



## **Start With Why How Great Leaders Inspire Everyone to Take Action**

**Notes by Frumi Rachel Barr, MBA, Ph.D.**

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**Author's Bio:** Simon Sinek teaches leaders and organizations how to inspire people. From members of Congress to foreign ambassadors, from small businesses to corporations like Microsoft and American Express, from Hollywood to the UN to the Pentagon, those who want to know how to inspire people want to learn about The Golden Circle and the power of WHY. Sinek is quoted frequently by national publications and teaches at the Strategic Communications Program at Columbia University.

**Author's big thought:** In studying the leaders who've had the greatest influence in the world, Simon Sinek discovered that they all think, act, and communicate in the exact same way—and it's the complete opposite of what everyone else does. Sinek calls this powerful idea The Golden Circle, and it provides a framework upon which organizations can be built, movements can be led, and people can be inspired. And it all starts with WHY. Starting with WHY works in big business and small business, in the nonprofit world and in politics.

Those who start with WHY never manipulate, they inspire. And people follow them not because they have to; they follow because they want to.

### **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.
- 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.
- The individuals and organizations that naturally embody this pattern are the ones that start 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.
- Great leaders 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 act for the good of the whole not because they have to, but because they want to.
- The organizations and leaders with the natural ability to inspire us 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.

## **PART I: A WORLD THAT DOESN'T START WITH WHY**

### **Chapter 1: Assume You Know**

- 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 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.

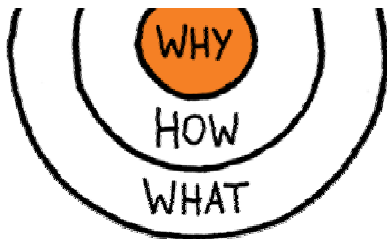
### **Chapter 2: Carrots and Sticks**

- 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.
- There are only two ways to influence human behavior: you can manipulate it or you can inspire it.
- 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.
- For transactions that occur an average of once, carrots and sticks are the best way to elicit the desired behavior. Manipulations are a perfectly valid strategy for driving a transaction, or for any behavior that is only required once or on rare occasions.
- In any circumstance in which a person or organization wants more than a single transaction, however, if there is a hope for a loyal, lasting relationship, manipulations do not help.

- Knowing you have a loyal customer and employee base not only reduces costs, it provides massive peace of mind. In contrast, relying on manipulations creates massive stress for buyer and seller alike.
- The danger of manipulations is that they work. And because manipulations work, they have become the norm, practiced by the vast majority of companies and organizations, regardless of size or industry. With every price drop, promotion, fear-based or aspirational message, and novelty we use to achieve our goals, we find our companies, our organizations and our systems getting weaker and weaker.
- The reality is, in today's world, manipulations are the norm. But there is an alternative.

## **PART 2: AN ALTERNATIVE PERSPECTIVE**

### **Chapter 3: The Golden Circle**



- The Golden Circle concept discussed by the author was inspired by the Golden Ratio—a simple mathematical relationship that has fascinated mathematicians, biologists, architects, artists, musicians and naturists since the beginning of history.
- The Golden Circle provides compelling evidence of how much more we can achieve if we remind ourselves to start everything we do by first asking why.
- The Golden Circle is an alternative perspective to existing assumptions about why some leaders and organizations have achieved such a disproportionate degree of influence.
- The Golden Circle shows how these leaders were able to inspire action instead of manipulating people to act.
- This alternative perspective is not just useful for changing the world; there are practical applications for the ability to inspire, too. It can be used as a guide to vastly improving leadership, corporate culture, hiring, product development, sales, and marketing. It even explains loyalty and how to create enough momentum to turn an idea into a social movement.
- It all starts from the inside out. It all starts with Why.
- WHAT: Every single company and organization on the planet knows WHAT they do. Everyone is easily able to describe the products or services a company sells or the job function they have within that system.
- HOW: Some companies and people know HOW they do WHAT they do. Whether you call them a “differentiating value proposition,” “proprietary process” or “unique selling proposition,” HOWs are often given to explain how something is different or better. Many think these are the differentiating or motivating factors in a decision. WHY: Very few people or companies can clearly articulate WHY they do WHAT they do.
- By WHY Sinek means what is your purpose, cause or belief? WHY does your company exist? WHY do you get out of bed every morning? And WHY should anyone care?
- An inspired leader, every single one of them, regardless of their size or their industry, thinks acts and communicates from the inside out.

#### *Apple:*

- Apple's success over time is not typical. Their ability to remain one of the most innovative companies year after year, combined with their uncanny ability to attract a cult-like following, makes them a great example to demonstrate many of the principles of The Golden Circle.

- A marketing message from Apple, if they were like everyone else, might sound like this: We make great computers. They're beautifully designed, simple to use and user-friendly. Wanna buy one?
- This is how most companies create their message. First they start with WHAT they do—"Here's our new car." Then they tell us how they do it or how they are better.
- This time, the example starts with WHY:
  - 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.
  - Wanna buy one?
- There is something more, something hard to describe and near impossible to copy that gives Apple such a disproportionate level of influence in the market. The example starts to prove that people don't buy WHAT you do; they buy WHY you do it.
- It's worth repeating: people don't buy WHAT you do; they buy WHY you do it.
- Companies try to sell us WHAT they do, but we buy WHY they do it. This is what Sinek means when he says they communicate from the outside in; they lead with WHAT and HOW.
- It's not WHAT Apple does that distinguishes them. It's WHY they do it. Their products give life to their cause.
- Their products, unto themselves, are not the reason Apple is perceived as superior; their products, WHAT Apple makes, serve as the tangible proof of what they believe. It is that clear correlation between WHAT they do and WHY they do it that makes Apple stand out. This is the reason we perceive Apple as being authentic. Everything they do works to demonstrate their WHY, to challenge the status quo. Regardless of the products they make or industry in which they operate, it is always clear that Apple "thinks different."
- Apple's WHY, to challenge the status quo and to empower the individual, is a pattern in that it repeats in all they say and do. It comes to life in their iPod and even more so in iTunes, a service that challenged the status quo of the music industry's distribution model.
- Apple did not invent the mp3, nor did they invent the technology that became the iPod, yet they are credited with transforming the music industry with it.
- Apple's "1,000 songs in your pocket" told us WHY we needed it.
- And it is Apple's clarity of WHY that gives them such a remarkable ability to innovate, often competing against companies seemingly more qualified than they, and succeed in industries outside their core business.
- When an organization defines itself by WHAT it does, that's all it will ever be able to do.
- Unless Dell, like so many others, can rediscover their founding purpose, cause or belief and start with WHY in all they say and do, all they will ever do is sell computers. They will be stuck in their "core business."
- Apple's WHY was formed at its founding in the late 1970s and hasn't changed to this date. Regardless of the products they make or the industries into which they migrate, their WHY still remains a constant. And Apple's intention to challenge accepted thinking has proved prophetic.
- Although their competitors all had a clear sense of WHY at some point, over the course of time, all of Apple's competitors lost their WHY
- Any company faced with the challenge of how to differentiate themselves in their market is basically a commodity, regardless of WHAT they do or HOW they do it.
- It is only because Apple's WHY is so clear that those who believe what they believe are drawn to them. Those people who share Apple's WHY believe that Apple's products are objectively better, and any attempt to convince them otherwise is pointless.

- A simple claim of better, even with the rational evidence to back it up, can create desire and even motivate a decision to buy, but it doesn't create loyalty. It is the *cause* that is represented by the company, brand, product or person that inspires loyalty.
- Knowing your WHY is not the only way to be successful, but it is the only way to maintain a lasting success and have a greater blend of innovation and flexibility. When a WHY goes fuzzy, it becomes much more difficult to maintain the growth, loyalty and inspiration that helped drive the original success.
- Consider the classic business school case of the railroads. If they had defined themselves as being in the mass transportation business, perhaps their behavior would have been different. Perhaps they would have seen opportunities that they otherwise missed. Perhaps they would own all the airlines today.
- In all cases, going back to the original purpose, cause or belief will help these industries adapt. Instead of asking, "WHAT should we do to compete?" the questions must be asked, "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 Opinion, This Is Biology**

- A very basic human need, the need to belong, is not rational, but it is a constant that exists across all people in all cultures. It is a feeling we get when those around us share our values and beliefs. When we feel like we belong, we feel connected and we feel safe. As humans we crave the feeling and we seek it out. No matter where we go, we trust those with whom we are able to perceive common values or beliefs.
- We want to be around people and organizations who are like us and share our beliefs.
- When a company clearly communicates their WHY, what they believe, and we believe what they believe, then we will sometimes go to extraordinary lengths to include those products or brands in our lives. This is not because they are better, but because they become markers or symbols of the values and beliefs we hold dear. Those products and brands make us feel like we belong and we feel a kinship with others who buy the same things.
- The principles of The Golden Circle are much more than a communications hierarchy. Its principles are deeply grounded in the evolution of human behavior. The power of WHY is not opinion, it's biology. The levels of The Golden Circle correspond precisely with the three major levels of the brain.
- The Neocortex, corresponds with the WHAT level. The Neocortex is responsible for rational and analytical thought and language. The middle two sections comprise the limbic brain. The limbic brain is responsible for all of our feelings, such as trust and loyalty. It is also responsible for all human behavior and all our decision making, but it has no capacity for language.
- When we communicate from the outside in, when we communicate WHAT we do first, yes, people can understand vast amounts of complicated information, like facts and features, but it does not drive behavior. But when we communicate from the inside out, we're talking directly to the part of the brain that controls decision-making, and our language part of the brain allows us to rationalize those decisions. The part of the brain that controls our feelings has no capacity for language. It is this disconnection that makes putting our feelings into words so hard.
- When a decision feels right, we have a hard time explaining why we did what we did. Again, the part of the brain that controls decision-making doesn't control language, so we rationalize.
- It's not that people don't know, it's that they have trouble explaining why they do what they do. Decision-making and the ability to explain those decisions exist in different parts of the brain.
- Whether you defer to your gut or you're imply following your heart, no matter which part of the body you think is driving the decision, the reality is it's all in your limbic brain.

- Our limbic brain is powerful, powerful enough to drive behavior that sometimes contradicts our rational and analytical understanding of a situation. We often trust our gut even if the decision flies in the face of all the facts and figures.
- Our limbic brains are smart and often know the right thing to do. It is our inability to verbalize the reasons that may cause us to doubt ourselves or trust the empirical evidence when our gut tells us not to.
- Companies that fail to communicate a sense of WHY force us to make decisions with only empirical evidence. This is why those decisions take more time, feel difficult or leave us uncertain. Under these conditions manipulative strategies that exploit our desires, fears, doubts or fantasies work very well.
- Decisions started with WHY—the emotional component of the decision- and then the rational components allowed the buyer to verbalize or rationalize the reasons for their decision.
- This is what we mean when we talk about winning hearts and minds. The heart represents the limbic, feeling part of the brain, and the mind is the rational, language center.
- Absent a WHY, a decision is harder to make. And when in doubt we look to science, to data, to guide decisions. Companies will tell you that the reason they start with WHAT they do or HOW they do it is because that's what their customers asked for.
- Great leaders and great organizations are good at seeing what most of us can't see. They are good at giving us things we would never think of asking for.
- Because our biology complicates our ability to verbalize the real reasons why we make the decisions we do, we rationalize based on more tangible factors, like the design or the service or the brand. This is the basis for the false assumption that price or features matter more than they do. Those things matter, they provide us the tangible things we can point to to rationalize our decision-making. But they don't set the course and they don't inspire behavior.
- As an example, the makers of laundry detergent asked consumers what they wanted from detergent, and consumers said whiter whites and brighter brights. What the consumers didn't know was that having their clothes smell fresh and clean mattered much more than the nuanced differences between which detergent actually made clothes measurably cleaner.
- The power of the limbic brain is astounding. It not only controls our gut decisions, but it can influence us to do things that seem illogical or irrational. It is not logic or facts but our hopes and dreams, our hearts and our guts, that drive us to try new things.
- If we were all rational, there would be no small businesses, there would be no exploration, there would be very little innovation and there would be no great leaders to inspire all those things. It is the undying belief in something bigger and better that drives that kind of behavior.
- For the people who love to work at Apple, even the employees can't put it into words. In their case, their job is one of the WHATs to their WHY. They too are convinced it's the quality of the products alone that is behind Apple's success. But deep inside, they all love being a part of something bigger than themselves. The most loyal Apple employees, like the most loyal Apple customers, all love a good revolution.
- It's no accident that the culture at Apple is often described as a cult. It's more than just products, it's a cause to support. It's a matter of faith.
- Products with a clear sense of WHY give people a way to tell the outside world who they are and what they believe. Remember, people don't buy WHAT you do, they buy WHY you do it. If a company does not have a clear sense of WHY then it is impossible for the outside world to perceive anything more than WHAT the company does. And when that happens, manipulations that rely on pushing price, features, service or quality become the primary currency of differentiation.

## Chapter 5: Clarity, Discipline and Consistency

- For The Golden Circle to work, each of the pieces must be in balance and in the right order.
- To lead requires those who willingly follow. It requires those who believe in something bigger than a single issue. To inspire starts with the clarity of WHY.
- HOWs are your values or principles that guide HOW to bring your cause to life.
- Understanding HOW you do things and, more importantly, having the discipline to hold the organization and all its employees accountable to those guiding principles enhances an organization's ability to work to its natural strengths. Understanding HOW gives greater ability, for example, to hire people or find partners who will naturally thrive when working with you.
- For values or guiding principles to be truly effective they have to be verbs. It's not "integrity," it's "always do the right thing." It's not "innovation," it's "look at the problem from a different angle." Articulating our values as verbs gives us a clear idea ... we have a clear idea of how to act in any situation.
- Everything you say and everything you do has to prove what you believe. A WHY is just a belief. That's all it is. HOWs are the actions you take to realize that belief. And WHATs are the results of those actions—everything you say and do: your products, services, marketing, PR, culture and whom you hire.
- If people don't buy WHAT you do but WHY you do it, then all these things must be consistent. With consistency people will see and hear, without a shadow of a doubt, what you believe.
- After you have clarity of WHY, are disciplined and accountable to your own values and guiding principles, and are consistent in all you say and do, the final step is to keep it all in the right order.
- *Southwest Airlines:*
  - In the early 1970s, only 15 percent of the traveling population traveled by air. All Southwest cared about was the other 85 percent. "We're the champion for the common man." That was WHY they started the airline.
  - Their guiding principles and values stemmed directly from their WHY and were more common sense than anything else.
  - In the 1970s, air travel was expensive, and if Southwest was going to be the champion for the common man, they had to be cheap, fun and simple. That's HOW they did it. That's how they were to champion the cause of the common man. "You are now free to move about the country," they said in their advertising. That's much more than a tagline. That's a cause. And it's a cause looking for followers.
  - What Southwest has achieved is the stuff of business folklore. As a result of WHY they do what they do, and because they are highly disciplined in HOW they do it, they are the most profitable airline in history.
  - There are many ways to motivate people to do things, but loyalty comes from the ability to inspire people. Only when the WHY is clear and when people believe what you believe can a true loyal relationship develop.
- It's when that emotional feeling goes deeper than insecurity or uncertainty or dreams that the emotional reaction aligns with how we view ourselves. It is at that point that behavior moves from being motivated to inspired. When we are inspired, the decisions we make have more to do with who we are and less to do with the companies or the products we're buying.
- When our decisions feel right, we're willing to pay a premium or suffer an inconvenience for those products or services. This has nothing to do with price or quality. Price, quality, features and service are important, but they are the cost of entry in business today. It is those visceral limbic feelings that create loyalty.
- When WHY, HOW, and WHAT are in balance authenticity is achieved and the buyer feels fulfilled. When they are out of balance, stress or uncertainty exists.

- The Golden Circle provides a way to communicate consistent with how individuals receive information. For this reason an organization must be clear about its purpose, cause or belief and make sure that everything they say and do is consistent with and authentic to that belief.
- 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 are people and the biology of decision-making is the same no matter whether it is a personal decision or a business decision.
- It is exceedingly difficult to start building a trusting relationship with a potential customer or client by trying to convince them of all the rational features and benefits. Those things are important, but they serve only to give credibility to a sales pitch and allow buyers to rationalize their purchase decision.
- The ability to put a WHY into words provides the emotional context for decisions. It offers greater confidence than "I think it's right." It's more scalable than "I feel it's right." When you know your WHY, the highest level of confidence you can offer is, "I know it's right." When you know the decision is right, not only does it feel right, but you can also rationalize it and easily put it into words. The decision is fully balanced.
- The rational WHATs offer proof for the feeling of WHY. If you can verbalize the feeling that drove the gut decision, if you can clearly state your WHY, you'll provide a clear context for those around you to understand why that decision was made. If the decision is consistent with the facts and figures, then those facts and figures serve to reinforce the decision—this is balance. And if the decision flies in the face of facts and figures then it will highlight the other factors that need to be considered. It can turn a controversial decision from a debate into a discussion.
- 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. When we are selective about doing business only with those who believe in our WHY, trust emerges.

### **PART 3: LEADERS NEED A FOLLOWING**

#### **Chapter 6: The Emergence of Trust**

- Trust does not emerge simply because a seller makes a rational case why the customer should buy a product or service, or because an executive promises change. Trust is not a checklist. Fulfilling all your responsibilities does not create trust. Trust is a feeling, not a rational experience.
- We trust some people and companies even when things go wrong, and we don't trust others even though everything might have gone exactly as it should have. A completed checklist does not guarantee trust. Trust begins to emerge when we have a sense that another person or organization is driven by things other than their own self-gain.
- With trust comes a sense of value—real value, not just value equated with money. Value, by definition, is the transference of trust. You can't convince someone you have value, just as you can't convince someone to trust you. You have to earn trust by communicating and demonstrating that you share the same values and beliefs.
- You have to talk about your WHY and prove it with WHAT you do.
- Leading means that others willingly follow you—not because they have to, not because they are paid to, but because they want to. Those who lead are able to do so because those who follow trust that the decisions made at the top have the best interest of the group at heart. In turn, those who trust work hard because they feel like they are working for something bigger than themselves.
- We've succeeded as a species because of our ability to form cultures. Cultures are groups of people who come together around a common set of values and beliefs. When we share values and beliefs with others, we form trust.

- It is beneficial to live and work in a place where you will naturally thrive because your values and beliefs align with the values and beliefs of that culture. The goal is not to hire people who simply have a skill set you need, the goal is to hire people who believe what you believe.
- When employees belong, they guarantee your success. And they won't be working hard and looking for innovative solutions for you, they will be doing it for themselves.
- What all great leaders have in common is the ability to find good fits to join their organizations—those who believe what they believe.
- Almost every person on the planet is passionate, we are just not all passionate for the same things. Starting with WHY when hiring dramatically increases your ability to attract those who are passionate for what you believe. Simply hiring people with a solid resume or great work ethic does not guarantee success.
- Great companies don't hire skilled people and motivate them. They hire already motivated people and inspire them. People are either motivated or they are not. Unless you give motivated people something to believe in, something bigger than their job to work toward, they will motivate themselves to find a new job and you'll be stuck with whoever's left.
- Companies with a strong sense of WHY are able to inspire their employees. Those employees are more productive and innovative, and the feeling they bring to work attracts other people eager to work there as well. It's not such a stretch to see why the companies that we love to do business with are also the best employers. When people inside the company know WHY they come to work, people outside the company are vastly more likely to understand WHY the company is special. In these organizations, from the management on down, no one sees themselves as any more or any less than anyone else. They all need each other.
- Pulling together a team of like minded people and giving them a cause to pursue ensures a greater sense of teamwork and camaraderie.
- Average companies give their people something to work on. In contrast, the most innovative organizations give their people something to work toward
- The role of a leader is not to come up with all the great ideas. The role of a leader is to create an environment in which great ideas can happen. It is the people inside the company, those on the front lines, who are best qualified to find new ways of doing things.
- If the people inside a company are told to come to work and just do their job, that's all they will do. If they are constantly reminded WHY the company was founded and told to always look for ways to bring that cause to life while performing their job, however, then they will do more than their job.
- Companies with a clear sense of WHY tend to ignore their competition. Whereas those with a fuzzy sense of WHY are obsessed with what others are doing.
- The ability of a company to innovate is not just useful for developing new ideas, it is invaluable for navigating struggle. People who come to work with a clear sense of WHY are less prone to giving up after a few failures because they understand the higher cause.
- Southwest's remarkable ability to solve problems, Apple's remarkable knack for innovation and the Wright brothers' ability to develop a technology with the team they had were all possible for the same reason: they believed they could and they trusted their people to do it.
- If the people aren't looking out for the community, then the benefits of a community erode. Many companies have star employees and star salesmen and so on, but few have a culture that produces great people as a rule and not an exception.
- Trust is a remarkable thing. Trust allows us to rely on others. We rely on those we trust for advice to help us make decisions. Trust is the bedrock for the advancement of our own lives, our families, our companies, our societies and our species.
- Only when individuals can trust the culture or organization will they take personal risks in order to advance that culture or organization as a whole.

- For those within a community, or an organization, they must trust that their leaders provide a net—practical or emotional. With that feeling of support, those in the organization are more likely to put in extra effort that ultimately benefits the group as a whole.
- Great organizations become great because the people inside the organization feel protected. The strong sense of culture creates a sense of belonging and acts like a net. People come to work knowing that their bosses, colleagues and the organization as a whole will look out for them. This results in reciprocal behavior. Individual decisions, efforts and behaviors that support, benefit and protect the long-term interest of the organization as a whole.
- If those inside the organization are a good fit, the opportunity to “go the extra mile,” to explore, to invent, to innovate, to advance and, more importantly, to do so again and again and again, increases dramatically. Only with mutual trust can an organization become great.
- Earning the trust of an organization doesn’t come from setting out to impress everyone, it comes from setting out to serve those who serve you. It is the invisible trust that gives a leader the following they need to get things done.
- If companies do not actively work to keep their Golden Circle in balance—clarity, discipline and consistency—then trust starts to break down. A company, indeed any organization, must work actively to remind everyone WHY the company exists. WHY it was founded in the first place. What it believes. They need to hold everyone in the company accountable to the values and guiding principles. It’s not enough to just write them on the wall—that’s passive. Bonuses and incentives must revolve around them. The company must serve those whom they wish to serve it.
- Passion comes from feeling like you are a part of something that you believe in, something bigger than yourself. If people do not trust that a company is organized to advance the WHY, then the passion is diluted. Without managed trust, people will show up to do their jobs and they will worry primarily about themselves. This is the root of office politics—people acting within the system for self-gain often at the expense of others, even the company.
- If a company doesn’t manage trust, then those working for it will not trust the company, and self-interest becomes the overwhelming motivation. This may be good for the short term, but over time the organization will get weaker and weaker.
- Personal recommendations go a long way. We trust the judgment of others. It’s part of the fabric of strong cultures. But we don’t trust the judgment of just anyone. We are more likely to trust those who share our values and beliefs. When we believe someone has our best interest in mind because it is in their benefit to do so, the whole group benefits. The advancements of societies were based a great deal on the trust between those with a common set of values and beliefs.
- The feeling of trust is lodged squarely in the same place as the WHY—the limbic brain—and it’s often powerful enough to trump empirical research, or at least seed doubt.

## **Chapter 7: How a Tipping Point Tips**

- According to the Law of Diffusion, mass-market success can only be achieved after you penetrate between 15 percent to 18 percent of the market. That’s because the early majority won’t try something new until someone else has tried it first. This is why we have to drop pricing to reduce the risk tolerance of these practical-minded people until they feel comfortable to buy. That’s what a manipulation is. They may buy, but they won’t be loyal.
- Don’t forget, loyalty is when people are willing to suffer some inconvenience or pay a premium to do business with you.
- The ability to get the system to tip is the point at which the growth of a business or the spreading of an idea starts to move at an extraordinary pace. It is also at this point that a product gains mass-market acceptance. The point at which an idea becomes a movement. When that happens, the growth is not only exponential, it is automatic.

- The goal of business then should not be to simply sell to anyone who wants what you have—the majority—but rather to find people who believe what you believe, the left side of the bell curve.
- They perceive greater value in what you do and will happily pay a premium or suffer some sort of inconvenience to be a part of your cause. They are the ones who, on their own volition, will tell about you. That 15 to 18 percent is not made up of people who are simply willing to buy the product. It is the percentage of people who share your beliefs and want to incorporate your ideas, your products and your services into their own lives as WHATs to their own WHYs. They look to WHAT you do as a tangible element that demonstrates their own purpose, cause or belief to the outside world.
- Their ability to easily see WHY they need to incorporate your products into their lives makes this group the most loyal customers. They are also the most loyal shareholders and the most loyal employees. Get enough of the people on the left side of the curve on your side and they encourage the rest to follow.

## **PART 4: HOW TO RALLY THOSE WHO BELIEVE**

### **Chapter 8: Start with WHY, but Know HOW**

- Energy motivates but charisma inspires. Energy is easy to see. Easy to measure and easy to copy. Charisma is hard to define, near impossible to measure and too elusive to copy.
- All great leaders have charisma because all great leaders have clarity of WHY; an undying belief in a purpose or cause bigger than themselves.
- Charisma has nothing to do with energy; it comes from a clarity of WHY. It comes from absolute conviction in an ideal bigger than oneself. Energy, in contrast, comes from a good night's sleep or lots of caffeine. Energy can excite. But only charisma can inspire. Charisma commands loyalty. Energy does not.
- Regardless of WHAT we do in our lives, our WHY—our driving purpose, cause or belief—never changes. If our Golden Circle is in balance, WHAT we do is simply the tangible way we find to breathe life into that cause.
- No matter how charismatic or inspiring the leader is, if there are not people in the organization inspired to bring that vision to reality, to build an infrastructure with systems and processes, then at best, inefficiency reigns, and at worst, failure results.
- In every case of a great charismatic leader who ever achieved anything of significance, there was always a person or small group lurking in the shadows who knew HOW to take the vision and make it a reality.
- WHY-types are the visionaries, the ones with the overactive imaginations. They tend to be optimists who believe that all the things they imagine can actually be accomplished. HOW-types live more in the here and now. They are the realists and have a clearer sense of all things practical.
- WHY-types are focused on the things most people can't see, like the future. HOW-types are focused on things most people can see and tend to be better at building structures and processes and getting things done. One is not better than the other, they are just different ways people naturally see and experience the world.
- Most people in the world are HOW-types. Most people are quite functional in the real world and can do their jobs and do very well. Some HOW-types don't need WHY-types to do well. But WHY-guys, for all their vision and imagination, often get the short end of the stick. Without someone inspired by their vision and the knowledge to make it a reality, most WHY-types end up as starving visionaries, people with all the answers but never accomplishing much themselves.
- Although so many of them fancy themselves visionaries, in reality most successful entrepreneurs are HOW types.

- A business is a structure—systems and processes that need to be assembled. It is the HOW-types who are more adept at building those processes and systems. But most companies, no matter how well built, do not become billion-dollar businesses or change the course of industries. To reach the billion-dollar status, to alter the course of an industry, requires a very special and rare partnership between one who knows WHY and those who know HOW.
- This relationship starts to clarify the difference between a vision statement and a mission statement in an organization. The vision is the public statement of the founder's intent, WHY the company exists. It is literally the vision of a future that does not yet exist.
- The mission statement is a description of the route, the guiding principles—HOW the company intends to create that future. When both of those things are stated clearly, the WHY-type and the HOW-type are both certain about their roles in the partnership. Both are working together with clarity of purpose and a plan to get here. For it to work, however, it requires more than a set of skills. It requires trust.
- It's not an accident that these unions of WHY and HOW so often come from families or old friendships. A shared upbringing and life experience increases the probability of a shared set of values and beliefs.
- For a message to have real impact, to affect behavior and seed loyalty, it needs more than publicity. It needs to publicize some higher purpose, cause or belief to which those with similar values and beliefs can relate. Only then can the message create any lasting mass-market success. For a stunt to appeal to the left side of the curve of the Law of Diffusion, WHY the stunt is being performed, beyond the desire to generate press, must be clear. Though there may be short-term benefits without clarity, loud is nothing more than excessive volume.
- For a WHY to have the power to move people it must not only be clear, it must be amplified to reach enough people to tip the scale.
- An organization effectively becomes the vessel through which a person with a clear purpose, cause or belief can speak to the outside world. But for a megaphone to work, clarity must come first. Without a clear message, what will you amplify?

### **Chapter 9: Know WHY Know HOW. Then WHAT?**

- Empowering the individual spirit is WHY Apple exists. Apple knows their WHY and so do we. Agree with them or not, we know what they believe because they tell us.
- If all the things happening at the WHAT level do not clearly represent WHY the company exists, then the ability to inspire is severely complicated.
- When a company is small, it revolves around the personality of the founder. As a company grows, the CEO's job is to personify the WHY. To be a symbol of what the company believes. They are the intention and what the company says and does is their voice.
- As the organization grows, the leader becomes physically removed, farther and farther away from WHAT the company does and even farther away from the outside market. The leader must ensure that there are people on the team who believe what they believe and know HOW to build it.
- The leader sitting at the top of the organization is the inspiration, the symbol of the reason we do what we do. They represent the emotional limbic brain. WHAT the company says and does presents the rational thought and language of the neocortex. Just as it is hard for people to speak their feelings, it is equally hard for an organization to explain its WHY.
- Organizations of any size will struggle to clearly communicate their WHY. Translated into business terms this means that trying to communicate your differentiating value proposition is really hard.
- Done properly, that's what marketing, branding and products and services become; a way for organizations to communicate to the outside world. Communicate clearly and you shall be understood.

## Chapter 10: Communication Is Not About Speaking, It's About Listening

- Great societies understand the importance of symbols as a way of reinforcing their values, of capturing their beliefs. The flag, for example, is a symbol of our nation's values and beliefs.
- Most companies have logos, but few have been able to convert those logos into meaningful symbols. Because without clarity of WHY, a logo is just a logo.
- What a company says and does are the means by which the company speaks.
- The reason the author uses Apple so extensively throughout this book is that Apple is so disciplined in HOW they do things and so consistent in WHAT they do that, love them or hate them, we all have a sense of their WHY. We know what they believe.
- It's not just WHAT or HOW you do things that matters; what matters more is that WHAT and HOW you do things is consistent with your WHY. Only then will your practices indeed be best.
- There is a simple test you can apply to find out exactly WHAT and HOW is right for you. It's a simple metaphor called the Celery Test. If you say you are eating healthy, celery in your supermarket basket shows that you are doing so – not Oreo cookies.
- Filtering your decisions through your WHY, everybody can see what you believe.
- Simply ensuring that WHAT you do proves what you believe makes it easy for those who believe what you believe to find you. You have successfully communicated your WHY based on WHAT you do.
- With a WHY clearly stated in an organization, anyone within the organization can make a decision as clearly and as accurately as the founder. A WHY provides the clear filter for decision-making. Any decisions—hiring, partnerships, strategies and tactics—should all pass the Celery Test.

## **PART 5: THE BIGGEST CHALLENGE IS SUCCESS**

### Chapter 11: When WHY Goes Fuzzy

#### *Wal-Mart*

- By the time Sam Walton died, he had taken Wal-Mart from a single store in Bentonville, Arkansas, and turned it into a retail colossus with \$44 billion in annual sales with 40 million people shopping in the stores per week.
- Walton wasn't the first person with big dreams to start a small business. Sam Walton did not invent the low-cost shopping model. Wal-Mart was not the only retail establishment capable of offering low prices either. Walmart did not have a lock on cheap prices and cheap prices are not what made it so beloved and ultimately so successful.
- For Sam Walton, there was something else, a deeper purpose, cause or belief that drove him. Wal-Mart was WHAT Walton built to serve his fellow human beings. To serve the community, to serve employees and to serve customers. Service was a higher cause.
- The problem was that his cause was not clearly handed down after he died. In the post-Sam era, Wal-Mart slowly started to confuse WHY it existed—to serve people—with HOW it did business—to offer low prices. They forgot Walton's WHY and their driving motivation became all about "cheap."
- In Wal-Mart's case, forgetting their founder's WHY has come at a very high human cost. Ironic, considering the company's founding cause. The company once renowned for how it treated employees and customers has been scandal-ridden for nearly a decade. Nearly every scandal has centered on how poorly they treat their customers and their employees.
- What has changed is that their WHY went fuzzy. If we, as outsiders, have lost clarity of Wal-Mart's WHY, it's a good sign that the WHY has gone fuzzy inside the company also. What is clear is that the Wal-Mart of today is not the Wal-Mart that Sam Walton built.
- For some people, there is an irony to success. Many people who achieve great success don't always feel it. Some who achieve fame talk about the loneliness that often goes with it. That's

because success and achievement are not the same thing, yet too often we mistake one for the other.

- Achievement is something you reach or attain, like a goal. It is something tangible, clearly defined and measurable. Success, in contrast, is a feeling or a state of being. “She feels successful. She is successful,” we say, using the verb to be to suggest this state of being.
- While we can easily lay down a path to reach a goal, laying down a path to reach that intangible feeling of success is more elusive. In Sinek’s vernacular, achievement comes when you pursue and attain WHAT you want. Success comes when you are clear in pursuit of WHY you want it. The former is motivated by intangible factors while the latter by something deeper in the brain, where we lack the capacity to put those feelings into words.
- Success comes when we wake up every day in that never-ending pursuit of WHY we do WHAT we do. Our achievements, WHAT we do, serve as the milestones to indicate we are on the right path. It is not an either/or—we need both.
- In the course of building a business or a career, we become more confident in WHAT we do. We become greater experts in HOW to do it. With each achievement, the tangible measurements of success and the feeling of progress increase. Life is good. However, for most of us, somewhere in the journey we forget WHY we set out on the journey in the first place. Somewhere in the course of all those achievements an inevitable split happens. This is true for individuals and organizations alike.
- Those with an ability to never lose sight of WHY, no matter how little or how much they achieve, can inspire us. Those with the ability to never lose sight of WHY and also achieve the milestones that keep everyone focused in the right direction are the great leaders. For great leaders, The Golden Circle is in balance. They are in pursuit of WHY, they hold themselves accountable to HOW they do it and WHAT they do serves as the tangible proof of what they believe.
- Most of us, unfortunately, reach a place where WHAT we are doing and WHY we are doing it eventually fall out of balance. We get to a point when WHY and WHAT are not aligned. It the separation of the tangible and the intangible that marks the split.

## Chapter 12: Split Happens

- Nearly every company or organization starts the same way: with an idea.
- At the beginning ideas are fueled by passion, that very compelling emotion that causes us to do quite irrational things. That passion drives many people to make sacrifices so that a cause bigger than themselves can be brought to life.
- The reason so many small businesses fail, however, is because passion alone can’t cut it. For passion to survive, it needs structure. A WHY without the HOWs, passion without structure, has a very high probability of failure. Passion may need structure to survive, but for structure to grow, it needs passion.
- The single greatest challenge any organization will face is success. As the organization grows, as it becomes more successful, it becomes physically impossible for one person to make every major decision. Not only must others be trusted and relied upon to make big decisions, but those people will also start making hiring choices. And slowly but surely, as the megaphone grows, the clarity of WHY starts to dilute.
- The moment at which the clarity of WHY starts to go fuzzy is the split. At this point organizations may be loud, but they are no longer clear.
- When organizations are small, WHAT they do and WHY they do it are in close parallel. Born out of the personality of the founder, it is relatively easy for early employees to “get it.” Clarity of WHY is understood because the source of passion is near—in fact it physically comes to work every day.

- For organizations that want to pass the School Bus Test, to become billion-dollar organizations or work at a scale large enough to shift markets or society, the need to manage through the split is paramount.
- The School Bus Test is a simple metaphor. If a founder or leader of an organization were to be hit by a school bus, would the organization continue to thrive at the same pace without them at the helm? So many organizations are built on the force of a single personality that their departure can cause significant disruption.
- It's just a question of when and how prepared the organization is or the inevitable departure. The challenge isn't to cling to the leader; it's to find effective ways to keep the founding vision alive forever.
- The founder's WHY must be extracted and integrated into the culture of the company. What's more, a strong succession plan should aim to find a leader inspired by the founding cause and ready to lead it into the next generation. Future leaders and employees alike must be inspired by something bigger than the force of personality of the founder and must see beyond profit and shareholder value alone.
- Successful entrepreneurs need to return to a time when WHAT they did was in perfect parallel to WHY they did it. Companies like Wal-Mart, Microsoft, Starbucks, the Gap, Dell and so many others that used to be special have all gone through a split. If they cannot recapture their WHY and reinspire those inside and outside their organization, every one of them will end up looking more like AOL than the companies they were.
- Most organizations today use very clear metrics to track the progress and growth of WHAT they do—usually it's money. Unfortunately, we have very poor measurements to ensure that a WHY stays clear.
- Money is a perfectly legitimate measurement of goods sold or services rendered. But it is no calculation of value. Value is a feeling, not a calculation. It is perception.
- A strong brand, like all other intangible factors that contribute to the perception of value, starts with a clear sense of WHY. Loyal buyers will always rationalize the premium they pay or the inconvenience they suffer to get that feeling. To them, the sacrifice of time or money is worth it. They will try to explain that their feeling of value comes from quality or features or some other easy-to-point-to element, but it doesn't. Those are external factors and the feeling they get comes completely from inside them.

#### *Microsoft*

- Like all visionary leaders, Bill Gates is special because he embodies what he believes. He is the personification of Microsoft's WHY. And for that reason, he serves as a physical beacon, a reminder of WHY everyone comes to work.
- When Gates founded Microsoft with Paul Allen in 1975, he did so to advance a higher cause: if you give people the right tools, and make them more productive, then everyone, no matter their lot in life, will have an opportunity to achieve their real potential. "A PC in every home and on every desk," he envisioned; remarkable from a company that didn't even make PCs.
- Make no mistake, Microsoft has done more to change the world than Apple. Though we are drawn to Apple's well-deserved reputation for innovation and challenging the business models of more than one industry, it is Microsoft that was responsible for the advancement of the personal computer. Gates put a PC on every desk and in doing so he changed the world. As the physical embodiment of the company's WHY, the "everyman" who fulfilled an amazing potential, what happens now that he's gone?
- Although Microsoft went through the split years ago, changing from a company that intended to change the world into a company that makes software, having Gates hanging around helped Microsoft maintain at least a loose sense of WHY they existed. With Gates gone, Microsoft does not have sufficient systems to measure and preach their WHY anymore. This is an issue that will have an exponential impact as time passes.

- It wasn't until Jobst returned in 1997 that everyone inside and outside the company was reminded WHY Apple existed. With clarity back, the company quickly reestablished its power for innovation, for thinking different and, once again, for redefining industries. With Jobst at the helm again, the culture for challenging the status quo, for empowering the individual, returned. Every decision was filtered through the WHY, and it worked.
- When the person who personifies the WHY departs without clearly articulating WHY the company was founded in the first place, they leave no clear cause for their successor to lead. The new CEO will come aboard to run the company and will focus attention on the growth of WHAT with little attention to WHY. Worse, they may try to implement their own vision without considering the cause that originally inspired most people to show up in the first place. In these cases, the leader can work against the culture of the company instead of leading or building upon it. The result is diminished morale, mass exodus, poor performance and a slow and steady transition to a culture of mistrust and every-man-for-himself.
- Starbucks is another good example. In 2000, Howard Schultz resigned as CEO of Starbucks, and for the first time in its history and despite 50 million customers per week, the company started to crack.
- The reason the company was floundering was not that it grew too fast, but that Schultz had not properly infused his WHY into the organization so that the organization could manage the WHY without him. In early 2008, Schultz replaced Donald with a leader who could better steer the company back to a time before the split: himself
- The entire culture of all these companies was built around one man's vision. The only succession plan that will work is to find a CEO who believes in and wants to continue to lead that movement, not replace it with their own vision of the future.
- That's why we call it succession, not replacement. There is a continuity of vision.
- It will be easy to know if a successor is carrying the right torch. Simply apply the Celery Test and see if what the company is saying and doing makes sense. Test whether WHAT they are doing effectively proves WHY they were founded. If we can't easily assess a company's WHY simply from looking at their products, services, marketing and public statements, then odds are high that they don't know what it is either. If they did, so would we.
- With a company so beloved by employees, customers and communities, Walton made only one major blunder. He didn't put his cause into clear enough words so that others could continue to lead the cause after he died.
- Since Sam Walton's death, Wal-Mart has been battered by scandals of mistreating employees and customers all in the name of shareholder value. Their WHY has gone so fuzzy that even when they do things well, few are willing to give them credit.

## **PART 6: DISCOVER WHY**

### **Chapter 13: The Origins of a WHY**

- The WHY does not come from looking ahead at what you want to achieve and figuring out an appropriate strategy to get there. It is not born out of any market research. It does not come from extensive interviews with customers or even employees. It comes from looking in the completely opposite direction from where you are now. Finding WHY is a process of discovery, not invention.
- Every company, organization or group with the ability to inspire starts with a person or small group of people who were inspired to do something bigger than themselves. Gaining clarity of WHY, ironically, is not the hard part. It is the discipline to trust one's gut, to stay true to one's purpose, cause or beliefs. Remaining completely in balance and authentic is the most difficult part. The few that are able to build a megaphone, and not just a company, around their cause are the ones who earn the ability to inspire. In doing so, they harness a power to move people that few can even imagine. Learning the WHY of a company or an organization or understanding the WHY of any social movement always starts with one thing: you.

- Sinek’s WHY is to inspire people to do the things that inspire them. The vision is to have every person and every organization know their WHY and use it to benefit all they do.

#### **Chapter 14: New Competition**

- When you compete against everyone else, no one wants to help you. But when you compete against yourself, everyone wants to help you.
- Imagine if every organization started with WHY. Decisions would be simpler. Loyalties would be greater. Trust would be a common currency. If our leaders were diligent about starting with WHY, optimism would reign and innovation would thrive.
- As this book illustrates, there is precedence for this standard. No matter the size of the organization, no matter the industry, no matter the product or the service, if we all take some responsibility to start with WHY and inspire others to do the same, then, together, we can change the world. And that’s pretty inspiring.

**Recommendation:** Start With Why is one of the most useful and powerful books that I have read. It is both simple and elegant – it shows us how leaders should lead. It is a powerful and penetrating exploration of what separates great companies and great leaders from the rest. And Simon Sinek is an incredible human being – having met him I adore him!



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**Founder of The Why Institute**

Businesses are struggling knowing they need to make changes. But nobody likes change. My WHY or purpose is to create a safe place for leaders and their teams to discuss what matters most and then take inspired actions.

**The Why Institute** is a leadership development and retreat experience. We focus on the Clarity of WHY your business exists, the Discipline of HOW you do what you do and the consistency of WHAT you do. We ensure that your WHO’s, your success team, are ready to take inspired action and build a profitable and sustainable company.  
to.

**Our specialty is Virtual Teams.**