



## Book Start with Why

### How Great Leaders Inspire Everyone to Take Action

Simon Sinek  
Portfolio, 2009

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### Recommendation

Entrepreneur Simon Sinek “hit rock bottom” in late 2005. He had started his own consulting business in 2002, but three years later, he ran out of passion. Dead-ended, Sinek thought about what made him happy. He wondered why some leaders and companies succeeded and others do not. He realized that inspirational leaders identify a purpose and follow it. The actions they take and what they make is secondary to achieving their mission. Sinek calls this leadership process the “Golden Circle”: It starts with a vision (the “Why”), then moves to implementation (the “How”), and then conquers the product or service (the “What”). Unfortunately, many leaders have this pattern backward. They first focus on what they do and how; then they try to differentiate their product based on price, quality or features. Although Sinek isn’t subtle about his message, *BooksInShort* recommends his approach to executives, managers, leaders and those who seek to rediscover their passion.

### Take-Aways

- Inspirational leaders start by identifying their purpose, cause or vision.
- They follow the concentric rings of the “Golden Circle,” starting with establishing their mission with “Why” in the center, then moving outward to “How” and then “What.”
- “Why” stems from your core purpose, the reason “you get out of bed in the morning.”
- Your How explains the ways your product or service is unique and desirable.
- Your What defines the obvious aspects of your product or position with your firm.
- Less successful leaders and companies work from the outside in: What-How-Why. Successful organizations and leaders work from the inside out: Why-How-What.
- This is because “people don’t buy What you do, they buy Why you do it.”
- Visionary leaders rely on their gut or intuition and can identify a void in the market before their potential customers spot it.
- Set out to do business with your ideal customers: those who share your beliefs and will recruit others to your cause.
- New hires who share your passion are “good fits” and will be your best employees and your company’s future leaders.

### Summary

#### Inspirational Leadership

Regardless of size or industry, great leaders know the reasons that they do whatever they do. They follow their passion and have a vision they can articulate. In the early 1900s, several Americans wanted to be the first person to fly an airplane. Samuel Pierpont Langley was an educated, well-connected Harvard math professor with wealthy friends and a \$50,000 government grant. Wilbur and Orville Wright had no education, no high-end connections and limited finances. On December 17, 1903, the Wright brothers made their dream come true. They started with their reason Why – their purpose – and inspired those around them. “There are leaders and those who lead.” Those who lead are more common, but real leaders motivate and inspire you.

#### “Manipulation Versus Inspiration”

Most sellers manipulate rather than inspire. Businesses influence customers by leveraging price, promotions, fear, peer pressure, aspirations and novelty. Such

manipulation harvests short-term transactions, but it doesn't earn long-term customer loyalty. Businesses say their customers choose them because they offer the best products or services at the right price. In reality, companies often don't know why their customers act as they do. Instead, managers make assumptions that they use as the foundation for decisions. Firms may conduct research, collect information and seek advice, but, even after analyzing all that data, sellers still make mistakes.

“Inspiring leaders and companies...think, act and communicate exactly alike. And it's the complete opposite of everyone else.”

For example, merchandisers routinely drop their prices to entice potential customers. Once customers get accustomed to paying reduced prices, they don't want to pay the full price, which cuts profits. Some firms offer promotions instead of cutting prices, such as “two for the price of one” or “buy *X*, get *Y* free.” Many ads and public-service announcements use fear-based messages, such as the popular 1980s commercial featuring an egg being cracked into a hot skillet: “This is your brain” (the egg); “This is your brain on drugs.”(the egg sizzling). “Any questions?” Fear is the most powerful manipulator. Peer-pressure marketing preys on fear and emotion – as when a seller tries to convince you its product is best because celebrities or experts use it.

“Imagine if every organization started with Why. Decisions would be simpler. Loyalties would be greater. Trust would be a common currency.”

Aspirational messages and innovation are more subtle forms of manipulation. While fear focuses on the negative, aspirations focus on the positive or on something you might desire. Aspirational statements include such messages as, “In six weeks, you can be rich” or “Drop 10 pounds fast.” Companies tout innovations, but in a fast-paced market, innovations don't stay unique for long. Manipulation instills “repeat business” – that is, “when people do business with you multiple times” – but not loyalty. Customers who feel loyal “are willing to turn down a better product or a better price to continue doing business with you.” Firms must earn such loyalty, but instead many use manipulation to gain repeat customers and must keep manipulating to maintain their business.

## “The Golden Circle”

Great leaders follow a pattern called the Golden Circle. Like a target, the Golden Circle starts with a small bull's-eye with “Why” in the center, surrounded by a larger circle marked “How” and then surrounded by the biggest circle labeled “What.” Most individuals and companies can define what they do. They can usually articulate how they do it and the elements that differentiate them from their competitors. However, only a select few can identify their Why.

“There are only two ways to influence human behavior: you can manipulate it, or you can inspire it.”

When it comes to marketing, most companies pursue the standard What-How-Why approach. They should reverse the order, explaining first their Why and their How, and then their What. For example, if Apple were a typical company, its ads might read: “We make great computers. They're beautifully designed, simple to use and user-friendly. Want to buy one?” But, a more realistic ad for Apple might read, “[In] everything we do, we believe in challenging the status quo. We believe in thinking differently. The way we challenge the status quo is by making our products beautifully designed, simple to use and user-friendly. And we happen to make great computers. Want to buy one?”

“Companies with a clear sense of Why...ignore their competition, whereas those with a fuzzy sense of Why are obsessed with what others are doing.”

The second message doesn't rely on any of the usual manipulations. Apple has loyal customers who believe in the company's philosophy. Other technology firms might make beautiful, simple products, but Apple resonates with customers because they appreciate its vision.

Leaders who define their companies according to what they make or how they make it paint themselves into a corner. Without realizing it, they become just like everyone else and compete on price, quality, service, and the like. Each new competitor in the marketplace makes it harder for those organizations to differentiate their offerings, and the manipulation must begin anew.

## Gut Decisions

Consumers want to do business with those they trust, so they seek companies that seem to share their values and beliefs. These sellers make shoppers feel part of something bigger than themselves. People make instinctive decisions based on emotion. Specifically, the basic, emotionally driven limbic brain makes gut decisions before the higher-level, more rational, deductive neocortex comes into play. When people make complex decisions, they tend to dismiss objective facts and figures and rely more on instinct.

“The goal of business should not be to do business with anyone who simply wants what you have. It should be to focus on the people who believe what you believe.”

Neuroscientist Richard Restak, who writes about the power of the limbic system in *The Naked Brain*, says that when people are forced to make decisions based on data alone, they take more time and usually overanalyze the situation. He believes gut decisions “tend to be faster, high-quality decisions.” Choices that aren't rooted in emotion can lead people to doubt whether they made the right decisions, but those with reliable gut feelings seldom second-guess their choices.

“If there were no trust...no one would take risks. No risks would mean no exploration, no experimentation and no advancement of the society.”

Great leaders rely on their instincts or intuition. They can identify a void in the market before their customers detect it. In the 1970s, San Antonio businessman Rollin King decided to replicate the success of a short-distance, low-cost airline named Pacific Southwest. King had an unlikely business partner, Herb Kelleher, his divorce lawyer and friend. Pacific Southwest served California, and King and Kelleher's new Southwest Airlines initially served only Texas by providing flights linking Dallas, Houston and San Antonio. But King and Kelleher wanted to appeal to the common person by creating an airline that was cheap, easy to use and fun. They saw their main competition as ground transportation, not other airlines. Southwest became a business legend by remaining profitable every year while other airlines struggled. United and Delta tried to copy Southwest's model by creating their own low-cost air carriers. Both failed within four years because they didn't follow their own sense of mission or purpose.

## Building Trust

Building trust with customers has two components: First build trust with your employees and then back your words with actions. Continental Airlines suffered trust issues in the 1980s and 1990s until the arrival of CEO Gordon Bethune. Continental ranked last in on-time arrivals and customer satisfaction and suffered from high employee turnover. Bethune did away with the locked doors on the executive suites at corporate headquarters and made himself accessible to employees. He often worked alongside them, even handling bags when necessary, and he instilled a team-oriented culture. Bethune set out to fix Continental's abysmal on-time performance record, which was costing it \$5 million a month in extra expenses. He offered every single employee \$65 each month that the airline ranked in the top five for on-time performance. He sent these checks separately from regular paychecks to underscore his message.

"If the levels of the Golden Circle are in balance, all those who share the organization's view of the world will be drawn to it and its products like a moth to a light bulb."

People perform at their best when they're part of a culture that fits their values and beliefs. Great leaders find good matches and hire people who believe in the company's cause or purpose. In 1914, Englishman Ernest Shackleton set out to cross Antarctica's frozen terrain and reach the South Pole. Winter came early, and he and his crew became trapped in ice for 10 months. Shackleton and some of his men traveled 800 miles in small lifeboats to bring help to the rest of the crew. Nobody on his crew died or tried to overthrow his leadership. Why? Shackleton had hired the right people. His newspaper ad read, "Men wanted for hazardous journey. Small wages, bitter cold, long months of complete darkness, constant danger, safe return doubtful. Honor and recognition in case of success." Shackleton found people perfectly suited to the job at hand; he found what every company wants and needs: "good fits."

## Tipping Points and Bell Curves

In his 2002 book, *The Tipping Point*, Malcolm Gladwell discusses "connectors" and "influencers." He identifies a "tipping point" that occurs when ideas or behaviors spread rapidly, like a virus. Advertising and marketing executives try to build momentum for their products by reaching out to "influencers." Gladwell had several predecessors – notably Everett M. Rogers and Geoffrey Moore. Rogers described how society embraces new ideas in his groundbreaking 1962 book, *Diffusion of Innovations*. Moore followed up 30 years later with *Crossing the Chasm*, explaining how and why people adopt new technology. The "Law of Diffusion of Innovations" follows a bell curve, in which 2.5% of people are "innovators" on one end of the curve. Then, 13.5% are "early adopters," and the "majority" falls in the middle with 34% adopting new technology early and 34% adopting it late. Far on the other leg, 16% are "laggards."

"We do better in cultures in which we are good fits."

According to Moore, innovators and early adopters push us. They are the first to try new approaches, ideas and technologies. They trust their intuition and take risks. As consumers, they're willing to pay more or be inconvenienced to be first. Most people fall in the majority; they try something new after they know it works. Laggards are the last ones to adopt something new. They, for example, still refuse to get cellphones because their landlines work just fine. Recruit innovators and early adopters who believe in your product and mission. They will recruit others to your cause.

## Finding Your True Believers

Your true believers are out there; you just have to find them. You need action-oriented people to make your vision a reality. You need people focused on how to be your implementers. Even inspiring, charismatic leaders need followers to create vehicles for moving their ideas forward. Where would Steve Jobs have been without Steve Wozniak, or Bill Gates without Paul Allen, or Walt Disney without Roy Disney? In each pair, the visionary leader defines the Why and the second person implements the How. Inspirational leaders ("Why types") need steady "How types" to keep them grounded.

"You don't hire for skills; you hire for attitude. You can always teach skills." (Herb Kelleher)

In 1957, Walt Disney said he'd be in jail "with checks bouncing," if not for his brother, Roy. Walt admitted that he never knew how much money he had in the bank, but Roy always knew. Walt was the thinker; Roy was the doer. While Walt drew cartoons and dreamed of making movies, his brother had the idea of licensing the cartoons and selling them as merchandise. Roy founded the Buena Vista Distribution Company, which became part of Disney's film empire. When people who focus on the Why join those who carry out the How, they can change the world.

"Great leaders...inspire people to act...Those who truly lead...create a following of people who act not because they were swayed, but because they were inspired."

Even with success, individuals and companies must stay connected to their original vision. Individuals who succeed or companies that become too large risk losing that spark. They must hold on to it, so their endeavors continue to have purpose and earn profits.

## Reflecting Back

A true sense of why you do what you do comes from looking inside yourself and reflecting on your life. Ponder where you've been and how your purpose can lead you where you want to go. Author Simon Sinek experienced an internal shift away from his Why. Three years after starting his consulting business, he was depressed and certain he was going out of business. Someone explained to him how the brain works and taught him that buying behavior is rooted in biology. Sinek thus discovered his Why and set out to "inspire people to do the things that inspire them."

## About the Author

**Simon Sinek** is an optimist and adjunct member of the RAND Corporation. His book *Start With Why* expands on his popular TED Talk, "How great leaders inspire action."

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