

Start with Why – How Great Leaders Inspire Everyone to Take Action

By: Simon Sinek

This book is an expansion of Simon Sinek's TED Talk, which has over 30 Million Views. He is the real deal! Feel free to <u>watch his TED Talk right here.</u>

Leaders that inspire action give others a sense of purpose; a sense of belonging that is moved through our internal intentions. The inspired act in the name of the leaders who stand before them. This book is about how employees, clients, supporters, and even voters, become inspired to take action, even it means suffering. Inspired employees are what drive our economy forward. The following is a brief summary of a book that is DEFINITELY worth reading.

<u>Chapter 1 – Assume You Know</u>

Humans make decisions based on what they think they know, and at any given moment, that can become a limitation. We could assume that a limitation is due to a lack of data, but humans exist beyond analytical and rational barriers.

Simon references the differences in the way Japanese and American car manufacturers assemble their doors. The American manufacturers assembled their doors and then took rubber mallets to tape the edges to ensure a perfect fit. The Japanese made sure it fit when they designed it by engineering their outcome from the beginning. The metaphor Sinek is alluding to is the fact that the Americans manipulated the door to achieve their desired results, whereas the Japanese designed their doors to fit. They realized that the doors did not need to fit by default, they needed to fit by design.

Chapter 2 – Carrots and Sticks

The two ways to influence human behavior are to either <u>manipulate or inspire</u>. Manipulation typically comes in the form of peer pressure, fear, promotions, and price drops. Companies tend to rely on manipulation when they don't have a deep understanding of why their customers are their customers.

- **Price** is a slippery slope. Items that are heavily discounted have a hard time selling at regular prices. Corporations find it hard to break the habit of discounting.
- Fear is by far the most powerful form of manipulation. Our government, media, and corporations have been using it since the beginning of time.
- **Peer pressure** marketers use social proof to get customers to believe that whatever they're selling is superior. If a majority of a population, or 'experts' use a product, then it must be good. Right?!
- Novelty Adding things like cameras to mobile phones isn't an industry altering innovation – it's a feature. Many companies get stuck in the trap of adding features, which just further commoditizes the product. More features are not sustainable forms of differentiation.

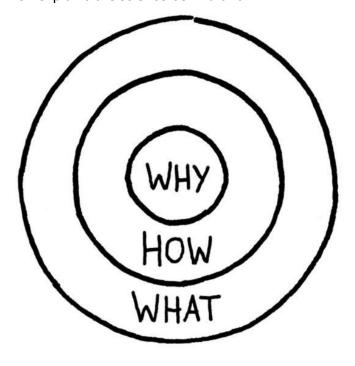
Manipulations can drive sales, but they rarely promote loyalty. A loyal customer may not do research on competitors because they don't care about a better product or better price – they



want you. Because manipulations lead to transactions, carrots and sticks are a great way to get the desired behavior when transactions occur once. But for a relationship based sale (that is driven by customer loyalty), consumers want to feel like "we're in this together." Great leaders know how to communicate this to both their customers and employees.

Chapter 3 – The Golden Circle

The Golden Circle help's us understand why we do what we do as humans. (In the next chapter – Simon explains the science behind this.



What

Every organization on the planet knows WHAT they do. These are products they sell or the services they offer.

How

Some organizations know HOW they do it. These are the things that make them special or set them apart from their competition.

Why

Very few organizations know WHY they do what they do. WHY is not about making money. That's a result. It's a purpose, cause or belief. It's the very reason your organization exists.

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Most people and companies communicate from the outside in (from WHAT to WHY). The greatest leaders communicate from the inside out (WHY, HOW, then WHAT).

In Sinek's TED Talk, he uses apple as an example of a company who communicates their WHY properly.

- How Apple would communicate if they were like everyone else: "We make great computers. They are beautiful designed, simple to use and user-friendly. Want to buy one?"
- How Apple actually communicates: "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?"

Can you see how they start with WHY they do what they do, and don't focus on the WHAT? The WHAT simply serves as the tangible proof that they're driven by their purpose. Sinek states that "people don't buy what you do, they buy why you do it." The WHY is the reason to buy, and the



WHAT serves as the tangible proof that the organization is living out that belief. This is why we don't have a problem buying iPhones, iPads, and Apple watches from a "computer" company.

Apple's competitors are just as well equipped to make and sell these competitive products, but they have lost their CAUSE (and in turn, relied on manipulation tactics to motivate purchasing decisions). Sinek argues that companies should not be asking "WHAT should we do to compete?" Companies should be asking "WHY did we start doing WHAT we're doing in the first place, and WHAT can we do to bring our cause to life considering all the technologies and market opportunities available today?"

Chapter 4 – This is Not an Opinion. This is Biology @

Humans have this innate desire to belong to groups who share our beliefs and values. This isn't necessarily a rational feeling, yet it holds true across all cultures. These common values and beliefs allow us to feel trust, safety, and a sense of connection; both from individuals and corporations. We purchase products because they align with the beliefs, values, and ideologies that we hold near and dear to our hearts.

We tend to trust our gut, but Sinek argues that gut decisions don't happen in your stomach — they happen in your limbic brain. This part of our brain controls our feelings, trust, and those 'gut feelings.' This is why we sometimes cannot verbalize our sentiments, and regardless of how much evidence is telling us to buy, our 'gut' is telling us not to. Our neocortex is the outer-layer of the brain that helps us process numbers, statistics, facts, and figures. This layer of the brain responds to the WHAT. The limbic brain (in the middle of the brain) helps us feel emotions. The Golden Circle not only represents how we communicate, it represents how our brain is structured.

If Henry Ford would have asked people what they wanted, they would have said faster horses. But, great leaders can see what we can't, and provide us with the things we didn't even know we wanted. Great leaders trust their 'gut' and they win our hearts before they win our minds.

If a company doesn't have a clear understanding of WHY they're doing what they're doing, then it's impossible for potential consumers to see anything more than WHAT the company does. And when this happens, the company will go back to the manipulation tactics discussed in Chapter 1.

<u>Chapter 5 – Clarity, Discipline and Consistency</u>

Discipline of HOW comes down to the implementation of systems and processes. The HOW is simply the method through which the WHY is carried out. HOW we achieve this performed by a verb; so instead of "innovation," we tend to say "look at the problem from a different angle." HOW is the bridge between the WHAT and the WHY.

Consistency of WHAT is about your words and actions proving your beliefs. A WHY is simply a belief. The HOW's are the steps you take to manifest that belief. And the WHAT's are the results of all those actions. Consistency will allow people to see and hear what you believe without a doubt in their mind. This is the only way people can truly know what you believe. If



you're not consistent in what you say and what you do, no one can really know what you believe. Authenticity is the balance of your WHY being carried out by your HOW, and showing up in your WHAT. This shows an alignment, and although it's not a requirement to become successful, authentic people tend to experience LASTING success.

Differentiation does not exist in the HOW and WHAT, because if you don't know WHY you're doing what you're doing – you can't know HOW you're doing it. Differentiation happens in WHY and HOW you do what you do. More features and better services guarantees no success and no differentiation long term. It's only through the WHY that customers can develop a true relationship with corporations. When we are inspired, our decisions transcend the products and services we buy, and have more to do with who we are. Inspiration creates an emotional reaction that helps us better understand how we view ourselves. And when this takes place, we are willing to pay premiums and suffer inconveniences to obtain those products and services.

Loyalty exists in the brain of the buyer, not the brain of the seller. An alignment between a company's WHY and consumers WHY will allow customers to see tangible ways to prove their beliefs by purchasing the organizations products and services.

The Golden Circle is meant to provide a methodology for communication that's consistent with the human brain and how we receive information. This is WHY it's crucial that organizations get CRYSTAL CLEAR on their cause, purpose, or belief and make sure their actions align with those ideologies to create authenticity. If there is a sense of alignment, then people who share the organizations view of the world will become drawn to any of its products and services.

The ability to put a WHY into words helps us provide emotional context when making decisions. This is why when you feel aligned with a product or service, your answer is just because "I know it's right" or "it feels right." As Sinek famously says in his TED Talk "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."

<u>Chapter 6 – The Emergence of Trust</u>

Trust is a feeling, not a rational experience; and the way we gain that trust from a corporation is by feeling that they're doing things for more than their own self-gain. Value is the transference of trust, and that trust is gained when organizations properly communicate their beliefs and values. Trust is mutualistic, and only comes about through shared visions. Companies have to talk about WHY; but PROVE IT with WHAT. When your WHAT, HOW, and WHY are in balance, customers perceive value and gain trust.

Leading is not the same as being a leader. Leading is an action, while leaders are put in positions of power. Leadership is retained in its actions, not its job titles. Leading insinuates that others are willing to follow you, not because they're paid to, but because they WANT to. The followers who follow these types of people work hard because they're working for an outcome bigger than themselves. A collection of people drive organizations, and problems arise when these people don't hit upon the metrics that denote success. This tends to happen when WHAT your employees were told to do is no longer tied to WHY they were told to do it.



A company is just a culture, a group of people who have come together based around a common set of values and beliefs. This is how trust is formed and friendships are made. Again, the goal is not to hire people who have the skillset you want. The goal is to hire people who believe what you believe.

When employees feel a sense of belonging, they won't find an innovative solution for your company, they'll find it for themselves. The goal is to find the people who are passionate about your WHY; the skillset and experience is secondary. Great companies rarely hire skilled people to motivate; they hire people who are already motivated and inspire them. If motivated people don't have something to believe in within your company, they'll motivate themselves to find a new job with a purpose.

Companies that understand and LIVE out their WHY are easily able to inspire their employees. This makes them more innovative, productive, and shows the outside world WHY the company is special.

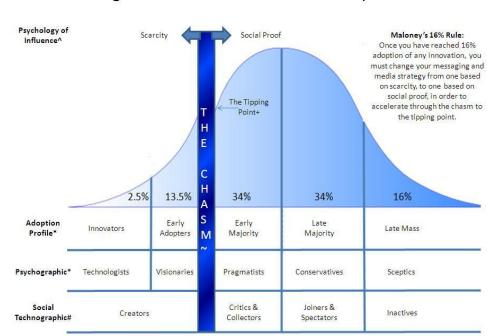
Companies should be looking to put together a group of likeminded people and give them a cause to pursue. The leaders role is not to come up with all the great ideas; their role is to create an environment for the great ideas to happen. Companies with a clear WHY ignore competition; companies without a clear WHY get so caught up in what their competitors are doing, that they lose track in their own vision.

It's only when an individual can trust an organization that they'll take personal risks in order to advance their employer. Great organizations become great because the people inside feel a sense of protection. Management looks out for employees and customers, so those people reciprocate those actions back to management. It's the organizations job to consistently remind its people WHY they're there and what the organization believes. Everyone wants to feel a sense of passion that stems from believing in something bigger than themselves.

Chapter 7 – How a Tipping Point Tips

There is a very clear and distinct separation between the innovators and early adopters, and everyone else within a given industry. Both innovators and early adopters rely on their intuition and gut, and are the reason new innovations penetrate markets. They are willing to pay a high premium and suffer inconveniences, not because the product was great, but because it helped them alight with their own sense of their own sense of who they are. By definition, innovators and early adopters want to be first!





Accelerating Diffusion of Innovation: Maloney's 16% Rule®

^ Robert Cialdini *Everett Rogers #Forresters ~Geoffrey Moore + Malcolm Gladwell

The early and late majority of a market are more rational and practical-minded. The further to the right you travel on this bell curve, the less people believe what you believe. They just simply want what you have. These customers typically aren't loyal, and are driven by social proof and price. These people (after the Chasm) do not purchase until the first 16% of the market purchases. This means that at the beginning, all of your marketing efforts must be driven toward the innovators and early adopters.

Loyalty is when people are willing to suffer an inconvenience to do business with you. And, if the goal of business is to work with people who believe what you believe, then you must focus your efforts on the left side of the bell curve. If you get enough of these customers, they will encourage the rest to follow. If these people truly believe what you believe – then they won't need incentives to promote your organization, they'll do it because they want to.

It's those who believe what you believe that will cause the system to tip. The innovators and early adopters are drawn to you for very personal reasons, and this will happen because you'll start with WHY. Your role is to be crystal clear about your beliefs, and show how your offerings are helping to advance that cause.

<u>Chapter 8 – Start With Why - But Know HOW</u>

Energy motivates, but charisma inspires. Great leaders have charisma because they have a clarity of WHY that is bigger than themselves. Energy, on the other hand, is easy to imitate and copy.

Regardless of WHAT we do, WHY we do it never changes. If we get our golden circle in balance,



WHAT we do is just the means through which we fulfil our WHY today. The WHAT can change at any time.

For every inspired WHY-type leader, there is a HOW-type leader who takes the intangible and builds an infrastructure around it. This infrastructure gives the WHY life, and allows it to make any change or success possible. Each success that helps bring an innovator or early adopter into the tribe brings a company closer to the more practical minded majority of their target demographic.

The reality is, the people who know WHY need the people who know HOW. HOW-type leaders can become very successful, but will never build organizations that change the world. Many WHY-type leaders end up becoming starving visionaries who have all the answers, but none of the implementation. There must be a partnership between a leader who knows WHY and a leader who knows HOW. A company's vision statement expels the founder's intent, WHY the company exists. This is the company's definition of the future that does not yet exist. The mission statement describes the rout (HOW the company intends to create their version of the future).

Money can provide the means to get your message front and center, but that won't necessarily plant the seeds of loyalty. In order to have real impact, a message must publicize a higher purpose or belief that will resonate with others. For a WHY to have the power to move others, it must not only be clear, but properly amplified to reach the right people to tip the scale.

Chapter 9 – Know Why. Know How. Then WHAT?

When the company is small, the founder is in direct contact with everyone. But, as the organization grows the leader's role changes, and it's his message that resonates through the company megaphone, not the leader itself.

The WHY exists in the part of the brain that controls feelings and decision-making. The WHAT exists in the part of the brain that controls LANGUAGE and rational thought. The leader is the inspiration, the symbol for WHY we do what we do. As stated before, the WHY speaks to the limbic brain. The rational thought and language speaks to the neocortex and solidifies WHAT we're doing.

The communication inefficiency many organizations face is not a business problem, it's a biology problem. The marketing and branding of products and services serve as the symbols and metaphors that companies use to communicate to their consumers. The clearer the communication, the more effective the organization becomes.

<u>Chapter 10 – Communication is Not About Speaking – It's About Listening</u>

Symbolism helps us create tangibility out of the intangible. These symbols only retain meaning because we give them meaning; and that meaning lives within our brains. It is when the WHY is clear that a symbol commands great power. Symbols don't retain meaning until we understand WHY it exists. Without a WHY, a logo is just a logo. But, for that logo to become a symbol – consumers have to be inspired to use that logo to say something about who they are as an



individual.

Harley Davidson (the 2nd most tattooed word behind 'Mom') does not represent a company's products, it represents a belief. For some people, this logo embodies a whole set of values that represents the individual, not the company. Many companies spend too much time on the products and services, and not enough time properly communicating the purpose and the WHY behind the company and its vision

Chapter 11 – When Why goes Fuzzy

Those who attain great success don't always feel it within them. Achievement is the attainment of an outcome, or goal. It's something that's been clearly defined and measured. But, success is a feeling or state of being that's unique to an individual.

Achievement comes to those who pursue WHAT they want. Success comes to those who are clear about WHY they want that outcome. Achievement is attained through tangible factors like money. Success is attained by the ability to put the feelings deep within us into our words and actions. The great leaders are the ones who keep everyone focused on WHY it's important to achieve the milestones set forth. They pursue the WHY and hold themselves and their teams accountable to the HOW. WHAT they do simply serves as the tangible proof of what they believe.

<u>Chapter 12 – Split Happens</u>

Every company starts with an idea, and ideas are fueled by passion. That passion compels us to do the most irrational things that we never thought we could do. And it's that passion that virally spreads to others and positively affects them as well. But, passion alone cannot survive; it needs structure. But for structure to grow, it needs passion. A WHY without a how is a formula for failure (but so is a HOW without a WHY).

Chapter 13 – The Origins of a WHY

Finding your WHY is a process of discovery, not invention. It doesn't come from looking at what you want to achieve. It doesn't come from market research. And it doesn't come from market research. It comes from looking in the opposite direction from where you're at today. Gaining clarity of WHY is not hard. It's the discipline to stay true to that purpose that's difficult. If you're looking for a hint – start looking within to find the answers.

Chapter 14 – The New Competition

If you want help, compete against yourself. No one wants to help someone who is competing against everyone else. The nature of business is competition – that's why companies go after better quality, better service, and more features. But, what if we showed up every day to be better than ourselves? Great organizations keep their WHY clear year after year. Those who forget their WHY show up to outdo someone else instead of to outdo themselves. You are your biggest competition. The only person you compete with is the person you see in the mirror.