STAR

HOW GREAT LEADERS INSPIRE EVERYONE TO TAKE ACTION

WITH

SIMON SINEK

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PORTFOLIO

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For Victoria, who finds good ideas and makes them great

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

Whether individuals or organizations, we follow those who lead not because we have to, but because we want to. We follow those who lead not for them, but for ourselves.

This is a book for those who want to inspire others and for those who want to find someone to inspire them.

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INTRODUCTION

WHY START WITH WHY?

This book is about a naturally occurring pattern, a way of thinking, acting and communicating that gives some leaders the ability to inspire those around them. Although these "natural-born leaders" may have come into the world with a predisposition to inspire, the ability is not reserved for them exclusively. We can all learn this pattern. With a little discipline, any leader or organization can inspire others, both inside and outside their organization, to help advance their ideas and their vision. We can all learn to lead.

The goal of this book is not simply to try to fix the things that aren't working. Rather, I wrote this book as a guide to focus on and amplify the things that do work. I do not aim to upset the solutions offered by others. Most of the answers we get, when based on sound evidence, are perfectly valid. However, if we're starting with the wrong questions, if we don't understand the cause, then even the right answers will always steer us wrong ... eventually. The truth, you see, is always revealed... eventually.

The stories that follow are of those individuals and organizations that naturally embody this pattern. They are the ones that start with Why.

1.

The goal was ambitious. Public interest was high. Experts were eager to contribute. Money was readily available.

Armed with every ingredient for success, Samuel Pierpont Langley set out in the early 1900s to be the first man to pilot an airplane. Highly regarded, he was a senior officer at the Smithsonian Institution, a mathematics professor who had also worked at Harvard. His friends included some of the most powerful men in government and business, including Andrew Carnegie and Alexander Graham Bell. Langley was given a \$50,000 grant from the War Department to fund his project, a tremendous amount of money for the time. He pulled together the best minds of the day, a veritable dream team of talent and know-how. Langley and his team used the finest materials, and the press followed him everywhere. People all over the country were riveted to the story, waiting to read that he had achieved his goal. With the team he had gathered and ample resources, his success was guaranteed.

Or was it?

A few hundred miles away, Wilbur and Orville Wright were working on their own flying machine. Their passion to fly was so intense that it inspired the enthusiasm and commitment of a dedicated group in their hometown of Dayton, Ohio. There was no funding for their venture. No government grants. No high-level connections. Not a single person on the team had an advanced degree or even a college education, not even Wilbur or Orville. But the team banded together in a humble bicycle shop and made their vision real. On December 17, 1903, a small group witnessed a man take flight for the first time in history.

How did the Wright brothers succeed where a better-equipped, better-funded and better-educated team could not?

WHY STAR WITH WHY

It wasn't luck. Both the Wright brothers and Langley were highly motivated. Both had a strong work ethic. Both had keen scientific minds. They were pursuing exactly the same goal, but only the Wright brothers were able to inspire those around them and truly lead their team to develop a technology that would change the world. Only the Wright brothers started with Why.

2.

In 1965, students on the campus of the University of California, Berkeley, were the first to publicly burn their draft cards to protest America's involvement in the Vietnam War. Northern California was a hotbed of antigovernment and antiestablishment sentiment; footage of clashes and riots in Berkeley and Oakland was beamed around the globe, fueling sympathetic movements across the United States and Europe. But it wasn't until 1976, nearly three years after the end of America's military involvement in the Vietnam conflict, that a different revolution ignited.

They aimed to make an impact, a very big impact, even challenge the way people perceived how the world worked. But these young revolutionaries did not throw stones or take up arms against an authoritarian regime. Instead, they decided to beat the system at its own game. For Steve Wozniak and Steve Jobs, the cofounders of Apple Computer, the battlefield was business and the weapon of choice was the personal computer.

The personal computer revolution was beginning to brew when Wozniak built the Apple I. Just starting to gain attention, the technology was primarily seen as a tool for business. Computers were too complicated and out of the price range of the average individual. But Wozniak, a man not motivated by money, envisioned a nobler purpose for the technology. He saw the personal computer as a way for the little man to take on a corporation. If he could

figure out a way to get it in the hands of the individual, he thought, the computer would give nearly anyone the ability to perform many of the same functions as a vastly better resourced company. The personal computer could level the playing field and change the way the world operated. Woz designed the Apple I, and improved the technology with the Apple II, to be affordable and simple to use.

No matter how visionary or how brilliant, a great idea or a great product isn't worth much if no one buys it. Wozniak's best friend at the time, the twenty-one-year-old Steve Jobs, knew exactly what to do. Though he had experience selling surplus electronics parts, Jobs would prove to be much more than a good salesman. He wanted to do something significant in the world, and building a company was how he was going to do it. Apple was the tool he used to ignite his revolution.

In their first year in business, with only one product, Apple made a million dollars in revenues. By year two, they did \$10 million in sales. In their fourth year they sold \$100 million worth of computers. And in just six years, Apple Computer was a billion-dollar company with over 3,000 employees.

Jobs and Woz were not the only people taking part in the personal computer revolution. They weren't the only smart guys in the business; in fact, they didn't know much about business at all. What made Apple special was not their ability to build such a fast-growth company. It wasn't their ability to think differently about personal computers. What has made Apple special is that they've been able to repeat the pattern over and over and over. Unlike any of their competitors, Apple has successfully challenged conventional thinking within the computer industry, the small electronics industry, the music industry, the mobile phone industry and the broader entertainment industry. And the reason is simple. Apple inspires. Apple starts with Why.

WHY STAR WITH WHY

3.

He was not perfect. He had his complexities. He was not the only one who suffered in a pre-civil rights America, and there were plenty of other charismatic speakers. But Martin Luther King Jr. had a gift. He knew how to inspire people.

Dr. King knew that if the civil rights movement was to succeed, if there was to be a real, lasting change, it would take more than him and his closest allies. It would take more than rousing words and eloquent speeches. It would take people, tens of thousands of average citizens, united by a single vision, to change the country. At 11:00 a.m. on August 28, 1963, they would send a message to Washington that it was time for America to steer a new course.

The organizers of the civil rights movement did not send out thousands of invitations, nor was there a Web site to check the date. But the people came. And they kept coming and coming. All told, a quarter of a million people descended on the nation's capital in time to hear the words immortalized by history, delivered by the man who would lead a movement that would change America forever: "I have a dream."

The ability to attract so many people from across the country, of all colors and races, to join together on the right day, at the right time, took something special. Though others knew what had to change in America to bring about civil rights for all, it was Martin Luther King who was able to inspire a country to change not just for the good of a minority, but for the good of everyone. Martin Luther King started with Why.

. . .

There are leaders and there are those who lead. With only 6 percent market share in the United States and about 3 percent worldwide, Apple is not a leading manufacturer of home computers. Yet the company leads the computer industry and is now a leader in other

industries as well. Martin Luther King's experiences were not unique, yet he inspired a nation to change. The Wright brothers were not the strongest contenders in the race to take the first manned, powered flight, but they led us into a new era of aviation and, in doing so, completely changed the world we live in.

Their goals were not different than anyone else's, and their systems and processes were easily replicated. Yet the Wright brothers, Apple and Martin Luther King stand out among their peers. They stand apart from the norm and their impact is not easily copied. They are members of a very select group of leaders who do something very, very special. They inspire us.

Just about every person or organization needs to motivate others to act for some reason or another. Some want to motivate a purchase decision. Others are looking for support or a vote. Still others are keen to motivate the people around them to work harder or smarter or just follow the rules. The ability to motivate people is not, in itself, difficult. It is usually tied to some external factor. Tempting incentives or the threat of punishment will often elicit the behavior we desire. General Motors, for example, so successfully motivated people to buy their products that they sold more cars than any other automaker in the world for over seventy- seven years. Though they were leaders in their industry, they did not lead.

Great leaders, in contrast, are able to inspire people to act. Those who are able to inspire give people a sense of purpose or belonging that has little to do with any external incentive or benefit to be gained. Those who truly lead are able to create a following of people who act not because they were swayed, but because they were inspired. For those who are inspired, the motivation to act is deeply personal. They are less likely to be swayed by incentives. Those who are inspired are willing to pay a premium or endure inconvenience, even personal suffering. Those who are able to inspire will create a following of people—supporters, voters, customers, workers—who

WHY STAR WITH WHY

act for the good of the whole not because they have to, but because they want to.

Though relatively few in number, the organizations and leaders with the natural ability to inspire us come in all shapes and sizes. They can be found in both the public and private sectors. They are in all sorts of industries—selling to consumers or to other businesses. Regardless of where they exist, they all have a disproportionate amount of influence in their industries. They have the most loyal customers and the most loyal employees. They tend to be more profitable than others in their industry. They are more innovative, and most importantly, they are able to sustain all these things over the long term. Many of them change industries. Some of them even change the world.

The Wright brothers, Apple and Dr. King are just three exampies. Harley-Davidson, Disney and Southwest Airlines are three more. John F. Kennedy and Ronald Reagan were also able to inspire. No matter from where they hail, they all have something in common. All the inspiring leaders and companies, regardless of size or industry, think, act and communicate exactly alike.

And it's the complete opposite of everyone else.

What if we could all learn to think, act and communicate like those who inspire? I imagine a world in which the ability to inspire is practiced not just by a chosen few, but by the majority. Studies show that over 80 percent of Americans do not have their dream job. If more knew how to build organizations that inspire, we could live in a world in which that statistic was the reverse—a world in which over 80 percent of people loved their jobs. People who love going to work are more productive and more creative. They go home happier and have happier families. They treat their colleagues and clients and customers better. Inspired employees make for stronger companies and stronger economies. That is why I wrote this book. I hope to inspire others to do the things that inspire them so that

together we may build the companies, the economy and a world in which trust and loyalty are the norm and not the exception. This book is not designed to tell you what to do or how to do it. Its goal is not to give you a course of action. Its goal is to offer you the *cause* of action.

For those who have an open mind for new ideas, who seek to create long-lasting success and who believe that your success requires the aid of others, I offer you a challenge. From now on, start with Why.

PART I

A WORLD THAT DOESN'T START WITH WHY

1

ASSUME YOU KNOW

On a cold January day, a forty-three-year-old man was sworn in as the chief executive of his country. By his side stood his predecessor, a famous general who, fifteen years earlier, had commanded his nation's armed forces in a war that resulted in the defeat of Germany. The young leader was raised in the Roman Catholic faith. He spent the next five hours watching parades in his honor and stayed up celebrating until three o'clock in the morning.

You know who I'm describing, right?

It's January 30, 1933, and I'm describing Adolf Hitler and not, as most people would assume, John F. Kennedy.

The point is, we make assumptions. We make assumptions about the world around us based on sometimes incomplete or false information. In this case, the information I offered was incomplete. Many of you were convinced that I was describing John F. Kennedy until I added one minor little detail: the date.

This is important because our behavior is affected by our assumptions or our perceived truths. We make decisions based on what we *think* we know. It wasn't too long ago that the majority of

people believed the world was flat. This perceived truth impacted behavior. During this period, there was very little exploration. People feared that if they traveled too far they might fall off the edge of the earth. So for the most part they stayed put. It wasn't until that minor detail was revealed—the world is round—that behaviors changed on a massive scale. Upon this discovery, societies began to traverse the planet. Trade routes were established; spices were traded. New ideas, like mathematics, were shared between societies which unleashed all kinds of innovations and advancements. The correction of a simple false assumption moved the human race forward.

Now consider how organizations are formed and how decisions are made. Do we really know why some organizations succeed and why others don't, or do we just assume? No matter your definition of success—hitting a target stock price, making a certain amount of money, meeting a revenue or profit goal, getting a big promotion, starting your own company, feeding the poor, winning public office—how we go about achieving our goals is very similar. Some of us just wing it, but most of us try to at least gather some data so we can make educated decisions. Sometimes this gathering process is formal—like conducting polls or market research. And sometimes it's informal, like asking our friends and colleagues for advice or looking back on our own personal experience to provide some perspective. Regardless of the process or the goals, we all want to make educated decisions. More importantly, we all want to make the *right* decisions.

As we all know, however, not all decisions work out to be the right ones, regardless of the amount of data we collect. Sometimes the impact of those wrong decisions is minor, and sometimes it can be catastrophic. Whatever the result, we make decisions based on a perception of the world that may not, in fact, be completely accurate. Just as so many were certain that I was describing John F.

ASSUME YOU KNOW

Kennedy at the beginning of this section. You were certain you were right. You might even have bet money on it—a behavior based on an assumption. Certain, that is, until I offered that little detail of the date.

Not only bad decisions are made on false assumptions. Sometimes when things go right, we think we know why, but do we really? That the result went the way you wanted does not mean you can repeat it over and over. I have a friend who invests some of his own money. Whenever he does well, it's because of his brains and ability to pick the right stocks, at least according to him. But when he loses money, he always blames the market. I have no issue with either line of logic, but either his success and failure hinge upon his own prescience and blindness or they hinge upon good and bad luck. But it can't be both.

So how can we ensure that all our decisions will yield the best results for reasons that are fully within our control? Logic dictates that more information and data are key. And that's exactly what we do. We read books, attend conferences, listen to podcasts and ask friends and colleagues—all with the purpose of finding out more so we can figure out what to do or how to act. The problem is, we've all been in situations in which we have all the data and get lots of good advice but things still don't go quite right. Or maybe the impact lasted for only a short time, or something happened that we could not foresee. A quick note to all of you who correctly guessed Adolf Hitler at the beginning of the section: the details I gave are the same for both Hitler and John F. Kennedy, it could have been either. You have to be careful what you think you know. Asumptions, you see, even when based on sound research, can lead us astray.

Intuitively we understand this. We understand that even with mountains of data and good advice, if things don't go as expected, it's probably because we missed one, sometimes small but vital detail. In these cases, we go back to all our sources, maybe seek out

some new ones, and try to figure out what to do, and the whole process begins again. More data, however, doesn't always help, especially if a flawed assumption set the whole process in motion in the first place. There are other factors that must be considered, factors that exist outside of our rational, analytical, information-hungry brains.

There are times in which we had no data or we chose to ignore the advice or information at hand and just went with our gut and things worked out just fine, sometimes even better than expected. This dance between gut and rational decision-making pretty much covers how we conduct business and even live our lives. We can continue to slice and dice all the options in every direction, but at the end of all the good advice and all the compelling evidence, we're left where we started: how to explain or decide a course of action that yields a desired effect that is repeatable. How can we have 20/20 foresight?

There is a wonderful story of a group of American car executives who went to Japan to see a Japanese assembly line. At the end of the line, the doors were put on the hinges, the same as in America. But something was missing. In the United States, a line worker would take a rubber mallet and tap the edges of the door to ensure that it fit perfectly. In Japan, that job didn't seem to exist. Confused, the American auto executives asked at what point they made sure the door fit perfectly. Their Japanese guide looked at them and smiled sheepishly. "We make sure it fits when we design it." In the Japanese auto plant, they didn't examine the problem and accumulate data to figure out the best solution—they engineered the outcome they wanted from the beginning. If they didn't achieve their desired outcome, they understood it was because of a decision they made at the start of the process.

At the end of the day, the doors on the American-made and Japanese-made cars appeared to fit when each rolled off the as-

ASSUME YOU KNOW

sembly line. Except the Japanese didn't need to employ someone to hammer doors, nor did they need to buy any mallets. More importantly, the Japanese doors are likely to last longer and maybe even be more structurally sound in an accident. All this for no other reason than they ensured the pieces fit from the start.

What the American automakers did with their rubber mallets is a metaphor for how so many people and organizations lead. When faced with a result that doesn't go according to plan, a series of perfectly effective short-term tactics are used until the desired outcome is achieved. But how structurally sound are those solutions? So many organizations function in a world of tangible goals and the mallets to achieve them. The ones that achieve more, the ones that get more out of fewer people and fewer resources, the ones with an outsized amount of influence, however, build products and companies and even recruit people that all fit based on the original intention. Even though the outcome may look the same, great leaders understand the value in the things we cannot see.

Every instruction we give, every course of action we set, every result we desire, starts with the same thing: a decision. There are those who decide to manipulate the door to fit to achieve the desired result and there are those who start from somewhere very different. Though both courses of action may yield similar short- term results, it is what we can't see that makes long-term success more predictable for only one. The one that understood why the doors need to fit by design and not by default.

2

CARROTS AND STICKS

Manipulation vs. Inspiration

There's barely a product or service on the market today that customers can't buy from someone else for about the same price, about the same quality, about the same level of service and about the same features. If you truly have a first-mover's advantage, it's probably lost in a matter of months. If you offer something truly novel, someone else will soon come up with something similar and maybe even better.

But if you ask most businesses why their customers are their customers, most will tell you it's because of superior quality, features, price or service. In other words, most companies have no clue why their customers are their customers. This is a fascinating realization. If companies don't know why their customers are their customers, odds are good that they don't know why their employees are their employees either.

If most companies don't really know why their customers are their customers or why their employees are their employees, then

how do they know how to attract more employees and encourage loyalty among those they already have? The reality is, most businesses today are making decisions based on a set of incomplete or, worse, completely flawed assumptions about what's driving their business.

There are only two ways to influence human behavior: you can manipulate it or you can inspire it. When I mention manipulation, this is not necessarily pejorative; it's a very common and fairly benign tactic. In fact, many of us have been doing it since we were young. "I'll be your best friend" is the highly effective negotiating tactic employed by generations of children to obtain something they want from a peer. And as any child who has ever handed over candy hoping for a new best friend will tell you, it works.

From business to politics, manipulations run rampant in all forms of sales and marketing. Typical manipulations include: dropping the price; running a promotion; using fear, peer pressure or aspirational messages; and promising innovation to influence behavior—be it a purchase, a vote or support. When companies or organizations do not have a clear sense of why their customers are their customers, they tend to rely on a disproportionate number of manipulations to get what they need. And for good reason. Manipulations work.

Price

Many companies are reluctant to play the price game, but they do so because they know it is effective. So effective, in fact, that the temptation can sometimes be overwhelming. There are few professional services firms that, when faced with an opportunity to land a big piece of business, haven't just dropped their price to make the deal happen. No matter how they rationalized it to themselves or their clients, price is a highly effective manipulation. Drop your prices low enough and people will buy from you. We see it at the