Frugality. Accomplish more with less. Constraints breed resourcefulness, self-sufficiency, and invention. There are no extra points for growing head count, budget size, or fixed expense.

When I last did a presentation on leadership principles to a large group of people, it was about four years ago. And when I got to this leadership principle, I said frugality is pretty straightforward. And on the face of it, it is pretty straightforward.

But as I thought about it over the last four years, we have hired so many new people who come from so many different backgrounds and contexts that I thought it might be useful to just share how we really think about what frugality is.

There's a reason that we have door desks and we have always had door desks. It's a signal to ourselves that we want to be scrappy, that we don't want extra garnishing, that we're trying to be as frugal as possible.

There's a reason that our former CFO, Mark Peek, famously at an all company meeting said "I'll bend over for a penny." Because when you build a company whose foundation was based on a single digit operating margin retail business, basis points matter. All those things matter.

For a long time, people thought we had a real business model disadvantage because we had this retail business that was a high volume, relatively low margin business. In fact, some people may still think we have that disadvantage.

I think it's an advantage for all sorts of reasons, but especially because constraints breed resourcefulness and invention that has always been true. And it also breeds being great operators of high volume, low margin businesses, which very few companies are particularly very few technical companies.

I saw this frugality come into play many times. You know, if I go back to when we were starting AWS, people forget we built S3, which is our simple storage service and EC2, which is our elastic compute cloud, with 13-person teams. 13-person teams, those were both built.

And I remember in the early days, people would say to us, "well, this is not reasonable to expect to build something great with 13-person teams. I'm competing against companies who have teams 10 times the size of this team."

And of course, those teams built amazing, pioneering, still leading products because they had to be inventive. You know, constraints breed resourcefulness.

I also remember as we were scaling out AWS, which is a huge logistical business that the fact that we had so many people who grew up in our retail business, which is a very strong operating high volume, relatively low margin business. We were much better at operating that type of business and finding ways to be more cost effective for customers than other technology companies.

When you save money on everything you do, it means you can invest more in giving customers lower prices and giving them more capabilities.

Now this all seems, I think, fairly logical, particularly if you've lived in this culture for a long time. But what's interesting is over the last several years as Amazon has become a much larger company. I mean, we're a company that has 500 billion dollars plus of revenue. The numbers get so large that people almost get numb to some of these numbers.

I mean, I remember when I had to ask for 50 people or a million dollars, it felt like so much money. And now I hear sometimes people saying things like, "well, I don't know, it's only $100 million." Or, "you know, to start this idea. You know, I only need 65-70 people."

Don't get numb to those numbers. Our very best people, our very best teams, our very best businesses do more with less.

And if you work in a business that has more generous margins than our retail business, don't spend more just because you have margins to support it. Be frugal every bit you can save on, you can give back to customers in the form of lower prices and more capabilities.

And I would also say, don't believe that the best way to build your career and to develop your career is to have large teams. That is not the case.

We want and value people who build amazing customer experiences and amazing businesses as leanly as possible. That's how we think about great people. That's how we're going to think about it in our promotion process. And that's the way we want to operate together.