

Amazon Leadership Principles

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Customer Obsession

Leaders start with the customer and work backwards. They work vigorously to earn and keep customer trust. Although leaders pay attention to competitors, they obsess over customers.

Why is Customer Obsession important?

Customer Obsession is the essence of our mission statement - To be the earth's most customer-centric company. It's where we get our energy from ... wanting to do the best for our customers. Focusing only on competitors is limiting, and many companies do that. We can learn from our competitors, but we live for our customers. At every meeting and in the midst of every decision we make, one important person is not present: our Customer. We have to vigorously advocate for him/her and earn their trust.

We can develop the most amazing technology, solve the most intractable problems, create the most cost-effective solutions, but if we aren't meeting the needs of our customers, we might as well not exist. Many businesses lose sight of their customer as they mature. They grow arrogant, accustomed to success, and begin to believe that they know better than the people who they depend on for their lifeblood. We cannot afford to make that mistake. At every step, in every process and every decision we must continually ask ourselves, "How will this affect the customer?"

Amazon has obvious external customer sets: the retail consumer, sellers, vendors, and application developers. However, many of us have jobs that don't directly touch those end customers. Nevertheless, the concept of customer obsession is critical to how we operate at every job and every level. Whether our customer is internal or external, the key to our continued success as a company is to continually deliver solutions that meet even our customers unanticipated needs. We can only have a good idea of what those needs are if we are listening to our customers.

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Ownership

Leaders are owners. They think long term and don't sacrifice long-term value for short-term results. They act on behalf of the entire company, beyond just their own team. They never say "that's not my job".

Why is Ownership important?

Renters expect to just pay the bills, but let someone else do all of the work. If there's a problem, renters get on the phone and file a complaint. Owners, on the other hand, understand that it's up to them to fix any problems that come up. And if they get on the phone, it's because they realize they need an expert to make sure the problem is fixed properly and for good. And when they do get outside help, they make sure the work is done to high standards.

We expect all employees at all levels to have a long-term, vested interest in the success of Amazon.com. That means that each one of us has to think beyond solutions that look good in the short-term, but will limit us in the long run. We don't stop at the tactical fix, but instead solve for the systemic issues. We don't just put a bucket under the leak in the roof: we find the source of the leak and seal it – even if it means replacing the roof.

In some ways, Ownership is the rest of the leadership principles applied. First, you own what you own. That means you take responsibility for your area, own up to your mistakes, and deliver on your commitments. You spend resources only on those things that matter to customers and contribute to long-term success. You don't wait around for someone else to fix the problem, and you never settle for sub-par work in yourself or others. You fight for the right long-term solution, even if it's unpopular. You look through the hype and make sound decisions based on the right amount of data.

Second, you own what you don't own. You speak up when you see problems that sit outside of your area – and you don't let go of problems until they are being properly dealt with. You own your dependencies – "It's not my fault" is almost never an acceptable answer. You rely on experts inside and outside the company, acknowledging when the problem is bigger than something you can solve by yourself. That means you have high standards for who you work with, and actively participate in making sure Amazon is bringing in the right people and creating an environment where they can learn and grow. You work hard to build the right relationships for the long-term success of the company, not just the launch of your particular project.

Third, you own the future. You look past the issues of today and actively imagine what the future could look like – then you build toward it! Like a homeowner, you examine your foundations to make sure they can support growth. You invest in ideas that could transform your space – make it more efficient or completely revolutionize it. You push others to think creatively, and surround yourself with people that are uncomfortable with the status quo and will take risks to test their ideas.

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Invent and Simplify

Leaders expect and require innovation and invention from their teams and always find ways to simplify. They are externally aware, look for new ideas from everywhere, and are not limited by “not invented here”. As we do new things, we accept that we may be misunderstood for long periods of time.

Why is Invent & Simplify important?

Amazon isn't a place for textbook solutions. That's part of the fun, and the challenge! Sometimes we're faced with a problem no one has ever encountered before, or an opportunity to build something that doesn't have a parallel in industry or the world. Often we're faced with solutions that we ourselves developed several years back that need to scale beyond anything we ever dreamed of.

Invention and innovation are two sides of the same coin. Both require breaking through the constraints of convention and apparent technical limitations. Invention requires you to imagine a future where things are markedly different, and then to imagine what it would take to get there. Innovation takes an existing process or product and blows apart the constraints that make it behave the way it does today and imagine what it could become. Invention will not always play out immediately and affect the short term – it may take time to bring to fruition, and we need to understand that we are in it for our customers and the long haul.

Innovation for its own sake seldom pays off. That is why we don't separate it from Simplify. Innovation often involves throwing out parts or all of an existing solution that's no longer meeting our needs. That's where simplification comes in. All too often we add on features to an existing solution without stopping to examine whether the overall solution is efficient, easy to use, or scalable. We hold on to things because “that's just how we've always done it” and don't stop to ask why. Simplifying an existing process often leads to direct impact on the business, freeing up time and resources.

The act of inventing and simplifying is disruptive. We are all in one way or other resistant to change. If you're championing a new idea or a radical change in direction, expect to get resistance. Here's where the other leadership principles kick in. If you push your invention forward without listening to voices of concern, you erode trust, and may be missing critical information that would actually make your solution better. At the same time, you need to have backbone and be willing to face the scrutiny of others as your proposals are weighed and validated.

One of the best ways to navigate this type of change is by running a pilot program. Find a group or team willing to try out your idea or find a way to run an experiment on a segment of the whole target audience. Make sure you're adhering to high standards, and creating the measurements that will tell you whether your idea is actually going to deliver the results you believe you want to achieve. Be vocally self-critical, admitting the areas you're concerned about, and earn trust by partnering with others – even your most vocal critics! And, above all, make sure you have a clear way of articulating how the change benefits the customer.

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Are Right, A Lot

Leaders are right a lot. They have strong business judgment and good instincts.

Why is Are Right, A Lot important?

We believe we can operate most efficiently when the right decisions are being made at the lowest level possible. As such, all Amazonians are expected to exercise good judgment and make sound decisions. While we expect our leaders to provide vision and direction, our culture of innovation and bias for action will come to a standstill if every individual decision has to be made by upper levels of management.

We don't come to our managers with problems or a bunch of options and ask for them to make the decision for us. Instead, we make the decisions wherever and whenever possible, using the right level of data to determine the right course of action. When the scope of change really is outside of our area of individual ownership, we get buy-off from our managers by bringing solutions and vetted recommendations, not just complaints or problems.

As owners, we are called to make decisions that benefit the company as a whole for the long term. Our decisions are informed by the other leadership principles. We're vocally self-critical, not assuming that our proposal is the best or that it has no potential downsides. We dive deep and insist on the highest standards to make sure our proposed solutions are sound. We earn trust of others by making decisions that take their feedback into account. We have backbone and stick to our guns in the face of criticism and scrutiny. And we disagree and commit when the decision doesn't go the way we wanted it to - and we learn from that experience!

Are Right A Lot is a combination of trained intuition, sound judgment, and a good dose of humility. It's not "Are Right, All The Time." Part of developing and training your intuition is to recognize and respond when you're wrong. When you learn from your mistakes, you're training your intuition to make a better call next time.

Hire and Develop The Best

Leaders raise the performance bar with every hire and promotion. They recognize exceptional talent, and willingly move them throughout the organization. Leaders develop leaders and take seriously their role in coaching others.

Why is Hire and Develop The Best important?

Amazon has a high hiring bar. We have the courage to hire people who may be smarter than we are. We don't look for a body to fill an open position - we look for people who won't be satisfied to do the same job day after day - ones that will challenge the status quo and make us better.

But it's not enough to just hire the right people. We have to create an environment where those people can learn, adapt, and grow. We have to take specific actions to ensure that we learn from our new hires, and that they're equipped to have a long and successful career contributing to Amazon's continued success.

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If you're an individual contributor, take the time to develop yourself. Take advantage of learning opportunities to grow and find ways to make your job more productive, efficient, and fun. Hold your manager accountable for providing challenging work that stretches you and helps your career grow, but don't let yourself be held back if that doesn't happen. Ultimately, your career is your responsibility.

If you're a manager, developing your team is in your own best interest, and in the long term interest of Amazon as a whole. Development of others should be considered part of your "day job" ... not something left over after the work is done. When your people improve, so will your products, processes, and customer impact. Short term investment in developing your people pays off in the long haul.

As a manager, you may be tempted to hold on to people on your team whose talent and careers could benefit from exposure to other parts of the organization. A good leader recognizes that helping individuals grow is always in the best long-term interest of the company. Letting a strong performer move to another team not only allows their career to grow, but it often makes room for other members of your own team to step up into roles that stretch them.

Insist on the Highest Standards

Leaders have relentlessly high standards - many people may think these standards are unreasonably high. Leaders are continually raising the bar and drive their teams to deliver high quality products, services and processes. Leaders ensure that defects do not get sent down the line and that problems are fixed so they stay fixed.

Why is Insist on the Highest Standards important?

Amazon is known for maintaining a high hiring bar. But, that is only the starting place for Amazon employees. We understand that today's standards will not be sufficient for the future. Everyone is expected to raise their own bar to meet the continuing demands of the company and our customers.

Whether our work has direct impact on external customers or whether it's exclusively consumed by other Amazonians, the quality of our work impacts the long-term trust that others place in us. It's the same result whether it's a physical product, software, or a process: when things don't perform as expected it erodes confidence both in the things and the people who produced them. We insist on the highest standards because that's what our customers expect from us.

Our insistence on the Highest Standards shows up in our focus on operational excellence. We strive for continuous improvement – never assuming that any process we have is perfect. We create and monitor the right level of metrics to help us identify and resolve problems sooner. We hold ourselves accountable for the quality of everything we produce. We constantly look for ways to improve our processes, products, and tools to make them easier to use, more efficient, and more scalable. We balance Invent and Simplify with Bias for Action, looking for ways to make what we have even better without becoming a blocker to the business.

We also Insist on the Highest Standards when it comes to our thinking. That's why we have such a heavy emphasis on document writing. We've found that we make our best decisions and do our best

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thinking when we take the time to create press releases to describe our vision, use FAQs to address difficult questions, and create 6-page narratives to dive deep on the data and test our assertions.

Think Big

Thinking small is a self-fulfilling prophecy. Leaders create and communicate a bold direction that inspires results. They think differently and look around corners for ways to serve customers.

Why is Think Big important?

Thinking big is a great way to challenge our assumptions about what's possible. It shocks us out of looking for problems that have simple solutions, and is a critical ingredient in inventing our way out of dead ends.

Thinking Big involves creating a vision that is bigger than current reality. We've been doing this since Day One. We didn't want to be an online bookstore – our goal was to be Earth's biggest online bookstore. We don't want to just be an online retailer, we want to be the place that customers can find, discover, and buy anything. We don't want to just have great customer service, we want to be Earth's most customer centric company.

Considering outrageous goals forces us to look at solutions differently and in turn allows us to see possibilities. Taking a good idea and making the goal even bigger often results in a completely different approach to solving the problem: "Good idea! What would it look like at 50x?" is a thought stimulator, not a threat.

Bias for Action

Speed matters in business. Many decisions and actions are reversible and do not need extensive study. We value calculated risk taking.

Why is Bias for Action important?

We're called to balance Dive Deep with Bias For Action. That means we'll move ahead, even when we don't have perfect information. Sometimes it pays off well, and sometimes it doesn't. But every time it doesn't, we often learn more than we would have if we succeeded. Jeff Bezos told the following story in an interview with Charlie Rose:

"We've had many failures. If you want to be inventive, you have to be willing to fail, because you have to be willing to do experiments. And it's not an experiment if you know in advance it's going to work. For example, we licensed Web search from Google, and launched a different front end, a different user interface for Google's Web search called A9.com. And we tried that for about three years, and nobody came. And a couple of years ago, we shut it down. I think -- I couldn't even get my mom to use it."

We are in an extremely competitive business. We are growing and we cannot afford to become sluggish from size. Despite our long-term perspective, we must act swiftly ... regularly. The art is in knowing when you have enough information to make a decision. All data gathering after that point is unnecessary use of resources.

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We balance Insist on the Highest Standards, Dive Deep, and Bias for action by looking at the nature of the decision. If a decision is reversible, we act quickly, because the cost of undoing the decision may be less than the cost of obtaining more perfect information. On the other hand, if a decision is irreversible, we will take the necessary time to Dive Deep and make sure we have as complete a picture as possible before implementing the decision.

Bias for Action also shows up as initiative. It means being willing to pick up the phone or walk down the hall (or to another building) when you sent an email yesterday and haven't heard back. It means finding another sticky to work on while you're waiting for a code review. It means being the one to book the meeting and showing up on time. It means being prepared, and not expecting others to do the work for you. It means doing what it takes to make sure the job gets done, and gets done well.

Bias for Action also means being impatient when there's a customer problem – jumping onto a conference call before your pager goes off because you've been following the important metrics that let you know things aren't right. It's jumping into an investigation before somebody definitively knows it's your issue, and even when you know it's not, but no one else is digging.

Frugality

We try not to spend money on things that don't matter to customers. Frugality breeds resourcefulness, self-sufficiency and invention. There are no extra points for headcount, budget size or fixed expense.

Why is Frugality important?

Frugality isn't about being cheap. It's about spending money on the things that are important to our customers and to the long-term success of our company. As in many other things, we always keep the long view in mind when we make decisions about spending. We don't skimp on things that will improve our productivity or efficiency in the name of Frugality.

Keep in mind, the cheapest thing for us to do is to turn off the website and close our doors. That would save a ton of money. And it would kill the company. Not all of the financial decisions we face are that drastic, or that obvious. A more realistic example comes from the software engineering side of the house. Yes, we can improve the bottom line in the short term by buying cheap developer hardware. But that cheap hardware directly impacts our ability to produce the best quality software by slowing down our development processes.

So Frugality is really about investing smartly. We understand our costs, and figure out how to lower them without sacrificing our highest standards or impacting our customer experience. At the same time, we'll take a \$5 Million loss in the short run for a \$50 million long-term payout. We make sound judgment calls about expenses, and don't look at money as the solution to problems.

In fact, Frugality is a critical ingredient in our process of innovation. Many of the problems we face could be solved by throwing more cash at them. But often not doing so forces us to think in entirely different and novel directions. For example, scaling our websites for year over year traffic growth is an easy problem if we can just solve it by spending more: if traffic increases by 135%, we just increase our budget by the same amount. However, if we decide that we will not

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allow our budget to grow more than 20% YOY we are forced to be creative, which drives us to reinventing the way we scale, build, and deploy websites.

Earn Trust of Others

Leaders are sincerely open-minded, genuinely listen, and are willing to examine their strongest convictions with humility.

Why is Earn Trust of Others important?

Amazon exists today because of the trust our customers have in us. They trust us to have the products they're looking for. They trust us to safeguard their personal and purchase information. They trust us to honor our commitments. They trust us to deliver high quality products, competitive prices, and exceptional customer service. They trust us to make hard promises and make good on them. And they trust us to own up to our mistakes and make them right.

We exercise that same rigor internally. We work hard to make sure that we meet our commitments to each other. We routinely optimize for the good of the customer and the company as a whole rather than seek after our own agenda. We must be vocally self-critical when we're wrong, and insist on the highest standards in our own team before we expect it of others.

We must actively listen to and engage our most ardent critics, recognizing that we're on the same team, and passionately argue on behalf of our customers. We treat each other with dignity and respect, and focus on end results and data rather than questioning motives and actions. We actively practice humility, rightly recognizing we're not the smartest people in the room. We're aware of our own blind spots and regularly engage with others to make sure we have the best perspective possible.

We also earn trust by being really good at what we do. We earn trust with our team mates by working collaboratively, focusing on the customer. We earn trust with other teams by working on a common goal, not by painting lines on the turf: territorialism never pays off.

Dive Deep

Leaders operate at all levels, stay connected to the details and audit frequently. No task is beneath them.

Why is Dive Deep important?

Leaders understand the inner workings of the things they own. They're willing to get their hands dirty. Dive deep is getting to the root cause. Good leaders peel the layers off - they ask 'why' until they get to the bottom of things. When senior leaders dive deep, it encourages their teams to be more rigorous in their ownership by holding themselves to higher standards.

Dive Deep gives us the data we need to make smart decisions - it's one of the best ways to train our ability to Be Right A Lot. Great leaders start with their intuition then test their assumptions by examining the data that support or contraindicate the decision. When data isn't readily

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available, good leaders find ways to get the right level of information they need to make an informed decision.

Diving Deep is a way of understanding what matters. It's about digging into the grit and pulling out the critical parts. It's about demystifying processes, systems, and tools. It's about understanding your breaking points before they break, and getting to the root cause if something goes wrong. Diving deep is crucial not only for resolving defects, but for understanding the problem well enough to build a sustainable solution that will scale.

Diving Deep means investing extra time to get to the bottom of things and staying closely connected to the details. But Diving Deep is not about micro-managing. It's about understanding the details, and setting up smart auditing mechanisms that allow you to keep your finger on the pulse without being overwhelmed and without needing to control minutiae. Good leaders are willing to dig deep to test assumptions then step back to let the owners own what they own.

Have Backbone; Disagree and Commit

Leaders are obligated to respectfully challenge decisions when they disagree, even when doing so is uncomfortable or exhausting. Leaders have conviction and are tenacious. They do not compromise for the sake of social cohesion. Once a decision is determined, they commit wholly.

Why is Have Backbone; Disagree and Commit important?

Social cohesion is an often implicit agreement between individuals in a society to disregard the truth for the sake of avoiding conflict. In many settings, this can be a good thing. You may think I'm ugly, and that may be truth, but for the greater good of working together, you may keep that opinion to yourself. However, when we don't speak out against things that we see as wrong for the sake of getting along with each other we can end up making very poor decisions. In our society this type of thinking results in mob mentality and in the most extreme cases, genocide.

Have Backbone; Disagree and Commit is the antidote to the negative side of social cohesion. As leaders we are called to challenge assumptions with vigorous debate. Our goal is the right decision over social cohesion. We advocate for our position, explaining it in detail and arguing for it with fervor. We give voice to concerns and make sure they are heard and addressed appropriately. We're willing to take the risk of being misunderstood or of potentially hurting another's feelings.

But our focus is never just on our position – it's on making the right decision for the customer over the long term. There is never an excuse for rudeness and arrogance. While we vigorously challenge others' assumptions, we are willing to listen and examine our own. We stand up for our ideas while listening intently to opposing views. The goal is not "winning the argument," but to learn through debate. When done well, Have Backbone; Disagree and Commit is the essence of creativity. It's in the place of clashing perspectives that new ideas are formed.

The second half of this principle is crucial – it's about what happens after a decision is made. It's easy to follow through on a decision when it goes in your favor, and much harder when the opposing viewpoint wins out. Once a decision is made by the group, support it wholeheartedly and commit 100%.

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Deliver Results

Leaders focus on the key inputs for their business and deliver them with the right quality and in a timely fashion. Despite setbacks, they rise to the occasion and never settle.

Why is Deliver Results important?

Deliver Results is the practical application of the rest of the leadership principles. Deliver Results is about honoring our commitments – to our customers and to each other. It's about finding a way around the inevitable obstacles that would block us. It's about inventing our way out of a bind and getting the job done. Ultimately it is the way we validate the trust others put in us.

We don't work in a think tank. Our fancy theories and breakthrough inventions don't mean anything if we never turn them into reality. Amazonian leaders push things through to the very end. We deliver, every time. We focus on the end results, not just the process we use to produce those results.

But delivery isn't blind. It's not just getting stuff done; it's about getting the RIGHT stuff done. We focus on the results that benefit the customer, whether directly or indirectly. We deliver results that lower our costs while improving the customer experience. We deliver results that hit the deadline, without sacrificing for quality, scalability, or longevity. We prioritize ruthlessly to make sure what we deliver matters.