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| Cover Image | *The Personal MBA* Josh Kaufman  Penguin Publishing Group |

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# *14 notes/highlights*

*Created by Tarang Shah*  – Last synced August 12, 2016

## *Introduction: Why Read This Book?*

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| |  |  |  | | --- | --- | --- | |  | *O ne of the beautiful things about learning any subject is the fact that you don’t need to know everything —you only need to understand a few critically important concepts that provide most of the value. Once you have a solid scaffold of core principles to work from, building upon your knowledge and making progress becomes much easier.*  July 12, 2016 | [19](http://play.google.com/books/reader?printsec=frontcover&output=reader&id=IDfQCAAAAEAJ&source=books-notes-export&pg=GBS.PA19) | |

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| |  |  |  | | --- | --- | --- | |  | *People always overestimate how complex business is. This isn’t rocket science—we’ve chosen one of the world’s most simple professions. —JACK WELCH, FORMER CEO OF GENERAL ELECTRIC*  July 12, 2016 | [20](http://play.google.com/books/reader?printsec=frontcover&output=reader&id=IDfQCAAAAEAJ&source=books-notes-export&pg=GBS.PA20.w.0.0.0.0.2) | |

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| |  |  |  | | --- | --- | --- | |  | *Mental models are concepts that represent your understanding of “how things work.” Think of driving a car: what do you expect when you press down on the right-side pedal? If the car slows down, you’ll be surprised—that pedal is supposed to be the accelerator. That’s a mental model—an idea about how something works in the real world*  July 12, 2016 | [21](http://play.google.com/books/reader?printsec=frontcover&output=reader&id=IDfQCAAAAEAJ&source=books-notes-export&pg=GBS.PA21) | |

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| |  |  |  | | --- | --- | --- | |  | *Self-education is, I firmly believe, the only kind of education there is. —ISAAC ASIMOV*  July 12, 2016 | [22](http://play.google.com/books/reader?printsec=frontcover&output=reader&id=IDfQCAAAAEAJ&source=books-notes-export&pg=GBS.PA22.w.0.0.0.3.0.2) | |

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| |  |  |  | | --- | --- | --- | |  | *three very important things: 1. Large companies move slowly . Good ideas often died on the vine simply because they had to be approved by too many people. 2. Climbing the corporate ladder is an obstacle to doing great work . I wanted to focus on getting things done and making things better, not constantly positioning myself for promotion. Politics and turf wars are an inescapable part of the daily experience of working for a large company. 3. Frustration leads to burnout. I wanted to enjoy the daily experience of work, but instead I felt like I was running a gauntlet each day. It began to affect my health, happiness, and relationships. The longer I stayed in the corporate world, the more I realized I wanted out. I desperately wanted to work on my own terms, as an entrepreneur.*  July 12, 2016 | [25](http://play.google.com/books/reader?printsec=frontcover&output=reader&id=IDfQCAAAAEAJ&source=books-notes-export&pg=GBS.PA25.w.0.0.0.2) | |

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| |  |  |  | | --- | --- | --- | |  | *I think it’s undeniably true that the human brain works in models. The trick is to have your brain work better than the other person’s brain because it understands the most fundamental models—the ones that do the most work. —CHARLES T. MUNGER*  July 12, 2016 | [29](http://play.google.com/books/reader?printsec=frontcover&output=reader&id=IDfQCAAAAEAJ&source=books-notes-export&pg=GBS.PA29.w.0.0.0.3.0.3) | |

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| |  |  |  | | --- | --- | --- | |  | *Every successful business (1) creates or provides something of value that (2) other people want or need (3) at a price they’re willing to pay, in a way that (4) satisfies the purchaser’s needs and expectations and (5) provides the business sufficient revenue to make it worthwhile for the owners to continue operation*  July 12, 2016 | [32](http://play.google.com/books/reader?printsec=frontcover&output=reader&id=IDfQCAAAAEAJ&source=books-notes-export&pg=GBS.PA32.w.0.0.0.4) | |

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| |  |  |  | | --- | --- | --- | |  | *Value can’t be created without understanding what people want (market research). Attracting customers first requires getting their attention, then making them interested (marketing). In order to close a sale, people must first trust your ability to deliver on what’s promised (value delivery and operations). Customer satisfaction depends on reliably exceeding the customer’s expectations (customer service). Profit sufficiency requires bringing in more money than is spent (finance).*  July 12, 2016 | [33](http://play.google.com/books/reader?printsec=frontcover&output=reader&id=IDfQCAAAAEAJ&source=books-notes-export&pg=GBS.PA33) | |

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| |  |  |  | | --- | --- | --- | |  | *To understand how businesses work, you must have a firm understanding of how people tend to think and behave—how humans make decisions, act on those decisions, and communicate with others. Recent advances in psychology and neuroscience are revealing why people do the things they do, as well as how to improve our own behavior and work more effectively with others.*  July 16, 2016 | [33](http://play.google.com/books/reader?printsec=frontcover&output=reader&id=IDfQCAAAAEAJ&source=books-notes-export&pg=GBS.PA33.w.0.0.0.2) | |

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| |  |  |  | | --- | --- | --- | |  | *Systems, on the other hand, are the invisible structures that hold every business together. At the core, every business is a collection of processes that can be reliably repeated to produce a particular result. By understanding the essentials of how complex systems work, it’s possible to find ways to improve existing systems, whether you’re dealing with a marketing campaign or an automotive assembly line.*  July 16, 2016 | [33](http://play.google.com/books/reader?printsec=frontcover&output=reader&id=IDfQCAAAAEAJ&source=books-notes-export&pg=GBS.PA33.w.0.0.0.3) | |

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| |  |  |  | | --- | --- | --- | |  | *You wasted $150,000 on an education you could have got for a buck fifty in late charges at the public library. —MATT DAMON AS WILL HUNTING, GOOD WILL HUNTING*  July 16, 2016 | [34](http://play.google.com/books/reader?printsec=frontcover&output=reader&id=IDfQCAAAAEAJ&source=books-notes-export&pg=GBS.PA34.w.0.0.0.1.0.3) | |

## *1 Value Creation*

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| |  |  |  | | --- | --- | --- | |  | *E very successful business creates something of value. The world is full of opportunities to make other people’s lives better in some way, and your job as a businessperson is to identify things that people don’t have enough of, then find a way to provide them.*  August 12, 2016 | [54](http://play.google.com/books/reader?printsec=frontcover&output=reader&id=IDfQCAAAAEAJ&source=books-notes-export&pg=GBS.PA54) | |

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| |  |  |  | | --- | --- | --- | |  | *a business is a repeatable process that: 1. Creates and delivers something of value… 2. That other people want or need… 3. At a price they’re willing to pay… 4. In a way that satisfies the customer’s needs and expectations… 5. So that the business brings in enough profit to make it worthwhile for the owners to continue operation*  August 12, 2016 | [54](http://play.google.com/books/reader?printsec=frontcover&output=reader&id=IDfQCAAAAEAJ&source=books-notes-export&pg=GBS.PA54.w.0.0.0.3.0.2) | |

## *Notes*

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