

Start with Why

by Simon Sinek

Chapter 2: Carrots and Sticks

Manipulation vs. Inspiration

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.

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 behaviour – 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. It's because manipulations work.

Aspirations

If fear motivates us to move away from something horrible, aspirational messages tempt us toward something desirable. Marketers often talk about the importance of being aspirational, offering someone something they desire to achieve and the ability to get their more easily with a particular product or service.

Six steps to a happier life!

Work those abs to your dream dress size!

In six short weeks you can be rich!

All these messages manipulate.

They tempt us with the things we want to have or to be the person we wish we were.

Though positive in nature, **aspirational messages are most effective with those who lack discipline or have a nagging fear or insecurity that they don't have the ability to achieve their dreams on their own** (which, at various times for various reasons, is everyone). I always joke that you can get someone to buy a gym membership with an aspirational message, but to get them to go there three days a week requires a bit of inspiration.

Someone who lives a healthy lifestyle and is in a habit of exercising does not respond to “six easy steps to losing weight”. It's those who don't have the lifestyle that are most susceptible.

It's not news that a lot of people try diet after diet after diet in an attempt to get the body of their dreams. And no matter the regime they choose, each comes with the qualification that regular exercise and a balanced diet will help boost results. In other words, discipline. Gym memberships tend to rise about 12 percent every January, as people try to fulfill their New Years aspiration to live a healthier life.

Yet only a fraction of those aspiring fitness buffs are still attending the gym by the end of the year. Aspirational messages can spur behaviour, but for the most part, won't last.

The price you pay for the money you make

I cannot dispute that manipulations work.

Every one of them can indeed help influence behaviour and every one of them can help a company become quite successful. But there are trade offs.

Not a single one of them breeds loyalty.

Over the course of time, they cost more and more. The gains are only short term. And they increase the level of stress for both the buyer and the seller. If you have exceptionally deep pockets or are looking to achieve only a short term gain with no consideration for the long term, then these strategies and tactics are perfect.

Beyond the business world, manipulations are the norm in politics today as well. Just as manipulations can drive a sale but not create loyalty, so too can they help a candidate get elected, but they don't create a foundation for leadership. Leadership requires people to stick with you through thick and thin. Leadership is the ability to rally people not for a single event, but for years.

In business, leadership means that customers will continue to support your company even when you slip up. If manipulation is the only strategy, what happens the next time a purchase decision is required. What happens after the election is won?

There is a big difference between repeat business and loyalty. Repeat business is when people do business with you multiple times. Loyalty is when people are willing to turn down a better product or a better price to continue doing business with you. Loyal customers don't often bother to research the competition or entertain other options. Loyalty is not easily won. Repeat business, however, is. All it takes is more manipulations.

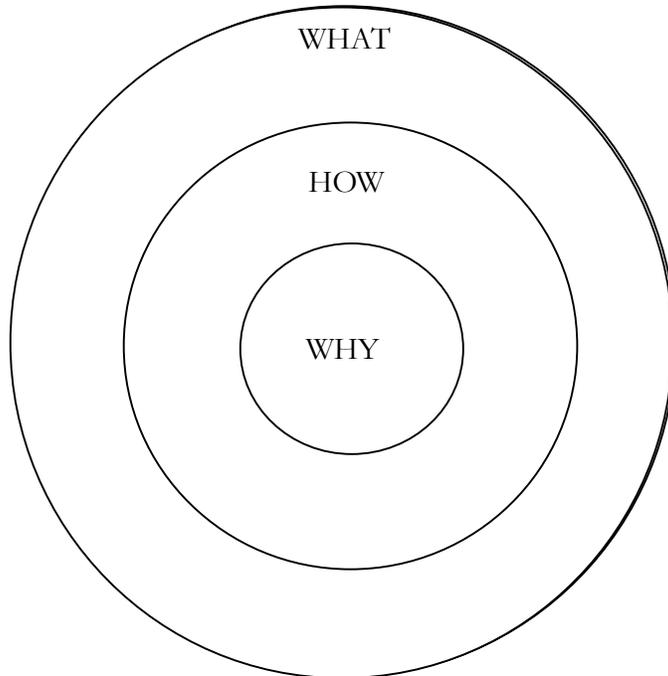
Manipulations lead to transactions, not loyalty

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. Does a politician want your vote, for example, or does he or she want a lifetime of support and loyalty from you? Judging by how elections are run these days, it seems all they want is to win elections. Ads discrediting opponenets, a focus on single issues, and an uncomfortable reliance on fear or aspirational desires are all indicators.

Those tactics win elections, but they do not seed loyalties among the voters.

After September 11, there were customers who sent cheques to Southwest Airlines to show their support. One note accompanied a check for \$1000 read: "You've been so good to me over the years, in these hard times I wanted to say thank you by helping you out". The checks that Southwest Airlines received were certainly not enough to make any significant impact on the company's bottom line, but they were symbolic of the feeling customers had for the brand. They had a sense of partnership. The loyal behaviour of those who didn't send money is almost impossible to measure, but its impact has been invaluable over the long term, helping Southwest maintain its position as the most profitable airline in history.

CHAPTER 3: The Golden Circle



WHAT: Every single company and organization on the planet knows **WHAT** they do. This is true no matter how big or small, no matter what industry. Everyone is easily able to describe the products or services a company sells or the job function they have within that system. **WHAT**'s are easy to identify.

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”, **HOW**'s are often given to explain how something is different or better. Not as obvious as **WHAT**'s, many think these are the differentiating or motivating factors in a decision. It would be false to assume that's all that is required.

There is one missing detail . . .

WHY: Very few people or companies can clearly articulate **WHY** they do what they do. When I say **WHY**, I don't mean to make money – that is a result. By **WHY** I mean 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?

When most organizations or people think, act or communicate they do so from the outside in, from **WHAT** to **WHY**. And for good reason – they go from clearest thing to fuzziest thing. We say **WHAT** we do, we sometimes say **HOW** we do it, but we rarely say **WHY** we do **WHAT** we do.

But not the inspired companies. Not the inspired leaders. Every single one of them, regardless of their size or their industry, thinks acts and communicates from the inside out.

I'll start with a simple marketing example: If **APPLE** were like most other companies, a marketing message from them would move from the outside in of the Golden Circle. It would start with some statement of **WHAT** the company does or makes, followed by **HOW** they think they are different or better than the competition, followed by some call to action. With that, the company would expect some behaviour in

return, in this case a purchase. 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?”

It's not a very compelling sales pitch, but that's how most companies sell to us. This is the norm. 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 - “it's got leather seat, great gas mileage, and great financing” And then they make a call to action and expect behaviour.

You see this pattern in business to consumer markets as well as business to business environments. “Here's our law firm. Our lawyers went to the best schools and we represent the biggest clients. Hire us.” This pattern also is alive and well in politics “here's the candidate, here are her views on taxes and immigration. See how she's different? Vote for her!” In every case, the communication is organized in an attempt to convince someone of a difference or superior value.

But that is not what the inspiring leaders and organizations do. Every one of them, regardless of size and industry, thinks, acts and communicates from the inside out. Let's look at the Apple example and rewrite the example in the order Apple *actually* communicates. 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?”

It's a completely different message. It actually feels different from the first one. We're much more eager to buy a computer from Apple after reading the second version. And all I did was reverse the order of the information.

It's worth repeating: people don't buy WHAT you do, they buy WHY you do it.

When communicating from the inside out, however, the WHY is offered as the reason to buy and the WHATs serve as the tangible proof of that belief.

I'm not so foolhardy as to propose that Apple's products don't matter. Of course they do. But it's the reason they matter that is contrary to conventional wisdom. 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 the industry in which they operate, it is always clear that Apple “thinks different”.

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. The multigigabyte portable hard drive music player was actually invented by Creative Technology Ltd, a Singapore based technology company that rose to prominence by making the Sound Blaster audio technology that enables home P.C.'s to have sound.

In fact Apple didn't introduce the iPod until 22 months after Creative's entry into the market. This detail alone calls into question the assumption of a first mover's advantage. Given their history in digital sound, Creative was more qualified than Apple to introduce a digital music product. The problem was they advertised their product as a 5gb mp3 player. It is exactly the same message as Apple's 1000 songs in your pocket. The difference is Creative told us WHAT their product was and Apple told us WHY we needed it.

Dell came out with PDAs in 2002 and mp3 players in 2003, but lasted only a few years in each market. Dell makes good quality products and is fully qualified to produce these other technologies. The problem was they had defined themselves by WHAT they did, they made computers, and it simply didn't make sense to use to buy a PDA or mp3 player from them.

It didn't feel right.

How many people do you think would stand on line for six hours to buy a new cell phone from Dell, as they did with the release of Apple's iPhone? People couldn't see Dell as anything more than a computer company. It didn't make sense. Poor sales quickly ended Dell's desire to enter the small electronic goods market. Instead, they opted to focus on their "core business." 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, unlike its competitors, has defined itself by WHY it does things, not WHAT it does. It is not a computer company, but a company that challenges the status quo and offers individuals simpler alternatives. Apple even changed its legal name in 2007 from Apple Computer Inc., to Apple Inc., to reflect the fact that they were more than just a computer company. Practically speaking, it doesn't really matter what a company's legal name is. For Apple, however, having the word "computer" in their name didn't limit WHAT they could do. It limited how they thought of themselves. The change wasn't so practical. It was philosophical.

They turned from companies with a cause to companies that sold products. And when that happens, price quality service and features become the primary currency to motivate a purchase decision. At that point a company and its products have ostensibly become commodities.

But only companies that act like commodities are the ones that wake up every day with the challenge of how to differentiate. Companies and organizations with a clear sense of WHY never worry about it. They don't think of themselves as being like anyone else and they don't have to convince anyone of their value. They don't need complex systems of carrots and sticks. They ARE different. And everyone knows it. They start with WHY in everything they say and do.

Apple sells a "lifestyle", marketing professionals will tell you.

Apple didn't invent the lifestyle, nor does it sell a lifestyle. Apple is simply one of the brands that those who live a certain lifestyle are drawn to. Those people use certain products or brands in the course of living in that lifestyle. That is, in part, how we recognize their way of life in the first place. The products they choose become proof of why they do the things they do. It is only because Apple's why is so clear that those who believe what they believe are drawn to them. As Harley Davidson fits into the lifestyle of a certain group of people and Prada shoes fit the lifestyle of a certain group, it is the lifestyle that came first. Like the products the company produces that serve as proof of the company's WHY, so too does a brand or product serve as proof of an individual's WHY.

That some people are viscerally drawn to a ferrari more than a Honda Odyssey says more about the person than the engineering of the product.

Loyalists for each brand will point to various features and benefits that matter to them or don't matter to them in an attempt to convince the other that they are right. And that's one of the primary reasons why so many companies feel the need to differentiate in the first place. Based on the flawed assumption that only one group can be right. But what if both parties were right? What if an Apple was right for some people

and a PC was right for others? It's not a debate about better or worse anymore, it's a discussion about the different needs. And before the discussion can even happen, the WHYs for each must be established first.

A simple claim of better, even with the rational evidence to back it up, can create a 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.

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 marketing opportunities available today?" but don't take my word for it. None of this is my opinion. It is all grounded in the tenets of biology.

Chapter 4: This is not opinion, this is biology

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. Fan clubs, started by customers, are often formed by without any help from the company itself.

These people form communities, in person or online, not just to share their love of a product with others, but to be in the company of people like them. Their decisions have nothing to do with the company or its products; they have everything to do with the individuals themselves.

Look no farther than Apple's TV commercials "I'm a Mac and I'm a PC" for a perfect representation of who a Mac user needs to be to feel like they belong. In the commercial, the Mac user is a young guy, always in jeans and a t-shirt, always relaxed and always having a sense of humour poking fun at the "the system". The PC, as defined by Apple, is in a suit. Older, stodgy. To fit in with Mac, you have to be like Mac.

Are you a rabble rouser or are you with the majority?

Apple computers are at least 25 percent more expensive than a comparable PC. There is less software available for their operating system. They have fewer peripherals. The machines themselves are sometimes slower than a comparable PC. If people made only rational decisions, and did all the research before making a purchase, no one would ever buy a Mac. But of course people do buy Macs. And some don't just buy them – they love them, a feeling that comes straight from the heart. Or the limbic brain.

We all know someone who is a die-hard Mac lover. Ask them WHY they love their Mac. They won't tell you, "well i see someone who likes to challenge the status quo, and its important for me to surround myself with people and products and brands that prove to the outside world who I believe I am." Biologically, that's what happened. But that decision, was made in the part of the brain that controls behaviour and not language. So they will provide a rationalization: "It's the user interface. It's the simplicity. It's the design. It's the high quality. They're the best computers. I'm a creative person." In reality, their purchase decision and their loyalty are deeply personal. They don't really care about Apple. It's all

about *them*.

It's more than just products, it's a cause to support. It's a matter of faith.

Chapter 5: Clarity, Discipline, and Consistency.

As I've discussed, when the WHY is absent, imbalance is produced and manipulations thrive. And when manipulations thrive, uncertainty increases for buyers, instability increases for sellers and stress increases for all. Starting with WHY is just the beginning. There is still work to be done before a person or an organization earns the right or ability to inspire. For The Golden Circle to work, each of the pieces must be in balance and in the right order.

Discipline of How

Once you know WHY you do what you do, the question is HOW will you do it? HOWs are your values or principles that guide HOW to bring your cause to life. HOW we do things manifests in the systems and processes within an organization and the culture. 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."

Consistency of WHAT

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: our products, services, marketing, PR, culture, and whom you hire.

You can't ask others what you have to do to be authentic. Being authentic means that you already know.

What authenticity means is that your Golden Circle is in balance. It means that everything you say and everything you do *actually* believe.

Authenticity cannot be achieved without clarity of WHY. And authenticity matters.

Without WHY, any attempt at authenticity will almost always be inauthentic.

In the early 1970s, only 15 percent of the traveling population travelled by air. At that rate, the market was small enough to scare off most would be competitors to the big airlines. But Southwest wasn't interested in competing against everyone else for 15 percent of the traveling population. Southwest cared about the other 85 percent. Back then, if you asked Southwest whom their competition was, they would have told you, "We compete against the car and the bus." But what they meant was, "we're the champion for the common man." That was WHY they started the airline. That was their cause, their purpose, their reason for existing. HOW they went about building their company was not a strategy developed by a high-priced

management consultancy. It wasn't a collection of best practices that they saw other companies doing. 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. It was an imperative. And in a day and age when air travel was elitist, back then people wore ties on planes – as the champion for the common an, Southwest had to be fun. It was an imperative. In a time when air travel was complicated, with different prices depending on when you booked, Southwest had to be simple. If they were to be accessible to the other 85 percent, then simplicity was an imperative. At the time, Southwest had to price categories: nights/weekends and daytime. That was it.

Cheap, fun and simple.

That's HOW they did it. That's how they were to champion the cause of the common man. The result of their actions was made tangible in the things they said and did – their product, the people they hired, their culture and their marketing. “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. Those who could relate to Southwest, those who saw themselves as average Joes, now had an alternative to the big airlines.

Just because Southwest is cheap doesn't mean it only appeals to those with less money. Cheap is just one of the things Southwest does that helps us understand what they believe.

It is a false assumption that differentiation happens in HOW and WHAT you do. Simply offering a high-quality product with more features or better service or a better price does not create difference. Doing so guarantees no success. Differentiation happens in WHY and HOW you do it. Southwest isn't the best airline in the world. Nor are they always the cheapest. They have fewer routes than many of their competition and don't even fly outside the continental United States. WHAT they do is not always significantly better. But WHY they do it is crystal clear and everything they do proves it. 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.

Manipulation and Inspiration Are Similar, but Not the Same

If your WHYs and their WHY correspond, then they will see your products and services as tangible ways to prove what they believe.

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.

Three Degrees of Certainty

We turn away business because those potential clients don't believe what we believe and they are not interested in anything to do with inspiring people. With a clear sense of WHY, a debate to take on a bad fit client turns into a discussion of whether the imbalance is worth the short-term gain they may give us. 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.

CHAPTER 6: The Emergence of Trust

The Only Difference between you and a Caveman is the Car you Drive

We do better in cultures in which we are good fits. We do better in places that reflect our own values and beliefs. Just as the goal is not to do business with anyone who simply wants what you have, but to do business with people who believe what you believe, so too is it beneficial to live and work in a place where you will naturally thrive because your values and beliefs align with values and beliefs of that culture. Now consider what a company is.

A company is a culture.

A group of people brought together around a common set of values and beliefs. It's not products or services that bind a company together. It's not size and might that make a company strong, it's the culture – the strong sense of beliefs and values that everyone, from the CEO to the receptionist, all share. So the logic follows, 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.

Shackleton's ad for crew members was different. He did not say what he was looking for. His ad did not say: “Men needed for expedition. Minimum five years' experience. Must know how to hoist mainsail. Come work for a fantastic captain.”

Rather, Shackleton was looking for those with something more. He was looking for a crew that belonged on such an expedition. His actual ad ran like this: “Men wanted for hazardous journey. Small wages, bitter cold, long months of complete darkness, constant danger, safe returns doubtful. Honour and recognition in case of success.”

The only people who applied for the job were those who read the ad and thought it sounded great. They loved insurmountable odds. The only people who applied for the job were survivors. Shackleton hired only people who believed what he believed. Their ability to survive was guaranteed. When employees belong, they will guarantee your success. And they won't be working hard and looking for innovative solutions for you, they will be doing it for themselves.

Simply hiring people with a solid resume or great work ethic does not guarantee success. The best engineer at Apple, for example, would likely be miserable if he worked at Microsoft. Likewise, the best engineer at Microsoft would probably not thrive at Apple. Both are highly experienced and work hard. Both may come highly recommended. However, each engineer does not fit the culture of the other's company. The goal is to hire those who are passionate for your WHY, your purpose, cause or belief, and who have the attitude that fits your culture. Once that is established, only then should their skill set and experience be evaluated. Shackleton could have had the most experienced crew money could buy, but if they weren't able to connect on a level much deeper than their ability, their survival would not have been a foregone conclusion.

Give em a Cathedral

Consider the story of two stonemasons, you walk up to the first mason and ask “Do you like your job?” He looks up at you and replies, “I've been building this wall for as long as I can remember. The work is monotonous. I work in the scorching hot sun all day. The stones are heavy and lifting them all day can be backbreaking. I'm not sure if this project will be completed in my lifetime. But it's a job. It pays the bills.”

You thank him for his time and walk on.

About thirty feet away, you walk up to a second stone mason and ask him the same question. He looks up and replies “I love my job. I'm building a cathedral. Sure I've been working on this wall for as long as I can remember, and yes, the work is sometimes monotonous. I work in the scorching hot sun all day. The stones are heavy and lifting them day after day can be backbreaking. I'm not even sure if this project will be completed in my lifetime. But I'm building a cathedral.”

What these two stonemasons are doing is exactly the same; the difference is, one has a sense of purpose.

He feels like he belongs. He comes to work to be a part of something bigger than the job he's doing. Simply having a sense of WHY changes his entire view of his job. It makes him more productive and certainly more loyal. Whereas the first stonemason would probably take another job for more pay, the inspired stonemason works longer hours and would probably turn down an easier higher paying job to stay and be a part of the higher cause.

The second stonemason does not see himself as any more or less important than the guy making the stained glass windows or even the architect. They are all working together to build a cathedral. It is this bond that creates camaraderie. And that camaraderie and trust is what brings success. People working together for a common cause.

Innovation happens at the Edge

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.

The Influence of Others

Celebrity endorsements are used with this concept in mind. By using a recognizable face or name, so the assumption goes, people will more likely trust the claims being made. The flaw in this assumption is that celebrity status alone may work to influence behaviour, but at this level it's just peer pressure. For it work, the celebrity needs to represent some clear cause or belief.

An athlete known for her work ethic may have some value to a company with the same belief for example. Or an actor known for his charitable work would be good fit for a company known for doing good. In these cases, it is clear that both company and the celebrity are working together to advance the same cause.

The celebrity is another WHAT to the company's WHY. The celebrity must embody the qualities that already exist at the company. Without clarity of WHY first, any benefit will amount to simply increasing recognition.

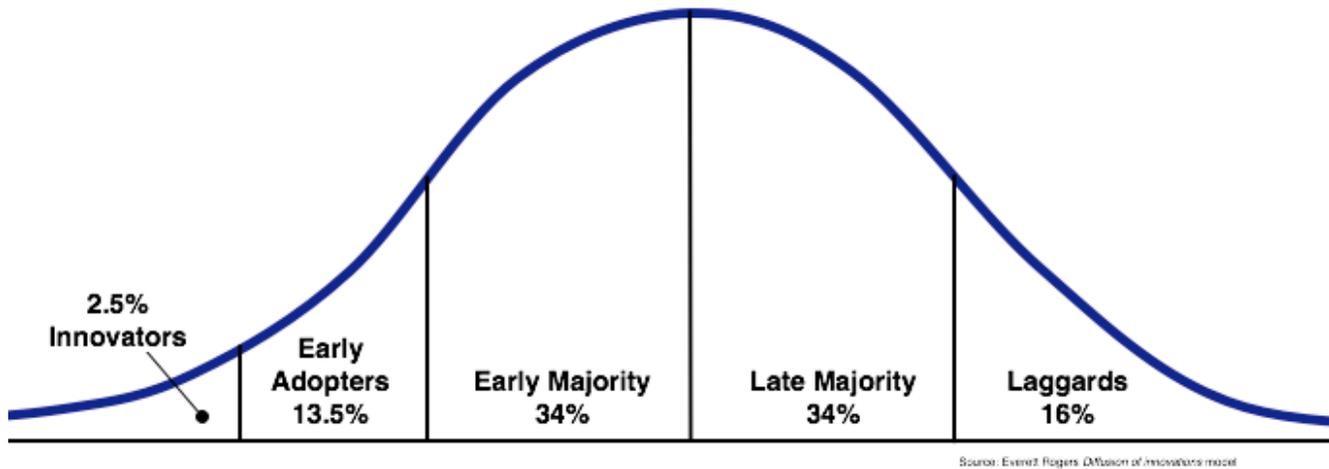
The value of too many celebrity endorsements is the celebrity appeal alone. Unless the audience to which you are trying to appeal gets a sense of what the spokesperson believes, unless that spokesperson is “one of us”, the enforcement may drive recognition, it may even drive sales for the short term, but it will fail to build trust.

CHAPTER 7: HOW A TIPPING POINT TIPS

Designer jean companies (or my sister) can talk to me until they are blue in the face about the importance of fabric quality, design and workmanship – it goes in one ear and out the other. Similarly, it can be

proven, beyond a shadow of doubt, the rational benefits of choosing a \$500 DVD player over a \$100 one; my sister won't hear a word of it. And so the game of manipulation ensues. Again, although always effective, manipulations don't breed loyalty and they increase costs and stress for all parties involved.

There is an irony to mass market success, as it turns out. It's near impossible to achieve if you point your marketing and resources to the middle of the bell, if you attempt to woo those who represent the middle of the curve without first appealing to the early adopters.



It can be done, but at massive expense. This is because the early majority, according to Rogers, will not try something until someone else has tried it first. The early majority, indeed the entire majority, need the recommendation of someone else who has already sampled the product or service. They need to know someone else has tested it. They need that trusted, personal recommendation.

Loyalty is when people are willing to suffer some inconvenience or pay a premium to do business with you. They may even turn down a better offer from someone else. Something the late majority rarely does/

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 others 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 purposes, cause or belief to the outside world.

Their willingness to pay a premium or suffer inconvenience to use your product or service says more about them than it does about you and your products. 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. No matter where they sit in the spectrum, these are the people who not only love but talk about you.

Get enough of the people on the left side of the curve on your side and they encourage the rest to follow.

10 percent of your existing customers or clients will naturally show loyalty to you. But why are they so loyal? Like our inability to explain why we love our spouses, the best we can muster up to explain what

makes them such great clients is “they just get it”.

If you have the discipline to focus on the early adopters, the majority will come along eventually. But it must start with WHY. Simply focusing on so called influencers is not enough. The challenge is, which influencers? There are those who seem to fit the influencer profile more than others, but in reality we are all influencers at different times for different reasons. You don't just want any influencer, you want someone who believes what you believe.

Only then will they talk about you without any prompts or incentives. If they truly believe in what you believe and if they are truly on the left side of the curve they won't need to be incentivized; they'll do it because they want to.

The entire act of incentivizing an influencer is manipulative. It renders the influencer completely inauthentic to his or her group. It won't take long for the group to find out that a recommendation wasn't made with the group's best interest in mind, but rather because of one person's self interest. Trust erodes and the value of the influencer is rendered useless.

Refusing to Consider the Law of Diffusion will cost you

It is those who share your values and beliefs, not the quality of your products, that will cause the system to tip. Your role in the process is to be crystal clear about what purpose, cause of belief you exist to champion, and to show how your products and services help advance that cause.

Absent a WHY, new ideas and technologies quickly find themselves playing the price and feature game – a sure sign of an absence of WHY and a slide into commodity status. It is not the technology that failed, it was how the companies tried to sell it.

Satellite radio has not displaced commercial radio in any meaningful way. Even when Sirius and XM merged, hoping the joined force of their companies would help change their luck, shares for the combined company sold for less than 50 cents apiece. And, last time I checked XM was offering a discount, a promotion, free shipping and a claim being “America's #1 satellite radio service with over 170 channels” to push their product.

Give the People Something to Believe in

Dr. King was absolute in his conviction.

He knew change had to happen in America.

His clarity of WHY, his sense of purpose, gave him the strength and energy to continue his fight against often seemingly insurmountable odds. There were others like him who shared his vision of America, but many of them gave up after too many defeats. Defeat is painful. And the ability to continue head-on, day after day, takes something more than knowing what legislation needs to be passed. For civil rights to truly take hold in the country, its organizers had to rally everyone. They may have been able to pass legislation, but they needed more than that, they needed to change a country. Only if they could rally a nation to join the cause, not because they had to, but because THEY WANTED TO, could any significant change endure. But no one person can effect lasting change alone. It would take others who believed what King believed.

His belief was bigger than the civil rights movement. It was about all of mankind and how we treat each

other. Of course, his WHY developed as a result of time and place in which he was born and the color of his skin, but the civil rights movement served as the idea platform for Dr. King to bring his WHY, his belief in equality, to life.

People heard his beliefs and his words touched them deep inside. Those who believed what he believed took that cause made it their own. And they told people what they believed. And those people told others what they believed. Some organized to get that belief out more efficiently. And in the summer of 1963, a quarter of a million people showed up to hear Dr. King deliver his I HAVE A DREAM speech on the steps of the Lincoln Memorial.

But how many people showed up for Dr. King? ZERO.

They showed up for themselves. It was what *they* believed.

It was what they saw as an opportunity to help America become a better version of itself. It was they who wanted to live in a country that reflected their own values and beliefs that inspired them to get on a bus to travel for eight hours to stand in the Washington sun in the middle of August to hear Dr. King speak. Being in Washington was simply one of the things they did to prove what they believed. Showing up that day was one of the WHATs to their own WHY. This was a cause and it was *their cause*.

Dr. King's speech itself served as a visceral reminder of the belief shared by everyone who stood there listening. And that speech about what he believed, not how they were going to do it. He gave the *I have a dream* speech not the *I have a plan* speech. It was a statement of purpose and not a comprehensive twelve point plan to achieving civil rights in America. Dr. King offered America a place to go, not a plan to follow. The plan had its place but not on the steps of the Lincoln memorial.

Dr. King's articulation of his belief was something powerful enough to rally those who shared that belief even if they weren't personally affected by the inequalities. Nearly a quarter of the people who came to the rally that day were white. This was a belief not about black America, this was a belief about a shared America. Dr. King was the leader of a cause. A cause for all those who believed what he believed regardless of skin color.

It wasn't the detail of his plans that earned him the right to lead. It was what he believed and his ability to communicate it clearly that people followed. In essence, he, like all great leaders, became the symbol of the belief. Dr. King came to personify the cause. To this day we build statues of him to keep that belief alive and tangible. People followed him not because of his idea changed America. The part of the brain that influences our behaviour and decisions does not have the capacity for language. We have trouble saying clearly, in emotional terms, why we do what we do, and offer rationalizations that, though valid and true, are not powerful enough to inspire others. So when asked why they showed up that day, people pointed to Dr. King and said, "because I believe".

More than anything else, what Martin Luther King Jr., gave us was clarity, a way to explain who we felt. He gave us the words that inspired us. He gave us something to believe in, something we could easily share with our friends. Everyone at the Mall that day shared a set of values and beliefs. And everyone there that day, regardless of skin color or race or sex, trusted each other. It was that trust, that common bond, that shared belief that fueled a movement that would change a nation.

Chapter 8: Start with Why but Know How

Energy excites, Charisma inspires.

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.

The Chosen Path

When a why is clear, those who share that belief will be drawn to it and maybe want to take part in bringing it to life. If that belief is amplified it can have the power to rally even more believers to raise their hands and declare “I want to help”. With a group of believers all rallying around a common purpose, cause of belief, amazing things can happen. But it takes more than inspiration to become great. Inspiration only starts the process; you need something more to drive a movement.

I have a dream (and he's got a path)

The vision and charisma of the leader are enough to attract the innovators and the early adopters. Trusting their guts and their intuition, these people will make the greatest sacrifices to help see the vision become a reality. With each success, with every tangible demonstration that the vision can in fact become reality, the more practical-minded majority starts to take interest. What was previously just a dream soon becomes a provable and tangible reality. And when that happens, a tipping point can be reached and then things really get moving.

Build a Megaphone that works

Volume is reasonably easy to achieve.

All it takes is money or stunts.

Money can pay to keep a message front and center. And publicity stunts are good at getting on the news. But neither plants seeds of loyalty.

Many reading this may remember that Oprah Winfrey once gave away a free car to every member of her studio audience. It happened several years ago, in 2004, and people still refer to the stunt. But how many can recall the model of the car she gave away? That's the problem. It was Pontiac that donated 7 million dollars worth of cars, 276 their new G6 model, to be exact. And it was Pontiac that saw the stunt as a way to market their new car. Yet although the stunt worked well to reinforce Oprah's generous nature, something with which we are all familiar, few remember that Pontiac was part of the event. Worse, the stunt didn't do anything to reinforce some purpose, cause or belief that Pontiac represents. We had no idea what Pontiac's WHY was before the stunt, so it's hard for the publicity stunt to do much more than, well, be a stunt to get some publicity. With no sense of WHY, there's nothing else it is doing.

For a message to have a real impact, to affect behaviour 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. Or in business vernacular: clutter. And than excessive volume. Or in business vernacular: clutter. And companies wonder why differentiation is such a challenge these days. Have you heard the volume coming from some of them?

In contrast, what would have been the impact of Dr. King's speech had he not had a microphone and loudspeakers? His vision would have been no less clear. His words would have been no less inspiring. He knew what he believed and he spoke with passion and charisma about that belief. But only the few people with front row seats would have been inspired by those words. A leader with a cause, whether it be an individual or an organization, must have a megaphone through which to deliver his message. And it must be clear and loud to work. Clarity of purpose, cause or belief is important, but it is equally important that people hear you. 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.

Say it only if you believe it

A clear sense of WHY sets expectations. When we don't know an organization's WHY, we don't know what to expect, so we expect the minimum – price, quality, service, features – the commodity stuff. But when we do have a sense for the WHY, we expect more. For those not comfortable being held to a higher standard, I strongly advise against trying to learn your WHY or keeping your Golden Circle in balance.

In the business world, they say Apple is a lifestyle brand. They underestimate Apple's power. Gucci is a lifestyle brand – Apple changes the course of industries. By any definition these few companies don't function like corporate entities. They exist as social movements.

CHAPTER 9: Know why. Know how. Then what?

They marched in, single file.

Not a word was spoken.

No one made any eye contact with anyone else. They all looked the same. Their heads shaved, their clothes gray and tattered. Their boots dusty. One by one, they filled a large, cavernous room, like a hangar from a science fiction movie. The only color was gray. The walls were gray. Dust and smoke filled the space making even the air look gray. Hundreds, maybe even thousands of these drone people sat on neatly organized benches. Row after row after row. A sea of gray conformity. They all watched a projection of a huge talking head on the screen in front of the room that filled the entire wall. This apparent leader recited dogma, and propaganda, stating proudly that they were in complete control. They had achieved perfection. They were free of pests, or so they thought.

Running down one of the tunnels that led into the cavernous hangar, a lone blonde woman. She wore bright red shorts and a crisp white shirt. Like a lighthouse, her complexion and the color of her clothes seemed to shine through gray air. Pursued by security she ran with a sledgehammer. This would not end well for the status quo.

On January 22, 1984, Apple launched their Macintosh computer with their now famous commercial depicting an Orwellian scene of a totalitarian regime holding control over a population and promised that “1984 won't be like 1984”. But this advertising was much more than advertising. It was not about the features and benefits of the new product. It was not about a differentiating value proposition. It was for all intents and purposes, a manifesto. A poetic ode to Apple's WHY, it was the film version of an individual rebelling against the status quo, igniting a revolution. And though their products have changed and

fashions have changed, this commercial is as relevant today as it was twenty five years ago when it first aired. And that's because a WHY never changes. What you do can change with the times, but WHY you do it never does.

The commercial is one of the many things the company has done over the years to show or tell the outside world that they believe. All Apple's advertising and communications, their products, partnerships, their packaging, their store design, they are all what's to Apple's WHY, proof that they actively challenge status quo thinking to empower the individual. Ever notice that their advertising never shows groups enjoying their products? Always individuals. Their Think Different campaign depicted individuals who thought differently, never groups. Always individuals. And when Apple tells us to “think different”, they are not just describing themselves. The ads showed pictures of Pablo Picasso, Martha Graham, Jim Henson, Alfred Hitchcock, to name a few, with the line “Think Different” on the upper right hand side of the page. Apple does not embody the rebel spirit because they associated themselves with known rebels. They chose known rebels because they embody the same rebel spirit. The WHY came before the creative solution in the advertising. Not a single ad showed a group. This is no accident. 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.

The marketplace is made up of all the customers and potential customers, all the press, the shareholders, all tomers and potential customers, all the press, the shareholders, all the competition, suppliers and all the money. This system is inherently chaotic and disorganized. The only contact that the organized system has with the disorganized system is at the base – at the WHAT level. Everything an organization says and does communicates the leader's vision to the outside world. All the products and services that the company sells, all the marketing and advertising, all the contact with the world outside communicate this. If people don't buy what you do, they buy WHY you do it, and 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. There is no debate that the founder's personality is the personality of the company. Why then do we think things change just because a company is successful? What's the difference between Steve Jobs the man and Apple the company? Nothing. What's the difference between Sir Richard Branson's personality and Virgin's personality? Nothing. As a company grows, the CEO's job is to personify the WHY. To ooze of it. To talk about it. To preach it. To be a symbol of what the company believes. They are the intention and WHAT the company says and does is their voice. Like Martin Luther King and his social movement, the leader's job is no longer to close all the deals. It is to inspire.

The CEO's job, the leader's responsibility, is not to focus on the outside market – it's to focus on the layer directly beneath: HOW. The leader must ensure that there are people on the team who believe what they believe and know HOW to build it. The HOW types are responsible for understanding WHY and must come to work every day to develop the systems and hire the people who are ultimately responsible for bringing the WHY to life.

Put bluntly, the struggle that so many companies have to differentiate or communicate their true value to the outside world is not a business problem, it's a biology problem. And just like a person struggling to put her emotions into words, we rely on metaphors, imagery and analogies in an attempt to communicate how we feel. Absent the proper language to share our deep emotions, our purpose, cause or belief, we tell stories. We use symbols. We create tangible things for those who believe what we believe to point to and say, “That's why I'm inspired”. If 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.

Most companies have logos, but few have been able to convert those logos into meaningful symbols. Because most companies are bad at communicating what they believe, so it follows that most logos are devoid of any meaning. At best they serve as icons to identify a company and its products. A symbol cannot have any deep meaning until we know WHY it exists in terms bigger than simply to identify the company. Without clarity of WHY, a logo is just a logo.

To say that a logo stands for quality, service, innovation and the like only reinforces its status as just a logo. These qualities are about the company and not about the cause. Don't forget the dictators. They understand the power of symbols, except the symbols are often of them. Likewise, so many companies act like dictators, its all about them and what they want. They tell us what to do, they tell us what we need, they tell us they have the answers but they do not inspire us and they do not command our loyalty. And to take the analogy a step further, the way dictators maintain their power is through fear, reward and every other manipulation they can think of. People follow dictators not because they want to, but because they have to do. For companies to be perceived as great leaders and not dictators, all their symbols, including their logos, need to stand for something in which we can all believe. Something we can all support. That takes clarity, discipline and consistency.

There are people who walk around with Harley Davidson tattoos on their body. That's insane. They've tattooed a corporate logo on their skin. Some of them don't even own the product. Why would a rational person tattoo a corporate logo on their body? The reason is simple. After years of Harley being crystal clear about what they believe, after years of being disciplined about a set of values and guiding principles and after years of being doggedly consistent about everything they say and do, their logo has become a symbol. It no longer simply identifies a company and its products, it identifies a belief.

The logo embodies an entire value set – their own. The symbol is no longer about Harley, it's about them.

Everything that comes out of the base of the megaphone serves as a way for an organization to articulate what it believes. What a company says and does are means by which the company speaks.

If WHAT you do doesn't prove what you believe, then no one will know what your WHY is and you'll be forced to compete on price, service, quality, features and benefits. The stuff of commodities. Apple has a clear and loud megaphone and is exceptionally good at communicating its story.

CHAPTER 11: WHEN WHY GOES FUZZY

Being successful vs. Feeling successful

I had the honor of attending the gathering of titans as a guest a few years ago. I expected it to be another group of entrepreneurs getting together to talk shop. I expected to hear discussions and presentations about maximizing profits and improving systems. But what I witnessed was profoundly different. In fact, it was the complete opposite.

On the first day, someone asked the group how many of them had achieved their financial goals. About 80 % of the hands went up. I thought that alone was quite impressive. But it was the answer to the next question that was so profound. With their hands still in the air, the group was then asked, “how many of you feel successful?” and 80% of the hands went down.

Here was a room full of some of America's brightest entrepreneurs, many of them multimillionaires, some of whom don't need to work anymore if they don't want to, yet most of them still didn't feel like they had succeeded. In fact, many of them reported that they'd lost something since they started their business. They reminisced about the days when they didn't have any money and were working out of their basements, trying to get things going. They longed for the feeling they used to have.

These amazing entrepreneurs were at a point in their lives where they realized that their businesses were about much more than selling stuff or making money. They realized the deep personal connection that existed between WHAT they do and WHY they were doing it. This group of entrepreneurs gathered to discuss matters of WHY, and at times it was quite intense.

It is easy to see what they gained over the course of their careers – we can easily count the money, the size of the office the number of employees, the size of their homes, market share and the number of press clippings. But the thing they had lost is much harder to identify. As their tangible success grew, something more elusive started to dissipate. Every single one of these successful business owners knew WHAT they did. They knew HOW they did it. But for many, they no longer knew WHY.

Chapter 12: Split Happens

It is not a coincidence that successful entrepreneurs long for the early days. It is no accident that big companies talk about a return to basics. What they are alluding to is a time before the split. And they would be right. They do indeed need to return to a time when WHAT they did was in perfect parallel to WHY they did it. If they continue down the path of focusing on their growth of WHAT at the expense of WHY – more volume and less clarity – their ability to thrive and inspire for years to come is dubious at best. 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.