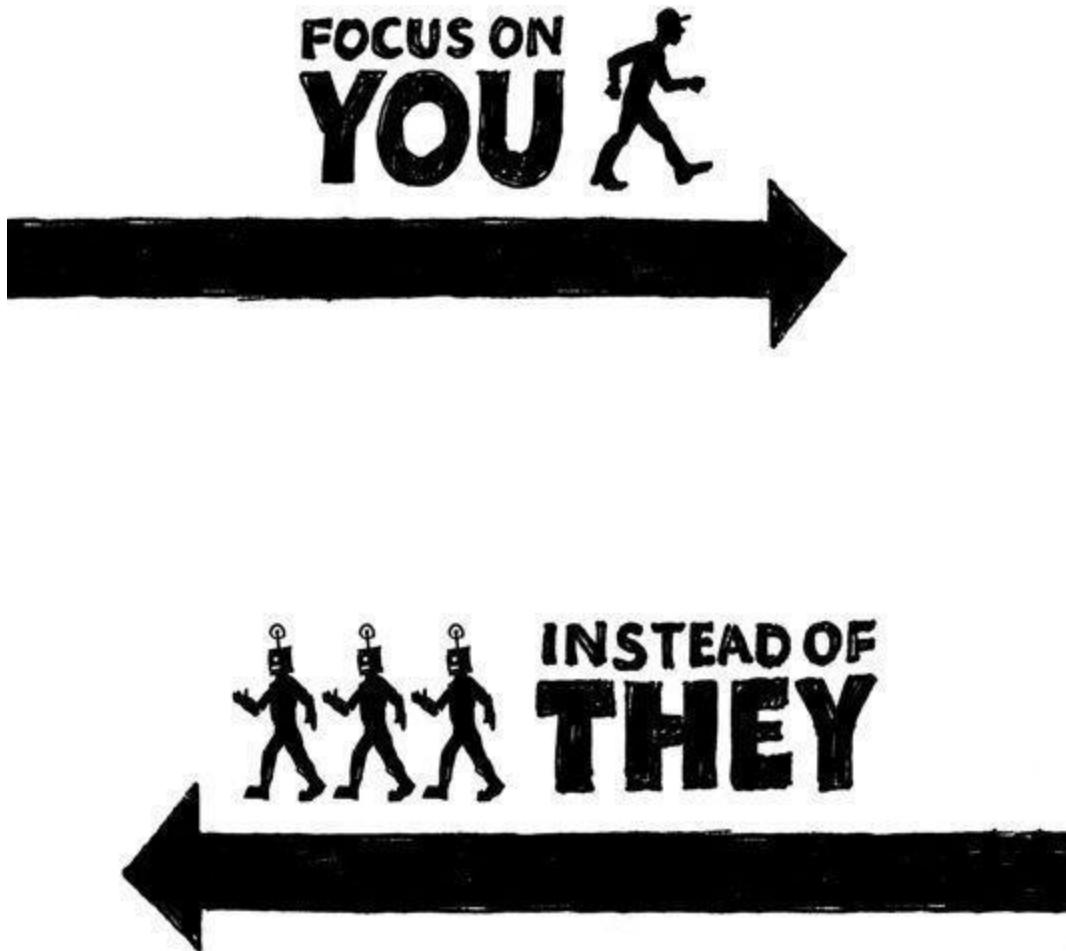
No lens cap

No memory card

No optical zoom

The Flip wins fans because it only does a few simple things and it does them well. It's easy and fun to use. It goes places a bigger camera would never go and gets used by people who would never use a fancier camera.

Don't shy away from the fact that your product or service does less. Highlight it. Be proud of it. Sell it as aggressively as competitors sell their extensive feature lists.



### **Who cares what they're doing?**

In the end, it's not worth paying much attention to the competition anyway. Why not? Because worrying about the competition quickly turns into an obsession. What are they doing right now? Where are they going next? How should we react?

Every little move becomes something to be analyzed. And that's a terrible mindset. It leads to overwhelming stress and anxiety. That state of mind is bad soil for growing anything.

It's a pointless exercise anyway. The competitive landscape changes all the time. Your competitor tomorrow may be completely different from your competitor today. It's out of your control. What's the point of worrying about things you can't control?

Focus on yourself instead. What's going on in here is way more important than what's going on out there. When you spend time worrying about someone else, you can't spend that time improving yourself.

Focus on competitors too much and you wind up diluting your own vision. Your chances of coming up with something fresh go way down when you keep feeding your brain other people's ideas. You become reactionary instead of visionary. You wind up

offering your competitor's products with a different coat of paint.

If you're planning to build "the iPod killer" or "the next Pokemon," you're already dead. You're allowing the competition to set the parameters. You're not going to out-Apple Apple. They're defining the rules of the game. And you can't beat someone who's making the rules. You need to redefine the rules, not just build something slightly better.

Don't ask yourself whether you're "beating" Apple (or whoever the big boy is in your industry). That's the wrong question to ask. It's not a win-or-lose battle. Their profits and costs are theirs. Yours are yours.

If you're just going to be like everyone else, why are you even doing this? If you merely replicate competitors, there's no point to your existence. Even if you wind up losing, it's better to go down fighting for what you believe in instead of just imitating others.\*"A Shine on Their Shoes," *Business Week*, Dec. 5, 2005,  
[www.businessweek.com/magazine/content/05\\_49/b3962118.htm](http://www.businessweek.com/magazine/content/05_49/b3962118.htm)\*"The Polyface Story,"  
[www.polyfacefarms.com/story.aspx](http://www.polyfacefarms.com/story.aspx)

## CHAPTER EVOLUTION



**Say no by default***If I'd listened to customers,  
I'd have given them a faster horse.* --HENRY FORD

It's so easy to say yes. Yes to another feature, yes to an overly optimistic deadline,

yes to a mediocre design. Soon, the stack of things you've said yes to grows so tall you can't even see the things you should really be doing.

Start getting into the habit of saying no--even to many of your best ideas. Use the power of no to get your priorities straight. You rarely regret saying no. But you often wind up regretting saying yes.

People avoid saying no because confrontation makes them uncomfortable. But the alternative is even worse. You drag things out, make things complicated, and work on ideas you don't believe in.

It's like a relationship: Breaking one up is hard to do, but staying in it just because you're too chicken to drop the ax is even worse. Deal with the brief discomfort of confrontation up front and avoid the long-term regret.

Don't believe that "customer is always right" stuff, either. Let's say you're a chef. If enough of your customers say your food is too salty or too hot, you change it. But if a few persnickety patrons tell you to add bananas to your lasagna, you're going to turn them down, and that's OK. Making a few vocal customers happy isn't worth it if it ruins the product for everyone else.

ING Direct has built the fastest-growing bank in America by saying no. When customers ask for a credit card, the answer is no. When they ask for an online brokerage, the answer is no. When they ask if they can open an account with a million dollars in it, the answer is no (the bank has a strict deposit maximum). ING wants to keep things simple. That's why the bank offers just a few savings accounts, certificates of deposit, and mutual funds--and that's it.

Don't be a jerk about saying no, though. Just be honest. If you're not willing to yield to a customer request, be polite and explain why. People are surprisingly understanding when you take the time to explain your point of view. You may even win them over to your way of thinking. If not, recommend a competitor if you think there's a better solution out there. It's better to have people be happy using someone else's product than disgruntled using yours.

Your goal is to make sure your product stays right for you. You're the one who has to believe in it most. That way, you can say, "I think you'll love it because I love it."



# LET YOUR CUSTOMERS **OUTGROW** *you*

## **Let your customers outgrow you**

Maybe you've seen this scenario: There's a customer that's paying a company a lot of money. The company tries to please that customer in any way possible. It tweaks and changes the product per this one customer's requests and starts to alienate its general customer base.

Then one day that big customer winds up leaving and the company is left holding the bag--and the bag is a product that's ideally suited to someone who's not there anymore. And now it's a bad fit for everyone else.

When you stick with your current customers come hell or high water, you wind up cutting yourself off from new ones. Your product or service becomes so tailored to your current customers that it stops appealing to fresh blood. And that's how your company starts to die.

After our first product had been around for a while, we started getting some heat from folks who had been with us from the beginning. They said they were starting to grow out of the application. Their businesses were changing and they wanted us to change our product to mirror their newfound complexity and requirements.

We said no. Here's why: We'd rather our customers grow out of our products eventually than never be able to grow into them in the first place. Adding power-user features to satisfy some can intimidate those who aren't on board yet. Scaring away new customers is worse than losing old customers.

When you let customers outgrow you, you'll most likely wind up with a product that's basic--and that's fine. Small, simple, basic needs are constant. There's an endless supply of customers who need exactly that.

And there are always more people who are *not* using your product than people who are. Make sure you make it easy for these people to get on board. That's where your continued growth potential lies.

People and situations change. You can't be everything to everyone. Companies need to be true to a *type* of customer more than a specific individual customer with changing needs.



### **Don't confuse enthusiasm with priority**

Coming up with a great idea gives you a rush. You start imagining the possibilities and the benefits. And of course, you want all that right away. So you drop everything else you're working on and begin pursuing your latest, greatest idea.

Bad move. The enthusiasm you have for a new idea is not an accurate indicator of its true worth. What seems like a sure-fire hit right now often gets downgraded to just a "nice to have" by morning. And "nice to have" isn't worth putting everything else on hold.

We have ideas for new features all the time. On top of that, we get dozens of interesting ideas from customers every day too. Sure, it'd be fun to immediately chase all these ideas to see where they lead. But if we did that, we'd just wind up running on a treadmill and never get anywhere.

So let your latest grand ideas cool off for a while first. By all means, have as many great ideas as you can. Get excited about them. Just don't act in the heat of the moment. Write them down and park them for a few days. Then, evaluate their actual priority with a calm mind.



### **Be at-home good**

You know what it feels like. You go to a store. You're comparing a few different products, and you're sold on the one that sounds like it's the best deal. It's got the most features. It looks the coolest. The packaging looks hot. There's sensational copy on the box. Everything seems great.

But then you get it home, and it doesn't deliver. It's not as easy to use as you thought it'd be. It has too many features you don't need. You end up feeling that you've been taken. You didn't really get what you needed and you realize you spent too much.

You just bought an in-store-good product. That's a product you're more excited about in the store than you are after you've actually used it.

Smart companies make the opposite: something that's at-home good. When you get the product home, you're actually more impressed with it than you were at the store.

You live with it and grow to like it more and more. And you tell your friends, too.

When you create an at-home-good product, you may have to sacrifice a bit of in-store sizzle. A product that executes on the basics beautifully may not seem as sexy as competitors loaded with bells and whistles. Being great at a few things often doesn't look all that flashy from afar. That's OK. You're aiming for a long-term relationship, not a one-night stand.

This is as true for advertising as it is for in-store packaging or displays. We've all seen a TV ad for some "revolutionary" gadget that will change your life. But when the actual product arrives in the mail, it turns out to be a disappointment. In-media good isn't nearly as important as at-home good. You can't paint over a bad experience with good advertising or marketing.



### **Don't write it down**

How should you keep track of what customers want? Don't. Listen, but then forget what people said. Seriously.

There's no need for a spreadsheet, database, or filing system. The requests that really matter are the ones you'll hear over and over. After a while, you won't be able to forget them. Your customers will be your memory. They'll keep reminding you. They'll show you which things you truly need to worry about.

If there's a request that you keep forgetting, that's a sign that it isn't very important. The really important stuff doesn't go away.

## CHAPTER PROMOTION



### Welcome obscurity

No one knows who you are right now. And that's just fine. Being obscure is a great position to be in. Be happy you're in the shadows.

Use this time to make mistakes without the whole world hearing about them. Keep tweaking. Work out the kinks. Test random ideas. Try new things. No one knows you, so it's no big deal if you mess up. Obscurity helps protect your ego and preserve your confidence.

Retailers experiment with test markets all the time for this reason. When Dunkin'

Donuts thought about selling pizza, hot dogs, and other hot sandwiches, it test-marketed the products at just ten select locations.

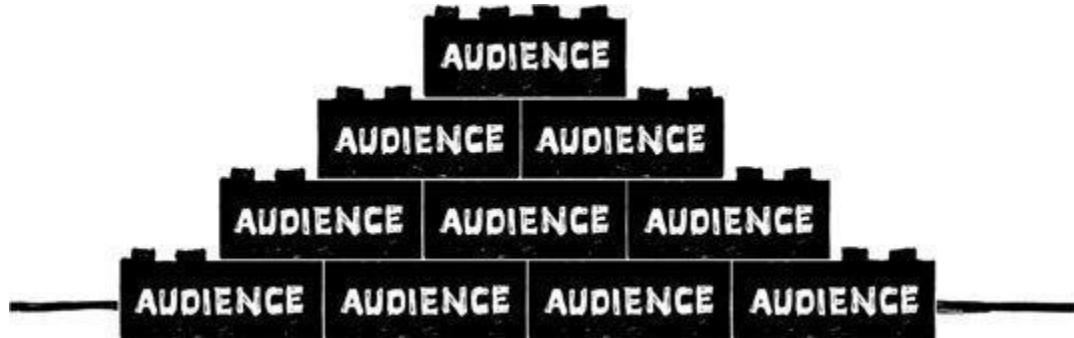
Broadway shows also provide a great example of testing ideas on a small stage first. They routinely do a trial run in a smaller city before coming to New York. Testing out of town lets actors get some reps in front of a live audience before the show goes up in front of harsher critics and tastemakers.

Would you want the whole world to watch you the first time you do anything? If you've never given a speech before, do you want your first speech to be in front of ten thousand people or ten people? You don't want everyone to watch you *starting* your business. It makes no sense to tell everyone to look at you if you're not ready to be looked at yet.

And keep in mind that once you do get bigger and more popular, you're inevitably going to take fewer risks. When you're a success, the pressure to maintain predictability and consistency builds. You get more conservative. It's harder to take risks. That's when things start to fossilize and change becomes difficult.

If millions of people are using your product, every change you make will have a much bigger impact. Before, you might have upset a hundred people when you changed something. Now you might upset thousands. You can reason with a hundred people, but you need riot gear to deal with ten thousand angry customers.

These early days of obscurity are something you'll miss later on, when you're really under the microscope. Now's the time to take risks without worrying about embarrassing yourself.



### **Build an audience**

All companies have customers. Lucky companies have fans. But the most fortunate companies have *audiences*. An audience can be your secret weapon.

A lot of businesses still spend big bucks to reach people. Every time they want to say something, they dip into their budgets, pull out a huge wad of cash, and place some ads. But this approach is both expensive and unreliable. As they say, you waste half of

your ad budget--you just don't know which half.

Today's smartest companies know better. Instead of going out to reach people, you want people to come to you. An audience returns often--on its own--to see what you have to say. This is the most receptive group of customers and potential customers you'll ever have.

Over the past ten years, we've built an audience of more than a hundred thousand daily readers for our Signal vs. Noise blog. Every day they come back to see what we have to say. We may talk about design or business or software or psychology or usability or our industry at large. Whatever it is, these people are interested enough to come back to hear more. And if they like what we have to say, they'll probably also like what we have to sell.

How much would it cost us to reach those hundred thousand people every day the old-fashioned way? Hundreds of thousands? Millions? And how would we have done it? Running ads? Buying radio spots? Sending direct mail?

When you build an audience, you don't have to buy people's attention--they give it to you. This is a huge advantage.

So build an audience. Speak, write, blog, tweet, make videos--whatever. Share information that's valuable and you'll slowly but surely build a loyal audience. Then when you need to get the word out, the right people will already be listening.



*don't*  
**OUT-SPEND**  
**OUT-TEACH**

### **Out-teach your competition**

You can advertise. You can hire salespeople. You can sponsor events. But your competitors are doing the same things. How does that help you stand out?

Instead of trying to outspend, outsell, or outsponsor competitors, try to out-teach them. Teaching probably isn't something your competitors are even thinking about. Most businesses focus on selling or servicing, but teaching never even occurs to them.

The Hoefler Type Foundry teaches designers about type at [Typography.com](#). Etsy, an online store for things handmade, holds entrepreneurial workshops that explain "best practices" and promotional ideas to people who sell at the site. Gary Vaynerchuk, who owns a large wine shop, teaches people about wine online at [Wine Library TV](#), and tens of thousands of people watch every day.

Teach and you'll form a bond you just don't get from traditional marketing tactics.

Buying people's attention with a magazine or online banner ad is one thing. Earning their loyalty by teaching them forms a whole different connection. They'll trust you more. They'll respect you more. Even if they don't use your product, they can still be your fans.

Teaching is something individuals and small companies can do that bigger competitors can't. Big companies can afford a Super Bowl ad; you can't. But you can afford to teach, and that's something they'll never do, because big companies are obsessed with secrecy. Everything at those places has to get filtered through a lawyer and go through layers of red tape. Teaching is your chance to outmaneuver them.



### **Emulate chefs**

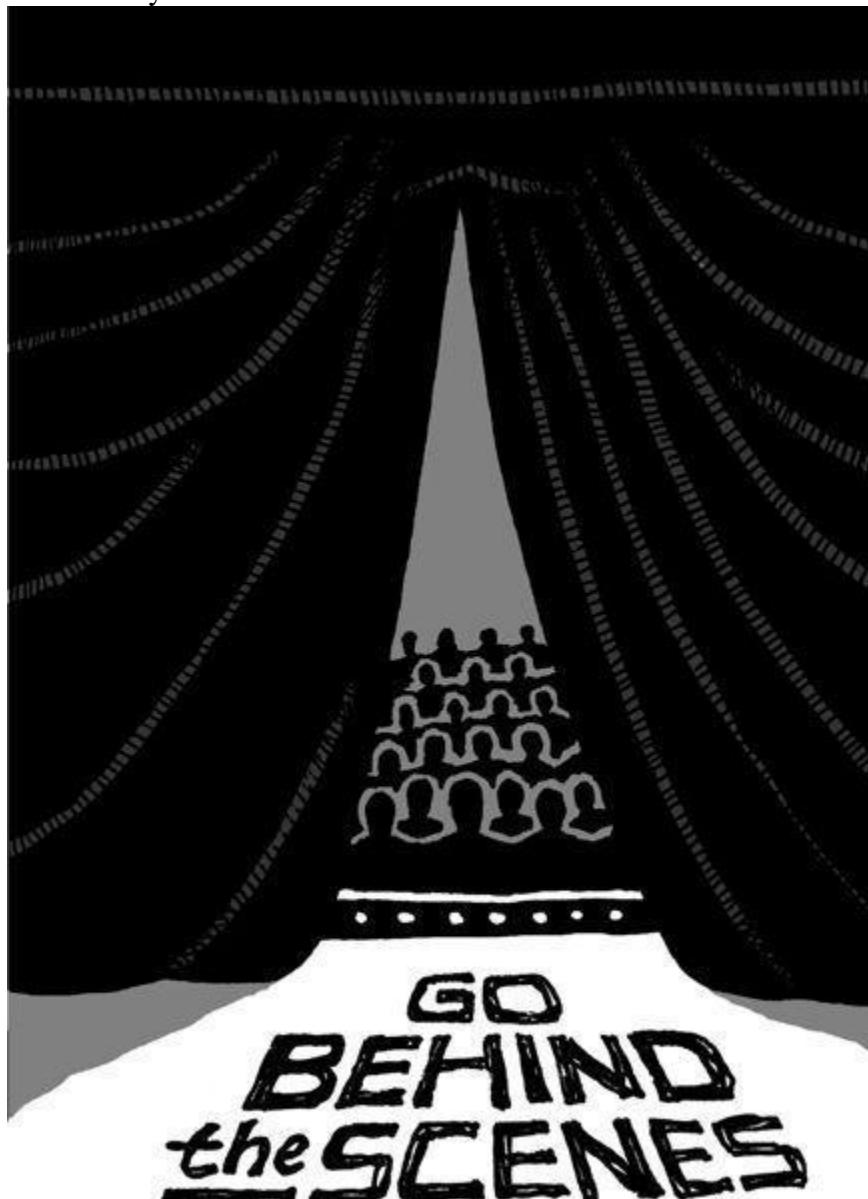
You've probably heard of Emeril Lagasse, Mario Batali, Bobby Flay, Julia Child, Paula Deen, Rick Bayless, or Jacques Pepin. They're great chefs, but there are a lot of great chefs out there. So why do you know these few better than others? Because they share everything they know. They put their recipes in cookbooks and show their techniques on cooking shows.

As a business owner, you should share everything you know too. This is anathema to most in the business world. Businesses are usually paranoid and secretive.

They think they have proprietary this and competitive advantage that. Maybe a rare few do, but most don't. And those that don't should stop acting like those that do. Don't be afraid of sharing.

A recipe is much easier to copy than a business. Shouldn't that scare Mario Batali? Why would he go on TV and show you how he does what he does? Why would he put all his recipes in cookbooks where anyone can buy and replicate them? Because he knows those recipes and techniques aren't enough to beat him at his own game. No one's going to buy his cookbook, open a restaurant next door, and put him out of business. It just doesn't work like that. Yet this is what many in the business world think will happen if their competitors learn how they do things. Get over it.

So emulate famous chefs. They cook, so they write cookbooks. What do you do? What are your "recipes"? What's your "cookbook"? What can you tell the world about how you operate that's informative, educational, and promotional? This book is our cookbook. What's yours?



### **Go behind the scenes**

Give people a backstage pass and show them how your business works. Imagine that someone wanted to make a reality show about your business. What would they share? Now stop waiting for someone else and do it yourself.

Think no one will care? Think again. Even seemingly boring jobs can be fascinating when presented right. What could be more boring than commercial fishing and trucking? Yet the Discovery Channel and History Channel have turned these professions into highly rated shows: *Deadliest Catch* and *Ice Road Truckers*.

It doesn't need to be a dangerous job, either. People love finding out the little secrets of all kinds of businesses, even one that makes those tiny marshmallows in breakfast cereals. That's why the Food Network's *Unwrapped*--which explores the secrets behind lunch-box treats, soda pop, movie candy, and more--is such a popular program.

People are curious about how things are made. It's why they like factory tours or behind-the-scenes footage on DVDs. They want to see how the sets are built, how the animation is done, how the director cast the film, etc. They want to know how and why other people make decisions.

Letting people behind the curtain changes your relationship with them. They'll feel a bond with you and see you as human beings instead of a faceless company. They'll see the sweat and effort that goes into what you sell. They'll develop a deeper level of understanding and appreciation for what you do.



### Nobody likes plastic flowers

The business world is full of "professionals" who wear the uniform and try to seem perfect. In truth, they just come off as stiff and boring. No one can relate to people like that.

Don't be afraid to show your flaws. Imperfections are real and people respond to real. It's why we like real flowers that wilt, not perfect plastic ones that never change. Don't worry about how you're supposed to sound and how you're supposed to act. Show the world what you're really like, warts and all.

There's a beauty to imperfection. This is the essence of the Japanese principle of *wabi-sabi*. *Wabi-sabi* values character and uniqueness over a shiny facade. It teaches that cracks and scratches in things should be embraced. It's also about simplicity. You strip things down and then use what you have. Leonard Koren, author of a book on *wabi-sabi*, gives this advice: Pare down to the essence, but don't remove the poetry. Keep things clean and unencumbered but don't sterilize. \*

It's a beautiful way to put it: Leave the poetry in what you make. When something

becomes too polished, it loses its soul. It seems robotic.

So talk like you really talk. Reveal things that others are unwilling to discuss. Be upfront about your shortcomings. Show the latest version of what you're working on, even if you're not done yet. It's OK if it's not perfect. You might not seem as professional, but you will seem a lot more genuine.



### **Press releases are spam**

What do you call a generic pitch sent out to hundreds of strangers hoping that one will bite? Spam. That's what press releases are too: generic pitches for coverage sent out to hundreds of journalists you don't know, hoping that one will write about you.

Let's dissect the purpose of a press release for a moment: It's something you send out because you want to be noticed. You want the press to pick up on your new company, product, service, announcement, or whatever. You want them to be excited enough to write a story about you.

But press releases are a terrible way to accomplish that. They're tired and formulaic. There's nothing exciting about them. Journalists sift through dozens a day. They wind up buried under an avalanche of hyperbolic headlines and fake quotes from

CEOs. Everything is labeled sensational, revolutionary, groundbreaking, and amazing. It's numbing.

If you want to get someone's attention, it's silly to do exactly the same thing as everyone else. You need to stand out. So why issue press releases like everyone else does? Why spam journalists when their inbox is already filled with other people's spam?

Furthermore, a press release is generic. You write it once and then send it to tons of reporters--people whom you don't know and who don't know you. And your first introduction is this vague, generic note you also send to everyone else? Is that the impression you want to make? Is that really going to get you the story?

Instead, call someone. Write a personal note. If you read a story about a similar company or product, contact the journalist who wrote it. Pitch her with some passion, some interest, some life. Do something meaningful. Be remarkable. Stand out. Be unforgettable. That's how you'll get the best coverage.

# NICHE MEDIA OVER MASS MEDIA



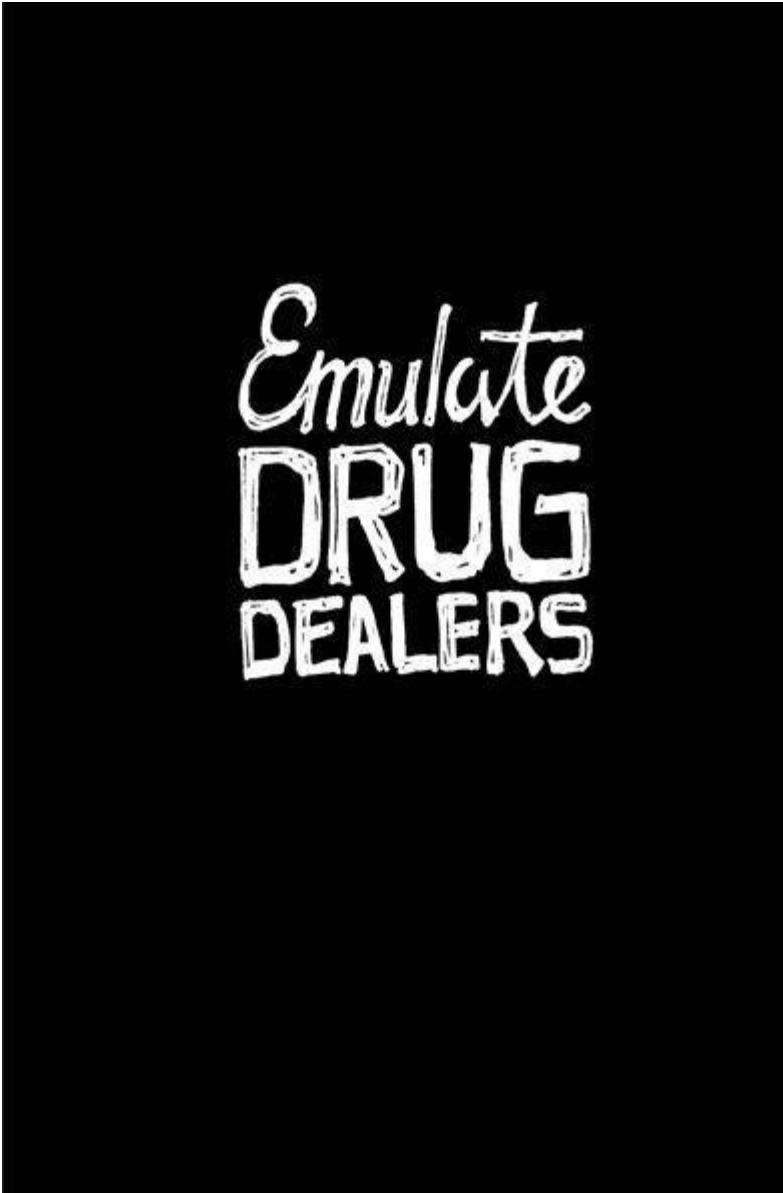
### **Forget about the *Wall Street Journal***

Forget about *Time*, *Forbes*, *Newsweek*, *Business Week*, the *New York Times*, and the *Wall Street Journal*. Pitching a reporter at one of these places is practically impossible. Good luck even getting ahold of that guy. And even if you do, he probably won't care anyway. You're not big enough to matter.

You're better off focusing on getting your story into a trade publication or picked up by a niche blogger. With these outlets, the barrier is much lower. You can send an e-mail and get a response (and maybe even a post) the same day. There's no editorial board or PR person involved. There's no pipeline your message has to go through.

These guys are actually hungry for fresh meat. They thrive on being tastemakers, finding the new thing, and getting the ball rolling. That's why many big-time reporters now use these smaller sites to find new stories. Stories that start on the fringe can go mainstream quickly.

We've been written up in big mainstream publications like *Wired* and *Time*, but we've found that we actually get more hits when we're profiled on sites like Daring Fireball, a site for Mac nerds, or Lifehacker, a productivity site. Links from these places result in notable spikes in our traffic and sales. Articles in big-time publications are nice, but they don't result in the same level of direct, instant activity.



# *Emulate* **DRUG DEALERS**

## **Drug dealers get it right**

Drug dealers are astute businesspeople. They know their product is so good they're willing to give a little away for free upfront. They know you'll be back for more--with money.

Emulate drug dealers. Make your product so good, so addictive, so "can't miss" that giving customers a small, free taste makes them come back with cash in hand.

This will force you to make something about your product bite-size. You want an easily digestible introduction to what you sell. This gives people a way to try it without investing any money or a lot of time.

Bakeries, restaurants, and ice cream shops have done this successfully for years. Car dealers let you test-drive cars before buying them. Software firms are also getting on board, with free trials or limited-use versions. How many other industries could benefit

from the drug-dealer model?

Don't be afraid to give a little away for free--as long as you've got something else to sell. Be confident in what you're offering. You should know that people will come back for more. If you're not confident about that, you haven't created a strong enough product.



### **Marketing is not a department**

Do you have a marketing department? If not, good. If you do, don't think these are the only people responsible for marketing. Accounting is a department. Marketing isn't. Marketing is something everyone in your company is doing 24/7/365.

Just as you cannot not communicate, you cannot not market:

Every time you answer the phone, it's marketing.

Every time you send an e-mail, it's marketing.

Every time someone uses your product, it's marketing.

Every word you write on your Web site is marketing.

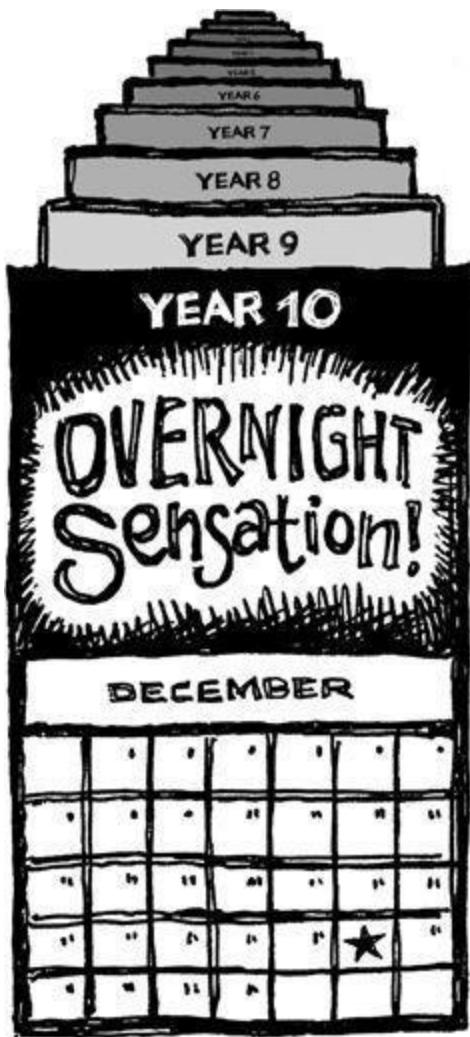
If you build software, every error message is marketing.

If you're in the restaurant business, the after-dinner mint is marketing.

If you're in the retail business, the checkout counter is marketing.

If you're in a service business, your invoice is marketing.

Recognize that all of these little things are more important than choosing which piece of swag to throw into a conference goodie bag. Marketing isn't just a few individual events. It's the sum total of everything you do.



### The myth of the overnight sensation

You will not be a big hit right away. You will not get rich quick. You are not so special that everyone else will instantly pay attention. No one cares about you. At least not yet. Get used to it.

You know those overnight-success stories you've heard about? It's not the whole story. Dig deeper and you'll usually find people who have busted their asses for years to get into a position where things could take off. And on the rare occasion that instant success does come along, it usually doesn't last--there's no foundation there to support it.

Trade the dream of overnight success for slow, measured growth. It's hard, but you have to be patient. You have to grind it out. You have to do it for a long time before the right people notice.

You may think you can speed up the process by hiring a PR firm. Don't bother. You're just not ready for that yet. For one thing, it's too expensive. Good PR firms can cost upward of \$10,000 per month. That's a waste of money right now.

Plus, you're still just a no-name with a product no one's ever heard about. Who's going to write about that? Once you have some customers and a history, you'll have a

story to tell. But just launching isn't a good story.

And remember, great brands launch without PR campaigns all the time. Starbucks, Apple, Nike, Amazon, Google, and Snapple all became great brands over time, not because of a big PR push upfront.

Start building your audience today. Start getting people interested in what you have to say. And then keep at it. In a few years, you too will get to chuckle when people discuss your "overnight" success.\*Pilar Viladas, "The Talk: The Slow Lane," *New York Times Magazine*, Oct. 9, 2005, [www.tinyurl.com/ychqtup](http://www.tinyurl.com/ychqtup)

## CHAPTER HIRING



### **Do it yourself first**

Never hire anyone to do a job until you've tried to do it yourself first. That way, you'll understand the nature of the work. You'll know what a job well done looks like. You'll know how to write a realistic job description and which questions to ask in an interview. You'll know whether to hire someone full-time or part-time, outsource it, or keep doing it yourself (the last is preferable, if possible).

You'll also be a much better manager, because you'll be supervising people who are doing a job you've done before. You'll know when to criticize and when to support.

At 37signals, we didn't hire a system administrator until one of us had spent a whole summer setting up a bunch of servers on his own. For the first three years, one of us did all of our customer support. Then we hired a dedicated support person. We ran

with the ball as far as we could before handing it off. That way, we knew what we were looking for once we did decide to hire.

You may feel out of your element at times. You might even feel like you suck. That's all right. You can hire your way out of that feeling or you can learn your way out of it. Try learning first. What you give up in initial execution will be repaid many times over by the wisdom you gain.

Plus, you should want to be intimately involved in all aspects of your business. Otherwise you'll wind up in the dark, putting your fate solely in the hands of others. That's dangerous.



### **Hire when it hurts**

Don't hire for pleasure; hire to kill pain. Always ask yourself: What if we don't hire anyone? Is that extra work that's burdening us really necessary? Can we solve the problem with a slice of software or a change of practice instead? What if we just don't do it?

Similarly, if you lose someone, don't replace him immediately. See how long you can get by without that person and that position. You'll often discover you don't need as many people as you think.

The right time to hire is when there's more work than you can handle for a sustained period of time. There should be things you can't do anymore. You should notice the quality level slipping. That's when you're hurting. And that's when it's time to hire, not earlier.



### **Pass on great people**

Some companies are addicted to hiring. Some even hire when they aren't hiring. They'll hear about someone great and invent a position or title just to lure them in. And there they'll sit--parked in a position that doesn't matter, doing work that isn't important.

Pass on hiring people you don't need, even if you think that person's a great catch.

You'll be doing your company more harm than good if you bring in talented people who have nothing important to do.

Problems start when you have more people than you need. You start inventing work to keep everyone busy. Artificial work leads to artificial projects. And those artificial projects lead to real costs and complexity.

Don't worry about "the one that got away." It's much worse to have people on staff who aren't doing anything meaningful. There's plenty of talent out there. When you do have a real need, you'll find someone who fits well.

Great has nothing to do with it. If you don't need someone, you don't need someone.



### **Strangers at a cocktail party**

If you go to a cocktail party where everyone is a stranger, the conversation is dull

and stiff. You make small talk about the weather, sports, TV shows, etc. You shy away from serious conversations and controversial opinions.

A small, intimate dinner party among old friends is a different story, though. There are genuinely interesting conversations and heated debates. At the end of the night, you feel you actually got something out of it.

Hire a ton of people rapidly and a "strangers at a cocktail party" problem is exactly what you end up with. There are always new faces around, so everyone is unfailingly polite. Everyone tries to avoid any conflict or drama. No one says, "This idea sucks." People appease instead of challenge.

And that appeasement is what gets companies into trouble. You need to be able to tell people when they're full of crap. If that doesn't happen, you start churning out something that doesn't offend anyone but also doesn't make anyone fall in love.

You need an environment where everyone feels safe enough to be honest when things get tough. You need to know how far you can push someone. You need to know what people really mean when they say something.

So hire slowly. It's the only way to avoid winding up at a cocktail party of strangers.



### Resumes are ridiculous

We all know resumes are a joke. They're exaggerations. They're filled with "action verbs" that don't mean anything. They list job titles and responsibilities that are vaguely accurate at best. And there's no way to verify most of what's on there. The whole thing is a farce.

Worst of all, they're too easy. Anyone can create a decent-enough resume. That's why half-assed applicants love them so much. They can shotgun out hundreds at a time to potential employers. It's another form of spam. They don't care about landing *your* job; they just care about landing *any* job.

If someone sends out a resume to three hundred companies, that's a huge red flag right there. There's no way that applicant has researched you. There's no way he knows what's different about your company.

If you hire based on this garbage, you're missing the point of what hiring is about. You want a specific candidate who cares specifically about your company, your products, your customers, and your job.

So how do you find these candidates? First step: Check the cover letter. In a cover letter, you get actual communication instead of a list of skills, verbs, and years of irrelevance. There's no way an applicant can churn out hundreds of personalized letters. That's why the cover letter is a much better test than a resume. You hear someone's actual voice and are able recognize if it's in tune with you and your company.

Trust your gut reaction. If the first paragraph sucks, the second has to work that much harder. If there's no hook in the first three, it's unlikely there's a match there. On the other hand, if your gut is telling you there's a chance at a real match, then move on to the interview stage.



**Years of irrelevance**

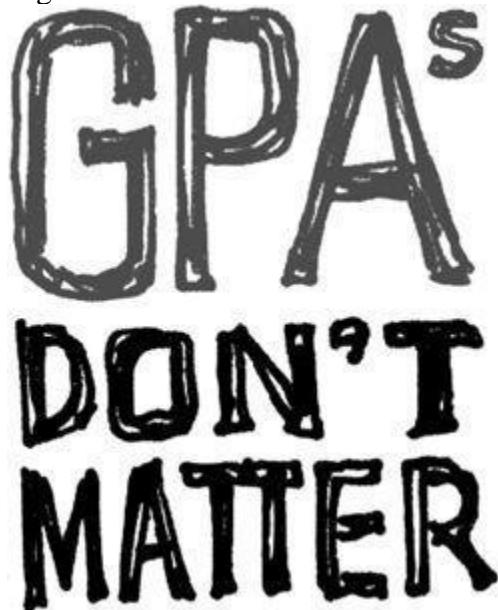
We've all seen job ads that say, "Five years of experience required." That may give you a number, but it tells you nothing.

Of course, requiring some baseline level of experience can be a good idea when hiring. It makes sense to go after candidates with six months to a year of experience. It takes that long to internalize the idioms, learn how things work, understand the relevant tools, etc.

But after that, the curve flattens out. There's surprisingly little difference between a candidate with six months of experience and one with six years. The real difference comes from the individual's dedication, personality, and intelligence.

How do you really measure this stuff anyway? What does five years of experience mean? If you spent a couple of weekends experimenting with something a few years back, can you count that as a year of experience? How is a company supposed to verify these claims? These are murky waters.

How long someone's been doing it is overrated. What matters is how *well* they've been doing it.



**Forget about formal education***I have never let my schooling interfere with my education.* --MARK TWAIN

There are plenty of companies out there who have educational requirements. They'll only hire people with a college degree (sometimes in a specific field) or an advanced degree or a certain GPA or certification of some sort or some other requirement.

Come on. There are plenty of intelligent people who don't excel in the classroom. Don't fall into the trap of thinking you need someone from one of the "best" schools in order to get results. Ninety percent of CEOs currently heading the top five hundred American companies did not receive undergraduate degrees from Ivy League colleges. In

fact, more received their undergraduate degrees from the University of Wisconsin than from Harvard (the most heavily represented Ivy school, with nine CEOs).\*

Too much time in academia can actually do you harm. Take writing, for example. When you get out of school, you have to unlearn so much of the way they teach you to write there. Some of the misguided lessons you learn in academia:

The longer a document is, the more it matters.

Stiff, formal tone is better than being conversational.

Using big words is impressive.

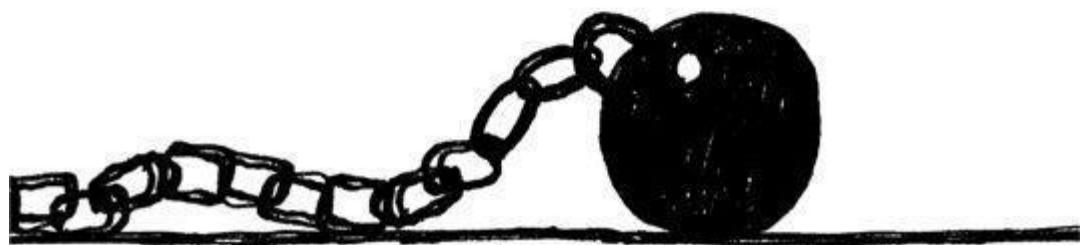
You need to write a certain number of words or pages to make a point.

The format matters as much (or more) than the content of what you write.

It's no wonder so much business writing winds up dry, wordy, and dripping with nonsense. People are just continuing the bad habits they picked up in school. It's not just academic writing, either. There are a lot of skills that are useful in academia that aren't worth much outside of it.

Bottom line: The pool of great candidates is far bigger than just people who completed college with a stellar GPA. Consider dropouts, people who had low GPAs, community-college students, and even those who just went to high school.

# **DELEGATORS ARE DEAD WEIGHT**



### **Everybody works**

With a small team, you need people who are going to *do* work, not delegate work. Everyone's got to be producing. No one can be above the work.

That means you need to avoid hiring delegators, those people who love telling others what to do. Delegators are dead weight for a small team. They clog the pipes for others by coming up with busywork. And when they run out of work to assign, they make up more--regardless of whether it needs to be done.

Delegators love to pull people into meetings, too. In fact, meetings are a delegator's best friend. That's where he gets to seem important. Meanwhile, everyone else who attends is pulled away from getting real work done.



### **Hire managers of one**

Managers of one are people who come up with their own goals and execute them. They don't need heavy direction. They don't need daily check-ins. They do what a manager would do--set the tone, assign items, determine what needs to get done, etc.--but they do it by themselves and for themselves.

These people free you from oversight. They set their own direction. When you

leave them alone, they surprise you with how much they've gotten done. They don't need a lot of hand-holding or supervision.

How can you spot these people? Look at their backgrounds. They have set the tone for how they've worked at other jobs. They've run something on their own or launched some kind of project.

You want someone who's capable of building something from scratch and seeing it through. Finding these people frees the rest of your team to work more and manage less.

**HIRE  
THE  
BETTER  
WRITER**



### **Hire great writers**

If you are trying to decide among a few people to fill a position, hire the best writer. It doesn't matter if that person is a marketer, salesperson, designer, programmer, or whatever; their writing skills will pay off.

That's because being a good writer is about more than writing. Clear writing is a sign of clear thinking. Great writers know how to communicate. They make things easy to understand. They can put themselves in someone else's shoes. They know what to

omit. And those are qualities you want in any candidate.

Writing is making a comeback all over our society. Look at how much people e-mail and text-message now rather than talk on the phone. Look at how much communication happens via instant messaging and blogging. Writing is today's currency for good ideas.

## THE BEST ARE



## EVERYWHERE

### The best are everywhere

It's crazy not to hire the best people just because they live far away. Especially now that there's so much technology out there making it easier to bring everyone together online.

Our headquarters are in Chicago, but more than half of our team lives elsewhere. We've got people in Spain, Canada, Idaho, Oklahoma, and elsewhere. Had we limited our search only to people in Chicago, we would have missed out on half of the great people we have.

To make sure your remote team stays in touch, have at least a few hours a day of real-time overlap. Working in time zones where there's no workday overlap at all is tough. If you face that situation, someone might need to shift hours a bit so they start a little later or earlier in the day, so you're available at the same time. You don't need eight hours of overlap, though. (Actually, we've found it preferable to *not* have complete

overlap--you get more alone time that way.) Two to four hours of overlap should be plenty.

Also, meet in person once in a while. You should see each other at least every few months. We make sure our whole team gets together a few times a year. These are great times to review progress, discuss what's going right or wrong, plan for the future, and get reacquainted with one another on a personal level.

Geography just doesn't matter anymore. Hire the best talent, regardless of where it is.



### **Test-drive employees**

Interviews are only worth so much. Some people sound like pros but don't work like pros. You need to evaluate the work they can do now, not the work they say they did in the past.

The best way to do that is to actually see them work. Hire them for a miniproject, even if it's for just twenty or forty hours. You'll see how they make decisions. You'll see if you get along. You'll see what kind of questions they ask. You'll get to judge them by their actions instead of just their words.

You can even make up a fake project. In a factory in South Carolina, BMW built a simulated assembly line where job candidates get ninety minutes to perform a variety of work-related tasks.\*

Cessna, the airplane manufacturer, has a role-playing exercise for prospective managers that simulates the day of an executive. Candidates work through memos, deal with (phony) irate customers, and handle other problems. Cessna has hired more than a hundred people using this simulation.+

These companies have realized that when you get into a real work environment, the truth comes out. It's one thing to look at a portfolio, read a resume, or conduct an interview. It's another to actually work with someone.\*Carol Hymowitz, "Any College Will Do," *Wall Street Journal*, Sept. 18, 2006,  
[online.wsj.com/article/SB115853818747665842.html](http://online.wsj.com/article/SB115853818747665842.html)\*Peter Carbonara, "Hire for Attitude, Train for Skill," *Fast Company*, Dec. 18, 2007,  
[www.fastcompany.com/magazine/04/hiring.html](http://www.fastcompany.com/magazine/04/hiring.html)+Ibid.

## **CHAPTER DAMAGE CONTROL**

# OWN YOUR BAD NEWS



## Own your bad news

When something goes wrong, someone is going to tell the story. You'll be better off if it's you. Otherwise, you create an opportunity for rumors, hearsay, and false information to spread.

When something bad happens, tell your customers (even if they never noticed in the first place). Don't think you can just sweep it under the rug. You can't hide anymore. These days, someone else will call you on it if you don't do it yourself. They'll post about it online and everyone will know. There are no more secrets.

People will respect you more if you are open, honest, public, and responsive during a crisis. Don't hide behind spin or try to keep your bad news on the down low. You want your customers to be as informed as possible.

Back in 1989, the *Exxon Valdez* oil tanker spilled 11 million gallons of oil into

Alaska's Prince William Sound. Exxon made the mistake of waiting a long time before responding to the spill and sending aid to Alaska. Exxon's chairman failed to go there until two weeks after the spill. The company held news briefings in Valdez, a remote Alaskan town that was difficult for the press to reach. The result: a PR disaster for Exxon that led the public to believe the company was either hiding something or didn't really care about what had happened. \*

Contrast that Exxon story to the rupture of an Ashland Oil storage tank that spilled oil into a river near Pittsburgh around the same time. Ashland Oil's chairman, John Hall, went to the scene of the Ashland spill and took charge. He pledged to clean everything up. He visited news bureaus to explain what the company would do and answer any questions. Within a day, he had shifted the story from a rotten-oil-company-does-evil narrative to a good-oil-company-tries-to-clean-up story. +

Here are some tips on how you can own the story:

The message should come from the top. The highest-ranking person available should take control in a forceful way.

Spread the message far and wide. Use whatever megaphone you have. Don't try to sweep it under the rug.

"No comment" is not an option.

Apologize the way a real person would and explain what happened in detail.

Honestly be concerned about the fate of your customers--then prove it.



### **Speed changes everything**

"Your call is very important to us. We appreciate your patience. The average hold time right now is sixteen minutes." Give me a fucking break.

Getting back to people quickly is probably the most important thing you can do when it comes to customer service. It's amazing how much that can defuse a bad situation and turn it into a good one.

Have you ever sent an e-mail and it took days or weeks for the company to get back to you? How did it make you feel? These days, that's what people have come to expect. They're used to being put on hold. They're used to platitudes about "caring" that aren't backed up.

That's why so many support queries start off with an antagonistic tone. Some people may even make threats or call you names. Don't take it personally. They think

that's the only way to be heard. They're only trying to be a squeaky wheel in hopes it'll get them a little grease.

Once you answer quickly, they shift 180 degrees. They light up. They become extra polite. Often they thank you profusely.

It's especially true if you offer a personal response. Customers are so used to canned answers, you can really differentiate yourself by answering thoughtfully and showing that you're listening. And even if you don't have a perfect answer, say something. "Let me do some research and get back to you" can work wonders.



### How to say you're sorry

There's never really a great way to say you're sorry, but there are plenty of terrible ways.

One of the worst ways is the non-apology apology, which sounds like an apology

but doesn't really accept any blame. For example, "We're sorry if this upset you." Or "I'm sorry that you don't feel we lived up to your expectations." Whatever.

A good apology accepts responsibility. It has no conditional *if* phrase attached. It shows people that the buck stops with you. And then it provides real details about what happened and what you're doing to prevent it from happening again. And it seeks a way to make things right.

Here's another bad one: "We apologize for any inconvenience this may have caused." Oh, please. Let's break down why that's bad:

**"We apologize..."** If you spilled coffee on someone while riding the subway, would you say, "I apologize"? No, you'd say, "I'm so, so sorry!" Well, if your service is critical to your customers, an interruption to that service is like spilling hot coffee all over them. So use the appropriate tone and language to show that you understand the severity of what happened. Also, the person in charge should take personal responsibility. An "I" apology is a lot stronger than a "we" apology.

**"... any inconvenience..."** If customers depend on your service and can't get to it, it's not merely an inconvenience. It's a crisis. An inconvenience is a long line at the grocery store. This ain't that.

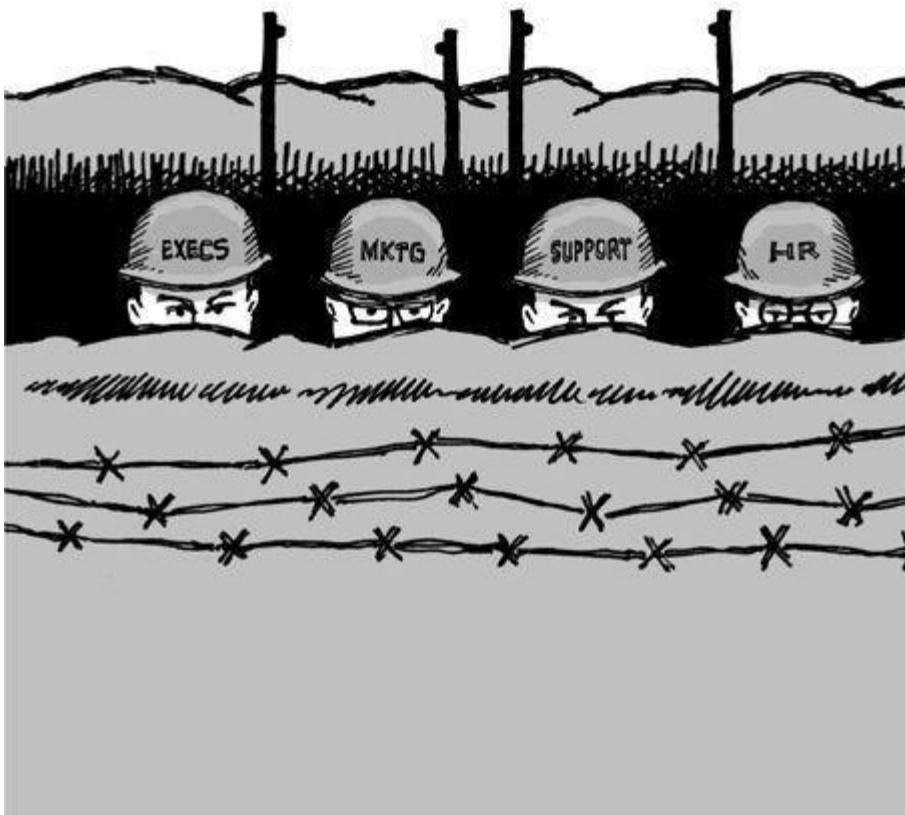
**"... this may have caused"** The "may" here implies there might not be *anything* wrong at all. That's a classic non-apology apology move. It slighted the very real problem(s) that customers are experiencing. If this didn't affect them, you don't really need to say anything. If it did affect them, then there's no need for "may" here. Stop wavering.

So what's the perfect way to say you're sorry? There's no magic bullet. Any stock answer will sound generic and hollow. You're going to have to take it on a case-by-case basis.

The number-one principle to keep in mind when you apologize: How would you feel about the apology if you were on the other end? If someone said those words to you, would you believe them?

Keep in mind that you can't apologize your way out of being an ass. Even the best apology won't rescue you if you haven't earned people's trust. Everything you do before things go wrong matters far more than the actual words you use to apologize. If you've built rapport with customers, they'll cut you some slack and trust you when you say you're sorry.

# **EVERYONE ON THE FRONT LINES**



## **Put everyone on the front lines**

In the restaurant business, there's a world of difference between working in the kitchen and dealing with customers. Cooking schools and smart restaurateurs know it's important for both sides to understand and empathize with each other. That's why they often have chefs work out front as waiters for a stretch. That way, the kitchen staff can interact with customers and see what it's actually like on the front lines.

A lot of companies have a similar front-of-house/back-of-house split. The people who make the product work in the "kitchen" while support handles the customers. Unfortunately, that means the product's chefs never get to directly hear what customers are saying. Too bad. Listening to customers is the best way to get in tune with a product's strengths and weaknesses.

Think about the children's game Telephone. There are ten kids sitting in a circle.

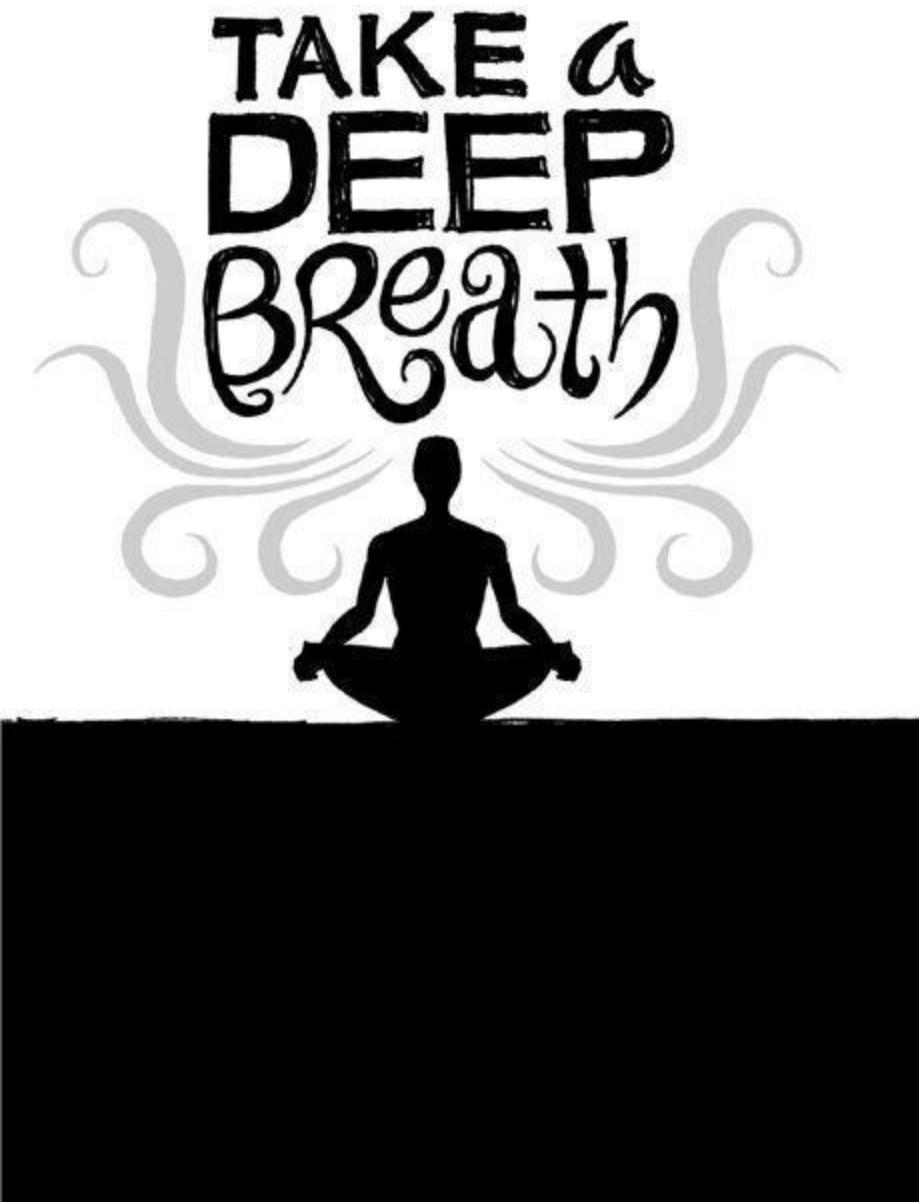
A message starts and is whispered from one child to another. By the time it gets all the way around, the message is completely distorted--to the point where it's usually hilarious. A sentence that makes sense at first comes out the other end as "Macaroni cantaloupe knows the future." And the more people you have in the circle, the more distorted the message gets.

The same thing is true at your company. The more people you have between your customers' words and the people doing the work, the more likely it is that the message will get lost or distorted along the way.

Everyone on your team should be connected to your customers--maybe not every day, but at least a few times throughout the year. That's the only way your team is going to feel the hurt your customers are experiencing. It's feeling the hurt that really motivates people to fix the problem. And the flip side is true too: The joy of happy customers or ones who have had a problem solved can also be wildly motivating.

So don't protect the people doing the work from customer feedback. No one should be shielded from direct criticism.

Maybe you think you don't have time to interact with customers. Then make time. Craigslist founder Craig Newmark still answers support e-mails today (often within minutes). He also deletes racist comments from the site's discussion boards and pesters New York City Realtors who post apartments for rent that don't exist.\* If he can devote this kind of attention to customer service, you can too.



### **Take a deep breath**

When you rock the boat, there will be waves. After you introduce a new feature, change a policy, or remove something, knee-jerk reactions will pour in. Resist the urge to panic or make rapid changes in response. Passions flare in the beginning. That's normal. But if you ride out that first rocky week, things usually settle down.

People are creatures of habit. That's why they react to change in such a negative way. They're used to using something in a certain way and any change upsets the natural order of things. So they push back. They complain. They demand that you revert to the way things were.

But that doesn't mean you should act. Sometimes you need to go ahead with a decision you believe in, even if it's unpopular at first.

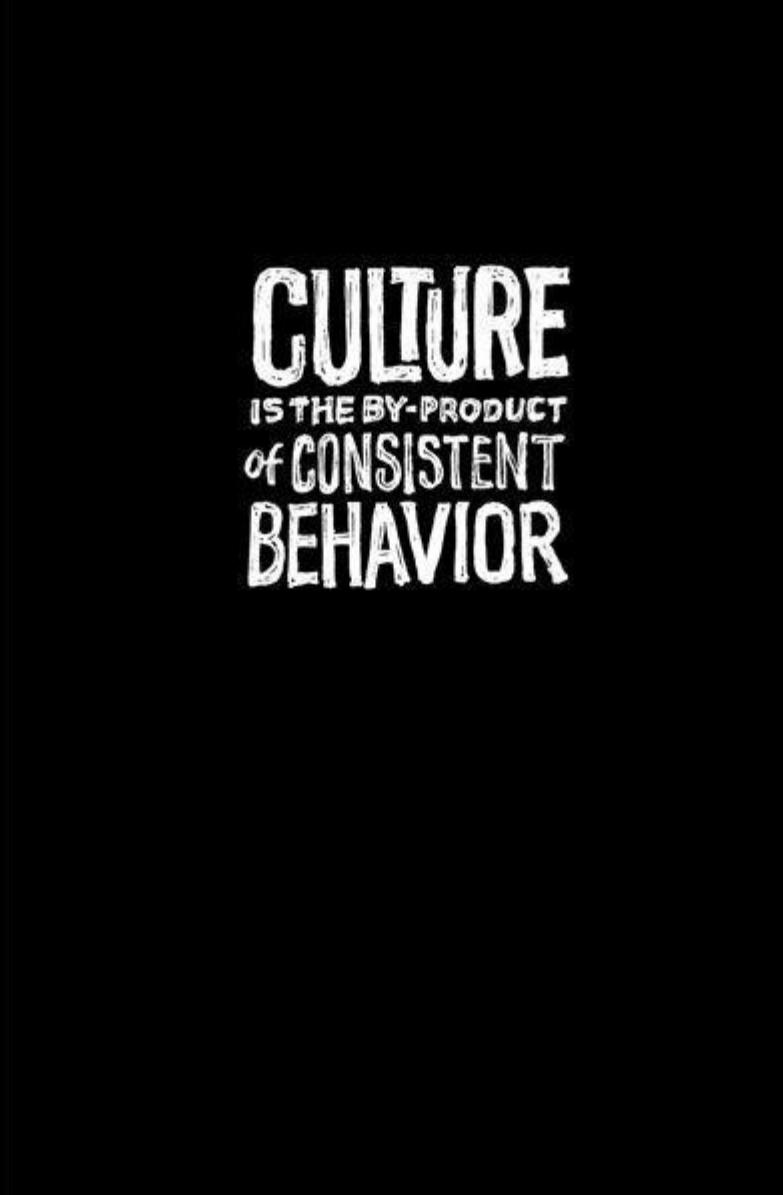
People often respond before they give a change a fair chance. Sometimes that

initial negative reaction is more of a primal response. That's why you'll sometimes hear things like, "It's the worst thing I've ever seen." No, it's not. It's a minor change. Come on.

Also, remember that negative reactions are almost always louder and more passionate than positive ones. In fact, you may hear only negative voices even when the majority of your customers are happy about a change. Make sure you don't foolishly backpedal on a necessary but controversial decision.

So when people complain, let things simmer for a while. Let them know you're listening. Show them you're aware of what they're saying. Let them know you understand their discontent. But explain that you're going to let it go for a while and see what happens. You'll probably find that people will adjust eventually. They may even wind up liking the change more than the old way, once they get used to it.\*Reyna Susi, "The Exxon Crisis, 1989," Effective Crisis Management, [iml.jou.ufl.edu/projects/Fall02/Susi/exxon.htm](http://iml.jou.ufl.edu/projects/Fall02/Susi/exxon.htm) +John Holusha, "Exxon's Public-Relations Problem," *New York Times*, Apr. 21, 1989, [www.tinyurl.com/yg2bgff](http://www.tinyurl.com/yg2bgff)\*Scott Kirsner, "Craigslist's Unorthodox Path," *Boston Globe*, June 15, 2008, [www.tinyurl.com/4vkg58](http://www.tinyurl.com/4vkg58)

## CHAPTER CULTURE



**CULTURE**  
IS THE BY-PRODUCT  
of CONSISTENT  
**BEHAVIOR**

### **You don't create a culture**

Instant cultures are artificial cultures. They're big bangs made of mission statements, declarations, and rules. They are obvious, ugly, and plastic. Artificial culture is paint. Real culture is patina.

You don't create a culture. It happens. This is why new companies don't have a culture. Culture is the byproduct of consistent behavior. If you encourage people to share, then sharing will be built into your culture. If you reward trust, then trust will be built in. If you treat customers right, then treating customers right becomes your culture.

Culture isn't a foosball table or trust falls. It isn't policy. It isn't the Christmas party or the company picnic. Those are objects and events, not culture. And it's not a slogan, either. Culture is action, not words.

So don't worry too much about it. Don't force it. You can't install a culture. Like a

fine scotch, you've got to give it time to develop.



### **Decisions are temporary**

"But what if ...?" "What happens when ...?" "Don't we need to plan for ...?"

Don't make up problems you don't have yet. It's not a problem until it's a *real* problem. Most of the things you worry about never happen anyway.

Besides, the decisions you make today don't need to last forever. It's easy to shoot down good ideas, interesting policies, or worthwhile experiments by assuming that whatever you decide now needs to work for years on end. It's just not so, especially for a small business. If circumstances change, your decisions can change. Decisions are temporary.

At this stage, it's silly to worry about whether or not your concept will scale from five to five thousand people (or from a hundred thousand to 100 million people). Getting a product or service off the ground is hard enough without inventing even more obstacles. Optimize for now and worry about the future later.

The ability to change course is one of the big advantages of being small. Compared with larger competitors, you're way more capable of making quick, sweeping changes. Big companies just can't move that fast. So pay attention to today and worry about later when it gets here. Otherwise you'll waste energy, time, and money fixating on problems that may never materialize.

# BUILD A ROCKSTAR ENVIRONMENT



## Skip the rock stars

A lot of companies post help-wanted ads seeking "rock stars" or "ninjas." Lame. Unless your workplace is filled with groupies and throwing stars, these words have nothing to do with your business.

Instead of thinking about how you can land a roomful of rock stars, think about the room instead. We're all capable of bad, average, and great work. The environment has a lot more to do with great work than most people realize.

That's not to say we're all created equal and you'll unlock star power in anyone with a rock star environment. But there's a ton of untapped potential trapped under lame policies, poor direction, and stifling bureaucracies. Cut the crap and you'll find that people are waiting to do great work. They just need to be given the chance.

This isn't about casual Fridays or bring-your-dog-to-work day. (If those are such good things, then why aren't you doing them every day of the week?)

Rockstar environments develop out of trust, autonomy, and responsibility. They're a result of giving people the privacy, workspace, and tools they deserve. Great environments show respect for the people who do the work and how they do it.



### **They're not thirteen**

When you treat people like children, you get children's work. Yet that's exactly how a lot of companies and managers treat their employees. Employees need to ask permission before they can do anything. They need to get approval for every tiny expenditure. It's surprising they don't have to get a hall pass to go take a shit.

When everything constantly needs approval, you create a culture of nonthinkers. You create a boss-versus-worker relationship that screams, "I don't trust you."

What do you gain if you ban employees from, say, visiting a social-networking site or watching YouTube while at work? You gain nothing. That time doesn't magically convert to work. They'll just find some other diversion.

And look, you're not going to get a full eight hours a day out of people anyway. That's a myth. They might be at the office for eight hours, but they're not actually working eight hours. People *need* diversions. It helps disrupt the monotony of the workday. A little YouTube or Facebook time never hurt anyone.

Then there's all the money and time you spend policing this stuff. How much does it cost to set up surveillance software? How much time do IT employees waste on

monitoring other employees instead of working on a project that's actually valuable? How much time do you waste writing rule books that never get read? Look at the costs and you quickly realize that failing to trust your employees is awfully expensive.



SEND PEOPLE  
**HOME**  
at **FIVE**

### **Send people home at 5**

The dream employee for a lot of companies is a twenty-something with as little of a life as possible outside of work--someone who'll be fine working fourteen-hour days and sleeping under his desk.

But packing a room full of these burn-the-midnight-oil types isn't as great as it seems. It lets you get away with lousy execution. It perpetuates myths like "This is the only way we can compete against the big guys." You don't need more hours; you need *better* hours.

When people have something to do at home, they get down to business. They get

their work done at the office because they have somewhere else to be. They find ways to be more efficient because they have to. They need to pick up the kids or get to choir practice. So they use their time wisely.

As the saying goes, "If you want something done, ask the busiest person you know." You want busy people. People who have a life outside of work. People who care about more than one thing. You shouldn't expect the job to be someone's entire life--at least not if you want to keep them around for a long time.



### **Don't scar on the first cut**

The second something goes wrong, the natural tendency is to create a policy. "Someone's wearing shorts!? We need a dress code!" No, you don't. You just need to tell John not to wear shorts again.

Policies are organizational scar tissue. They are codified overreactions to

situations that are unlikely to happen again. They are collective punishment for the misdeeds of an individual.

This is how bureaucracies are born. No one sets out to create a bureaucracy. They sneak up on companies slowly. They are created one policy--one scar--at a time.

So don't scar on the first cut. Don't create a policy because one person did something wrong once. Policies are only meant for situations that come up over and over again.



### **Sound like you**

What is it with businesspeople trying to sound big? The stiff language, the formal announcements, the artificial friendliness, the legalese, etc. You read this stuff and it sounds like a robot wrote it. These companies talk *at* you, not *to* you.

This mask of professionalism is a joke. We all know this. Yet small companies still try to emulate it. They think sounding big makes them appear bigger and more "professional." But it really just makes them sound ridiculous. Plus, you sacrifice one of a small company's greatest assets: the ability to communicate simply and directly, without running every last word through a legal-and PR-department sieve.

There's nothing wrong with sounding your own size. Being honest about who you are is smart business, too. Language is often your first impression--why start it off with a lie? Don't be afraid to be you.

That applies to the language you use everywhere--in e-mail, packaging, interviews, blog posts, presentations, etc. Talk to customers the way you would to friends. Explain things as if you were sitting next to them. Avoid jargon or any sort of corporate-speak. Stay away from buzzwords when normal words will do just fine. Don't talk about "monetization" or being "transparent;" talk about making money and being honest. Don't use seven words when four will do.

And don't force your employees to end e-mails with legalese like "This e-mail message is for the sole use of the intended recipient(s) and may contain confidential and privileged information." That's like ending all your company e-mails with a signature that says, "We don't trust you and we're ready to prove it in court." Good luck making friends that way.

Write to be read, don't write just to write. Whenever you write something, read it out loud. Does it sound the way it would if you were actually talking to someone? If not, how can you make it more conversational?

Who said writing needs to be formal? Who said you have to strip away your personality when putting words on paper? Forget rules. Communicate!

And when you're writing, don't think about all the people who may read your words. Think of one person. Then write for that one person. Writing for a mob leads to generalities and awkwardness. When you write to a specific target, you're a lot more likely to hit the mark.



### Four-letter words

There are four-letter words you should never use in business. They're not *fuck* or *shit*. They're *need*, *must*, *can't*, *easy*, *just*, *only*, and *fast*. These words get in the way of healthy communication. They are red flags that introduce animosity, torpedo good discussions, and cause projects to be late.

When you use these four-letter words, you create a black-and-white situation. But the truth is rarely black and white. So people get upset and problems ensue. Tension and conflict are injected unnecessarily.

Here's what's wrong with some of them:**Need**. Very few things actually need to get done. Instead of saying "need," you're better off saying "maybe" or "What do you think about this?" or "How does this sound?" or "Do you think we could get away with that?" **Can't**. When you say "can't," you probably can. Sometimes there are even

opposing can'ts: "We can't launch it like that, because it's not quite right" versus "We can't spend any more time on this because we have to launch." Both of those statements can't be true. Or wait a minute, can they? **Easy.** *Easy* is a word that's used to describe other people's jobs. "That should be easy for you to do, right?" But notice how rarely people describe their own tasks as easy. For you, it's "Let me look into it"--but for others, it's "Get it done."

These four-letter words often pop up during debates (and also watch out for their cousins: *everyone*, *no one*, *always*, and *never*). Once uttered, they make it tough to find a solution. They box you into a corner by pitting two absolutes against each other. That's when head-butting occurs. You squeeze out any middle ground.

And these words are especially dangerous when you string them together: "We need to add this feature now. We can't launch without this feature. Everyone wants it. It's only one little thing so it will be easy. You should be able to get it in there fast!" Only thirty-six words, but a hundred assumptions. That's a recipe for disaster.



### ASAP is poison

Stop saying ASAP. We get it. It's implied. Everyone wants things done as soon as they can be done.

When you turn into one of these people who adds ASAP to the end of every request, you're saying everything is high priority. And when everything is high priority, nothing is. (Funny how everything is a top priority until you actually have to prioritize things.)

ASAP is inflationary. It devalues any request that doesn't say ASAP. Before you know it, the only way to get anything done is by putting the ASAP sticker on it.

Most things just don't warrant that kind of hysteria. If a task doesn't get done this very instant, nobody is going to die. Nobody's going to lose their job. It won't cost the company a ton of money. What it will do is create artificial stress, which leads to burnout and worse.

So reserve your use of emergency language for true emergencies. The kind where there are direct, measurable consequences to inaction. For everything else, chill out.

## CHAPTER CONCLUSION



### **Inspiration is perishable**

We all have ideas. Ideas are immortal. They last forever.

What doesn't last forever is inspiration. Inspiration is like fresh fruit or milk: It has an expiration date.

If you want to do something, you've got to do it now. You can't put it on a shelf and wait two months to get around to it. You can't just say you'll do it later. Later, you won't be pumped up about it anymore.

If you're inspired on a Friday, swear off the weekend and dive into the project. When you're high on inspiration, you can get two weeks of work done in twenty-four hours. Inspiration is a time machine in that way.

Inspiration is a magical thing, a productivity multiplier, a motivator. But it won't wait for you. Inspiration is a now thing. If it grabs you, grab it right back and put it to work.

## **Thank you for reading our book**

We hope it inspires you to rework how you do things. If so, drop a line to [rework@37signals.com](mailto:rework@37signals.com) and let us know how it's going. We look forward to hearing from you.

## **CHAPTER RESOURCES**

### **About 37signals**

#### **37signals**

[www.37signals.com](http://www.37signals.com)

About 37signals and our products.

#### **Rework site**

[www.37signals.com/rework](http://www.37signals.com/rework)

The official book site.

#### **Signal vs. Noise**

[www.37signals.com/svn](http://www.37signals.com/svn)

Our company blog about business, design, culture, and more.

#### **37signals video**

[www.37signals.com/speaks](http://www.37signals.com/speaks)

Presentations and rants by 37signals.

#### **Subscribe to 37signals newsletters**

[www.37signals.com/subscribe](http://www.37signals.com/subscribe)

Newsletter about new products, discounts, and more (sent out roughly twice a month).

#### **Stuff we like**

[www.37signals.com/stuffwelike](http://www.37signals.com/stuffwelike)

A list of books, sites, and other things that we enjoy.

#### **E-mail**

[rework@37signals.com](mailto:rework@37signals.com)

### **37signals products**

#### **Basecamp**

[www.basecamphq.com](http://www.basecamphq.com)

Manage projects and collaborate with your team and clients.

#### **Highrise**

[www.highrisehq.com](http://www.highrisehq.com)

Track your contacts, leads, and deals. Always be prepared.

#### **Backpack**

[www.backpackit.com](http://www.backpackit.com)

Organize and share information across your business.

#### **Campfire**

[www.campfirenow.com](http://www.campfirenow.com)

Real-time chat and file and code sharing for remote teams.

### **Ta-da List**

[www.tadalist.com](http://www.tadalist.com)

Ta-da List makes it easy to create and share your to-do's.

### **Writeboard**

[www.writeboard.com](http://www.writeboard.com)

Writeboard is a collaborative writing tool.

### **Getting Real**

[gettingreal.37signals.com](http://gettingreal.37signals.com)

This book by 37signals will help you discover the smarter, faster, easier way to build a successful Web-based application.

### **Ruby on Rails**

[www.rubyonrails.org](http://www.rubyonrails.org)

An open-source Web framework created by 37signals.

### **Acknowledgments**

Very special thanks go to Matthew Linderman. Matt was 37signals' first employee in 1999--and he's still with the company today. This book wouldn't have come together without Matt. In addition to writing original content, he helped merge the distinctly different writing styles of the coauthors into a focused, cohesive book. He made it look easy, but it wasn't easy work. Thank you, Matt.

We also want to thank our families, our customers, and everyone at 37signals. And here's a list of some of the people we know, and don't know, who have inspired us in one way or another:Frank Lloyd Wright Seth Godin Warren Buffett Jamie Larson Clayton Christensen Ralph Nader Jim Coudal Benjamin Franklin Ernest Kim Jeff Bezos Scott Heiferman Antoni Gaudi Carlos Segura Larry David Steve Jobs Dean Kamen Bill Maher Thomas Jefferson Mies van der Rohe Ricardo Semler Christopher Alexander James Dyson Kent Beck Thomas Paine Gerald Weinberg Kathy Sierra Julia Child Marc Hedlund Nicholas Karavites Michael Jordan Richard Bird Jeffrey Zeldman Dieter Rams Judith Sheindlin Ron Paul Timothy Ferriss

Copyright (c) 2010 by 37signals, LLC.

All rights reserved.

Published in the United States by Crown Business of the Crown Publishing Group, a division of Random House, Inc., New York.

[www.crownpublishing.com](http://www.crownpublishing.com)

CROWN and the Crown colophon are registered trademarks of Random House, Inc.

This book is available for special discounts for bulk purchases for sales promotions or premiums. Special editions, including personalized covers, excerpts of existing books, and corporate imprints, can be created in large quantities for special needs. For more information, write to Random House, Inc.

Library of Congress Cataloging-in-Publication Data

Fried, Jason.

Rework / Jason Fried and David Hansson.--1st ed.

p. cm.

1. Industrial management. 2. 37signals--company.

I. Hansson, David Heinemeier. II. Title.

HD31.F755 2010

658.22--dc22 2009036114

eISBN: 978-0-307-46376-0

rohdesign.com

v3.0

# REWORK

*Jason Fried and  
David Heinemeier Hansson*

A stylized crown graphic composed of several sharp, upward-pointing triangles of varying sizes, all in a dark red color, set against a lighter red background.

To subscribe to the free Crown Business E-Newsletter,  
e-mail: [CrownBusiness@RandomHouse.com](mailto:CrownBusiness@RandomHouse.com)