

##StartWithWhy##

Simon Sinek, 2009

"There are leaders & there are those who lead.
Leaders hold a position of power or influence.
Those who lead inspire us."

Preface

Introduction: Why start w/ why?

"Those who are able to inspire give people a sense of purpose or belonging that has little to do w/ any external incentive or benefit to be gained."

P+1 A world that doesn't start w/ why

① Assume you know

- * behavior is influenced by assumptions & what we think we know
- * most people try to accomplish their goals by first gathering data (formally or informally) to try & make the right decisions
- * but our assumptions may be wrong & result in poor decisions or you may be right but not know why & be unable to replicate it

"more data, however, doesn't always help, especially if a flawed assumption set the whole process in motion in the first place."

→ for more consistent results you can engineer the outcome you want from the beginning vs. trying to hammer it in place at the end. If you don't get the desired outcome then you know where to look to fix it.

② Carrots & Sticks

→ Manipulation vs. Inspiration

- * most companies don't know why their customers are their customers or why their employees are their employees

* ~~customers who~~ companies that don't know why their customers buy tend to rely more on manipulations (ex ↓ price, promos, peer pressure or promises, etc) because they don't know how to attract or retain more customers & manipulations work.

Price * Lowering prices can be addicting & spiral down, need to stay profitable
Price always comes at a cost (scandal, cut corners, etc)

- Promo

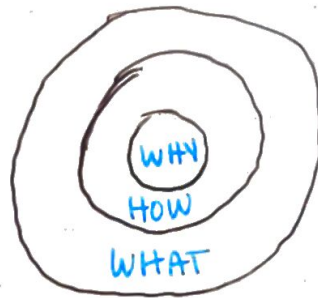
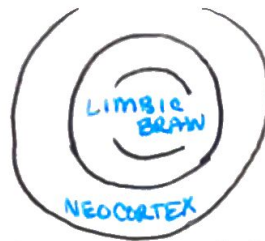
 - * Gm offered promos / cash-back, profit margin plummeted, they cut back on promos, lost customers
 - ↳ retailers track **breakage** when customers pay full price because possibly the customer didn't complete the cashback process but tried. **Slippage** is when a customer doesn't even try
- Fear

 - * **Fear**, real or **perceived**, is ... **the most powerful manipulation** ...
 - ↳ ex. going with a known vs. unknown company as a vendor, in case you get fined. Facts become difficult to retain / come about.
- Aspiration

 - * **"If fear motivates us to move away from something horrible, aspirational messages tempt us toward something desirable."**
 - **"aspirational messages are most effective for with those who lack discipline or have a nagging fear or insecurity that they don't have the ability to achieve their dreams on their own."**
 - can start an action but not necessarily sustain it.
 - same in corporate as in personal worlds
- PEER PRESSURE

 - * with peer pressure & notes from experts, we fear we're wrong. From celebrities we're hit w/ aspirations to be like them.
 - can also generate FOMO
- Novelty vs. innovation

 - * **innovation** is industry or world changing vs **novelty** that is like a fancy new feature. Novelty can drive sales temporarily.
- These tactics don't generate **loyalty** & have high costs
- **Repeat business** is when ppl do business w/ you ∞ times. **Loyalty** is when people are willing to turn down a better product / price to do business w/ you.
- For txns that will only happen once or rarely you don't need to cultivate a relationship. Manipulations are OK.
- For relationship-based customers or workplaces, a feeling of "we're in this together" helps a ton.
- These manipulations ↑ stress.
- **"Just because it works doesn't make it right"**



Pt. 2 An Alternative Perspective

③ The Golden Circle

- WHAT, literally your product, etc
 - HOW, your value prop
 - WHY, why your company exists
- Where the WHAT is a tangible proof of your cause (your WHY)
- "...people don't buy WHAT you do, they buy WHY you do it."
- The lifestyle of people who buy certain brands comes first & a brand or product serves a proof of an individual's WHY.
- No matter how clear your WHY, if WHAT you sell doesn't work, the whole thing falls flat. But it just needs to be good or very good, not the best, if you have a strong WHY. "Better" depends on what the consumer is looking for a product in the first place.
 - Your company becomes an option for your customers to seek out, one of many. With a clear WHY they can find you & stick w/ you.

④ This is not opinion, this is biology

* humans have a built-in desire to belong

"No matter where we go, we trust those with whom we are able to perceive common values or beliefs."

- Leaders/orgs that are good at communicating their beliefs are magnetic. Their ability to make us feel like we belong, special, safe & not alone is inspiring.

* Our limbic brain doesn't have language so we talk around what it's telling us. It tends to be more accurate at decision making but it's difficult to say why.

"A failure to communicate WHY creates nothing but stress or doubt"

"bonds of loyalty are not formed simply when companies say or do everything their customers want"

- Sometimes we don't need all the facts to make a decision & sometimes we know "in our gut" we don't have enough info.
- Facts don't "set the course & they don't inspire behavior."

⑤ Clarity, Discipline & Consistency

① Clarity of WHY | ② Discipline of HOW | ③ Consistency of WHAT

"A WHY is just a belief. ... Hows are the actions you take to realize that belief. And WHATs are the results of those actions — everything you say or do."

→ Authenticity happens at the WHAT stage.

"You can't ask others what you have to do to be authentic"

→ belief can translate to passion & ↑ the ability of a sales person to do their job. + can generate authenticity which generates trust → loyalty

"There are always reasons people do business with you that have nothing to do with you."

* Loyalty exists in the brain of the buyer, that's where the real emotional value resides so your product reinforces their beliefs

* You can choose your clients based on if they believe the same thing you do.

Pt. 3 Leaders Need A Following

⑥ The Emergence of Trust

- Happy employees → happy customers → happy shareholders

- Trust comes from the feeling that others are motivated by more than their own self-gain

- No one likes to lose & if scores are involved people generally want to win

"Problems arise... when the metric becomes the only measure of success, when what you achieve is no longer tied to WHY you set out to achieve it in the first place."

- People who weren't bought into the culture were asked to leave

- Continental focused on rewarding things employees can control & made everyone feel like they were in it together.

- Culture is a shared collection of values/beliefs that allow members trust & depend on each other

- A company is a culture & anyone hired on should buy-in to that culture

• be passionate for what you believe, hire already motivated people

• inspire them to work towards a common cause & everyone

The World Is Flat
Thomas Friedman

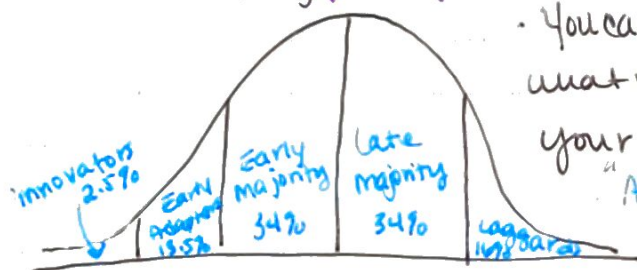
Diffusion of Innovations
Everett M. Rogers

The Tipping Point
Malcolm Gladwell

Crossing the Chasm
Geoffrey Moore

- Comparing the Wright brothers (motivated by what flight will do for the world & for people) to Langley (motivated by fame)
 - ↳ so the Wright bros. would bounce back faster after setbacks
 - ↳ when Langley knew he wasn't the first he quit
- Sometimes values / cultures can be negative (ex. shut up & listen)
- No trust → no risk taking → no exploration → no experimentation → no advancement
- being able to safely retry & fail ↑ experimentation
- Some people will try w/ a safety net but it's not sustainable
- "There is nothing you can do that I can't fix" General Robinson
- The opinions of those we trust really matter

⑦ How a tipping point tips



- You can't convince someone who doesn't believe what you believe w/ logical arguments to buy your product.

"According to the law of diffusion, mass-market success can only be achieved after you penetrate b/w 15... 18 percent of the market."

Pt. 4 How to Rally Those Who Believe

⑧ Start w/ why but know how

"Energy motivates but charisma inspires."

- Bill Gates inspires because of his undying optimism that all problems can be solved.
- Not only do you need a good message of WHY, it should be amplified properly to reach the right audience.

⑨ Know why. know how. Then what?

Marketing, branding & products become a way for the org to communicate outside of itself.

⑩ Comms. is not about speaking. It's about listening

We infuse symbols w/ meaning & our beliefs

• Can filter decisions & advice through your why

- If a whole company has a clear why everyone can filter their decisions & time more efficiently.
- It's also obvious when someone doesn't act in accordance to their ideals.

Pt. 5 The Biggest Challenge Is Success

⑪ When why goes fuzzy

- Sam Walton started Wal-Mart w/ the goal of giving back to people but that WHY wasn't properly handed down after he passed.
- Success != Achievement. Success is a feeling & Achievement is a task.

⑫ Split Happens

- Passion needs structure to survive.
- As orgs grow the WHY gets diluted & can split. & what gets measured gets done.
 - Value is a feeling.
- Usually founders have a WHY & when they are replaced the WHY usually fades unless well taken care of.

Pt. 6 Discover Why

⑬ Origins of a why

Author had a failed venture, is very dramatic then through connections got a stage to share "Start w/ WHY" and now evangelizes it.

⑭ The New Competition

Run a company that knows its why & compete to be better than you were before.

Afterword.

"Why would anyone follow you?"

Leader must have vision & be able to communicate it & provide support those who want to contribute.