

EXECUTIVE BOOK SUMMARIES

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ABOUT THE AUTHORS

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Rework THE SUMMARY

Vermilion 2010

INTRODUCTION

We have something to say about building, running and growing (or not growing) a business. This book isn't based on academic theories. We've been in business for more than ten years. We are intentionally small and profitable. More than 3 million people around the world use our products.

FIRST

The new reality

Today anyone can be in business. Tools that used to be out of reach are now easily accessible. Technology that cost thousands is now just a few bucks or even free. You don't need an office. Starting a business on the side while keeping your day job can provide all the cash flow you need.

TAKEDOWNS

Ignore the real world

"That would never work in the real world." You hear it all the time when you tell people about a fresh idea. Don't believe them. That world may be real for them, but you don't have to live in it. The real world isn't a place, it's an excuse. It's a justification for not trying. It has nothing to do with you.

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Learning from mistakes is overrated

You don't need mistakes to learn. When something succeeds, you know what worked—and you can do it again. The next time, you'll do it even better. Failure is not a prerequisite for success. Evolution doesn't linger on past failures; it's always building upon what worked. So should you.

Planning is guessing

Unless you're a fortune-teller, long-term business planning is a fantasy. There are too many factors that are out of your hands: market conditions, competitors, customers, the economy, etc. Writing a plan makes you feel in control of things you can't actually control. You have to be able to improvise.

Why grow?

What is it about growth and business? Do we look at Harvard or Oxford and say, "If only they'd expand and hire thousands more professors and go global, *then* they'd be great schools?" That's not how we measure the value of those institutions. So why is that the way we measure businesses?

Workaholism

Our culture celebrates the idea of the workaholic. It's considered a badge of honor to kill yourself over a project. Workaholics claim to be perfectionists, but they're wasting time fixing inconsequential details. The real hero is already home because she figured out a faster way to get things done.

Enough with "entrepreneurs"

There's a new group of people out there starting businesses. They're just doing what they love and getting paid for it. Let's replace the fancy-sounding word with something a bit more down-to-earth. Let's just call them starters. You just need an idea, a touch of confidence, and a push to get started.

GO

Make a dent in the universe

To do great work, you need to feel that you're making a difference and that you're doing something important. You want your customers to say, "This makes my life better." You want to feel that if you stopped doing what you do, people would notice. What you do is your legacy.

Scratch your own itch

The easiest, most straightforward way to create a great product or service is to make something you want to use. That lets you design what you know and you'll figure out immediately whether or not what you're making is any good. When you solve your own problem you know what the right answer is.

Start making something

Until you actually start making something, your brilliant idea is just that, an idea. Everyone's got one of those. Ideas are cheap and plentiful. The original pitch idea is such a small part of the business that it's almost negligible. The real question is how well you execute.

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No time is no excuse

The most common excuse people give is, “There’s not enough time.” Come on. Instead of watching TV or playing World of Warcraft, work on your idea. Instead of going to bed at ten, go to bed at eleven. The truth is most people just don’t want it bad enough. You make your dreams come true.

Draw a line in the sand

As you get going, keep in mind why you’re doing what you’re doing. Great businesses have a point of view, not just a product or service. You need a backbone. A strong stand is how you attract super fans. They spread the word further, wider, and more passionately than any advertising could.

Mission statement impossible

There’s a world of difference between truly standing for something and having a mission statement that *says* you stand for something. Standing for something isn’t just about writing it down particularly when the words are clearly disconnected from the experience. It’s about believing it and living it.

Outside money is Plan Z

One of the first questions you’ll probably ask is where’s the seed money going to come from? A factory or restaurant may need outsiders, but no matter what kind of business you’re starting, take on as little outside cash as you can because over time what investors want trumps what customers want.

You need less than you think

Do you really need ten people or will three do for now? Do you really need an IT department? Do you really need to build a factory or can you hire someone else to manufacture your products? There’s nothing wrong with being frugal. Great companies start in garages all the time. Yours can too.

Start a business, not a startup

A business without a path to profit isn’t a business, it’s a hobby. “Startups” are magical places where you can spend other people’s money until you figure out a way to make your own. Startups are run by people who trying to postpone the inevitable. Act like a business if you want a shot at succeeding.

Building to flip is building to flop

Another thing you hear a lot is, “What’s your exit strategy?” Your priorities are out of whack if you’re thinking about getting out before you even dive in. You need a commitment strategy. When you build a company with the intention of being acquired, you emphasize the wrong things.

Less mass

Embrace the idea of having less mass. Right now, you’re the smallest, leanest, and fastest you’ll ever be. From here on out, you’ll start accumulating mass. Keep your mass low, and you can change anything quickly—business model, product, feature, marketing message, or your mind.

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PROGRESS

Embrace constraints

"I don't have enough time/money/people/experience." Stop whining. Less is a good thing. Constraints are advantages in disguise. Limited resources force you to make do with what you've got. There's no room for waste. That forces you to be creative. See how far you can get with what you have.

Build half a product, not a half-assed product

You can turn a bunch of great ideas into a crappy product real fast by trying to do them all at once. You just can't do *everything* you want to do and do it well. You have limited time, resources, ability, and focus. It's hard enough to do one thing right. Trying to do ten things well at the same time? Forget about it.

Start at the epicenter

When you start anything new, there are forces pulling you in a variety of directions. There's the stuff you *could* do, the stuff you *want* to do, and the stuff you have to do. Find your epicenter: "If I take this away, would what I'm selling still exist?" Focus all your energy on doing that the best you can.

Ignore the details early on

Don't get lost in things that don't really matter. Don't waste time on decisions that are going to change anyway. Nail the basics first and worry about the specifics later. Often you can't recognize the details that matter most until *after* you start building. That's when you pay attention, no sooner.

Making the call is making progress

When you put off decisions, they pile up. Piles end up ignored, dealt with in haste, or thrown out. As a result, the individual problems in those piles stay unresolved. You want to get into the rhythm of making choices. Decisions are progress. Each decision you make is a brick in your foundation.

Be a curator

You don't make a great museum by putting all the art in the world in a single room. That's a warehouse. What makes a museum great is the stuff that's *not* on the walls. A curator is involved. There's an editing process. Stick to what's truly essential. The best is a sub-set of all the possibilities.

Throw less at the problem

When Gordon Ramsay fixes a failing restaurant, he begins by trimming the menu, usually from thirty-plus dishes to around ten. Improving the current menu doesn't come first. Trimming it down comes first. Then he polishes what's left. Don't throw more people, time, money at the problem. Cut back.

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Focus on what won't change

A lot of companies focus on the next big thing. They follow the latest trends and technology. That's a fool's path. You start focusing on fashion instead of substance, things that are constantly changing instead of things that last. The core of your business should be built around things that won't change.

Tone is in your fingers

You can buy the same guitar, effects pedals, and amplifier that Eddie Van Halen uses, but when you play that rig, it's still going to sound like you. Eddie could plug into a crappy Stat/Pignose setup at a pawn shop, and you'd still be able to recognize it's Eddie playing. It's the swing, not the clubs.

Sell your by-products

When you make something, you always make something else. Everything has a by-product. Observant and creative business minds spot these by-products and see opportunities. It can be tough to spot by-products. There's probably something you haven't thought about that you could sell too.

Launch now

When is your product or service finished? When should you put it on the market? When is it safe to let people have it? Probably a lot sooner than you're comfortable with. A list of things to do doesn't mean it's not done. Once your product does what it needs to do, get it out there.

PRODUCTIVITY

Illusions of agreement

The business world is littered with dead documents: reports no one reads, diagrams no one looks at, and specs that never resemble the finished product. The problem with abstractions is they create illusions of agreement. Get real with it right away. That's when you get true understanding.

Reasons to quit

Here are some questions to ask to ensure you're doing work that matters. Why are you doing this? What problem are you solving? Is this actually useful? Are you adding value? Will this change behavior? Is there an easier way? What could you be doing instead? Is it really worth it?

Interruption is the enemy of productivity

If you're constantly staying late and working weekends, it's not because there's too much work to be done. It's because you're not getting enough done at work and the reason is interruptions. That's why you get most of your work done at night or early in the morning when no one else is around.

Meetings are toxic

The worst interruptions of all are meetings. They're usually about words and abstract ideas, not real things. They usually have vague agendas and convey an abysmally small amount of information per minute. They often include at least one moron who inevitably wastes everyone's time with nonsense.

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Good enough is fine

Solve problems with a judo solution, one that delivers maximum efficiency with minimum effort. Judo solutions are all about getting the most out of doing the least. Problems can usually be solved with simple, mundane solutions. You just get the job done and then move on.

Quick wins

Momentum fuels motivation. It keeps you going. It drives you. If you aren't motivated by what you're working on, it won't be very good. The way to build momentum is by getting something done then moving on to the next thing. Ask yourself, "What can we do in two weeks?"

Don't be a hero

A lot of times it's better to be a quitter than a hero. If you've already spent too much time on something that wasn't worth it, keep in mind that the obvious solution might very well be quitting. You can't get that time back. The worst thing you could now do is waste even more time.

Go to sleep

Forgoing sleep is a bad idea. Sure, you get those extra hours right now, but you pay in spades later. You destroy your creativity, morale, and attitude. When you're really tired, it always seems easier to plow down whatever bad path you happen to be on instead of reconsidering the route.

Your estimates suck

We're all terrible estimators. We think we can guess how long something will take, when we really have no idea. Reality never sticks to best-case scenarios. If we can't be accurate estimating the hours needed to clean the attic, how can we expect to predict the length of a "six-month project"?

Long lists don't get done

Start making smaller to-do lists. Break the long list down into a bunch of smaller lists. You have the same amount of stuff left to do. But now when you finish an item on one of the smaller lists, you can look at the smaller picture and find satisfaction, motivation, and progress.

Make tiny decisions

Big decisions are hard to make and hard to change. Once you make one, the tendency is to continue believing you made the right decision, even if you didn't. You stop being objective. Once ego and pride are on the line, you can't change your mind without looking bad. Then there's inertia too.

COMPETITORS

Don't copy

Sometimes copying can be part of the learning process, like when you see an art student replicating a painting in a museum or a drummer playing along to John Bonham's solo on Led Zeppelin's "Moby Dick." Building a business by copying without understanding is a formula for failure.

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De-commoditize your product

If you're successful, people will try to copy what you do. To protect yourself from copycats, make *you* part of your product or service. Inject what's unique about the way you think into what you sell. Make it something no one else can offer. Competitors can never copy the *you* in your product.

Pick a fight

If you think a competitor sucks, say so. When you do that, you'll find that others who agree with you will rally to your side. Being the anti-_____ is a great way to differentiate yourself and attract followers. Dunkin' Donuts likes to position itself as the anti-Starbucks. Apple jabs at Microsoft.

Underdo your competition

Conventional wisdom says that to beat your competitors, you need to one-up them. This cold-war mentality is a dead end. Defensive companies can't think ahead and they don't lead, they follow. So do less to beat them. Solve the simple problems and leave the difficult, nasty problems to the competition.

Who cares what they're doing?

In the end, it's not worth paying much attention to the competition anyway. Worrying about the competition quickly turns into an obsession. It's pointless. Your competitor tomorrow may be completely different from your competitor today. Focus on yourself instead. Make your own rules.

EVOLUTION

Say no by default

It's so easy to say yes. Yes to another feature, yes to an overly optimistic deadline, yes to a mediocre design. Soon the stack of things you've said yes to grows so tall you can't see the things you should be doing. You rarely regret saying no, but you often wind up regretting saying yes.

Let your customers outgrow you

When you let customers outgrow you, you'll most likely wind up with a product that's basic and that's fine. Small, simple, basic needs are constant. There's an endless supply of customers who need exactly that. Be true to a *type* of customer more than specific individual customers.

Don't confuse enthusiasm with priority

Coming up with a great idea gives you a rush. You start imagining possibilities and drop everything else you're working on to begin pursuing your latest, greatest idea. Bad move. Your enthusiasm is not an accurate indicator of its true worth. Wait a few days. Don't act in the heat of moment.

Be at-home good

There are products you're more excited about in the store than you are at home after you've actually used it: The best deal. Most features. Looks cool. Hot packaging. But smart companies make

Rework

something that's at-home good. You can't paint over a bad experience with good advertising or marketing.

Don't write it down

How should you keep track of what customers want? Don't. Listen, and then forget. The only requests that really matter are the ones you'll hear over and over. After a while, you won't be able to forget them. What you keep forgetting isn't very important. The really important stuff doesn't go away.

PROMOTION

Welcome obscurity

Be happy you're in the shadows. Use this time to make mistakes without the whole world hearing about them. Keep tweaking. Work out the kinks. Obscurity helps protect your ego and preserve your confidence. Do you want to give your first speech in front of ten thousand people or ten people?

Build an audience

All companies have customers. Lucky companies have fans, but the most fortunate companies have *audiences*. Instead of going out to reach people, you want people to come to you. An audience returns often—on its own—to see what you have to say. Share valuable information to build an audience.

Out-teach your competition

Instead of trying to outspend, outsell, or out-sponsor competitors, try to out-teach them. Most businesses focus on selling or servicing, but teaching never even occurs to them. Teach and you'll form a bond you just don't get from traditional marketing techniques. It forms a whole different connection.

Emulate chefs

There are a lot of great chefs out there, but you know Emeril Lagasse, Bobby Flay, Julia Child, Rick Bayless because they share everything they know. They put their recipes in cookbooks and show their techniques on cooking shows. As a business owner, you should share everything you know too.

Go behind the scenes

Give people a backstage pass and show them how your business works. People are curious about how things work. Letting people behind the curtain changes your relationship with them. They'll feel a bond with you and see you as human beings instead of a faceless company.

Nobody likes plastic flowers

Don't be afraid to show your flaws. Imperfections are real and people respond to real. It's why we like real flowers that wilt, not perfect plastic ones that never change. Don't worry about how you're supposed to act. Show the world what you're really like, warts and all.

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Press releases are spam

What do you call a generic pitch sent out to hundreds of strangers hoping that one will bite? Spam. That's what press releases are too. You want the press to write a story about you. So instead of pitching a hundred journalists, call someone. Write a personal note. Do something meaningful.

Forget about the *Wall Street Journal*

Instead of big mainstream publications, you're better off focusing on getting your story into a trade publication or picked up by a niche blogger. They thrive on finding new things. Articles in big-time publications are nice, but they don't result in the same level of direct traffic and sales activity.

Drug dealers get it right

Drug dealers are astute business people. They know their product is so good they're willing to give a little away for free up front. They know you'll be back for more—with money. Make something about your product bite-size, an easily digestible introduction to what you sell, so people have a way to try it.

Marketing is not a department

Marketing isn't just a few individual events. It's the sum total of everything you do. Marketing is something everyone in your company is doing 24/7/365. Accounting is a department; marketing isn't. Just as you cannot not communicate, you cannot not market.

The myth of the overnight sensation

You will not be a big hit right away. You will not get rich quick. You are not so special that everyone else will instantly pay attention. No one cares about you. At least not yet. Get used to it. Start building your audience today. Start getting people interested in what you have to say.

HIRING

Do it yourself first

Never hire anyone to do a job until you've tried to do it yourself first. That way, you'll understand the nature of the work. You'll know what a job well done looks like. You want to be intimately involved in all aspects of your business, so your fate isn't solely in the hands of others. That's dangerous.

Hire when it hurts

Don't hire for pleasure; hire to kill pain. Always ask yourself: What if we don't hire anyone? Is that extra work that's burdening us really necessary? Can we solve the problem with software or change of practice? What if we just don't do it? How long can you go without replacing someone you lose?

Pass on great people

Pass on hiring people you don't need, even if you think that person's a great catch. You'll be doing your company more harm than good if you bring in talented people who have no important work to do. Great has nothing to do with it. If you don't need someone, you don't need someone.

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Strangers at a cocktail party

If you go to a cocktail party where everyone is a stranger, the conversation is polite and stiff. An intimate dinner party among old friends is a different story. Hire a ton of people rapidly and you'll end up with "strangers at a cocktail party." You need to be able to tell people when they're full of crap.

Resumes are ridiculous

We all know resumes are a joke. Exaggerations. Vague job titles and responsibilities with no way to verify any of it. Check the cover letter; it's a much better test than a resume. You hear their actual voice. Trust your gut reaction. If there's a chance at a real match, move on the interview stage.

Years of irrelevance

There's surprisingly little difference between a candidate with six months of experience and one with six years. The real difference comes from the individual's dedication, personality, and intelligence. How long they've been doing it is overrated. What matters is how *well* they've been doing it.

Forget about formal education

There are plenty of companies out there who have educational requirements. Come on. There are plenty of intelligent people who don't excel in the classroom. Too much time in academia can actually do you harm. For example, you have to unlearn the way college teaches you to write.

Everybody works

With a small team, you need people who are going to do work, not delegate work. Everyone's got to be producing. No one can be above the work. This means you need to avoid hiring delegators, those people who love meetings and telling others what to do. They are dead weight for a small team.

Hire managers of one

Managers of one are people who come up with their own goals and execute them. They don't need heavy direction or daily check-ins. They do what a manager would do—set the tone, assign items, determine what needs to get done, etc.—but they do it by themselves and for themselves.

Hire great writers

If you are trying to decide among a few people to fill a position, hire the best writer. It doesn't matter if that person is a marketer, salesperson, designers, programmer, or whatever; their writing skills will pay off. Clear writing is a sign of clear thinking. Writing is today's currency for good ideas.

The best are everywhere

It's crazy not to hire the best people just because they live far away, especially now that there's so much technology out there making it easier to bring everyone together online. Our headquarters are in Chicago, but more than half our team lives elsewhere. Geography doesn't matter anymore.

Rework

Test-drive employees

Interviews are only worth so much. Some people sound like pros but don't work like pros. You need to evaluate the work they can do now, not the work they say they did in the past. The best way to do that is to actually see them work. You'll get to judge them by their actions instead of just their words.

DAMAGE CONTROL

Own your bad news

When something goes wrong, someone is going to tell the story. You'll be better off if it's you. Otherwise, you create an opportunity for rumors, hearsay, and false information to spread. If something bad happens, tell your customers (even if they never noticed in the first place).

Speed changes everything

Getting back to people quickly is probably the most important thing you can do when it comes to customer service. It's amazing how much that can defuse a bad situation and turn it into a good one, especially if you offer a personal response. People have come to expect to be put on hold.

How to say you're sorry

There's never really a great way to say you're sorry, but there are plenty of terrible ways. A good apology accepts responsibility. "We apologize for any inconvenience this may have caused" is the classic non-apology apology. Keep in mind that you can't apologize your way out of being an ass.

Put everyone on the front lines

In the restaurant business, there's a world of difference between working in the kitchen and dealing with customers. Smart restaurant owners have chefs work out front as waiters, so they see what it's like on the front lines. It's the best way to get in tune with a product's strengths and weaknesses.

Take a deep breath

When you rock the boat, there will be waves. After you introduce a new feature, change a policy, or remove something, knee-jerk relations will pour in. People are creatures of habit. That's why they react to change in such a negative way. So when people complain, let things simmer for a while.

CULTURE

You don't create a culture

Instant cultures are artificial cultures. They're big bangs made of mission statements, declarations, and rules. They are obvious, ugly, and plastic. Artificial culture is paint. Real culture is patina. New companies don't have culture. Culture is the by-product of consistent behavior

Decisions are temporary

"But what if . . . ?" Don't make up problems you don't have yet. It's not a problem until it's a *real* problem. Most of the things you worry about never happen anyway. Besides, the decisions you make today don't need to last forever. Optimize for now and worry about the future later.

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Skip the rock stars

Environment has a lot to do with great work. Rock star environments develop out of trust, autonomy, and responsibility. They're the result of giving people the privacy, workspace, and tools they deserve. Great environments show respect for the people who do the work and how they do it.

They're not thirteen

When you treat people like children, you get children's work. When everything constantly needs approval, you create a culture of non-thinkers. You're not going to get a full eight hours a day out of people anyway. People *need* diversions. A little YouTube or Facebook time never hurt anyone.

Send people home at 5

When people have something to do at home, they get down to business. They get their work done at the office because they have somewhere else to be. They find ways to be more efficient because they need to pick up kids or get to choir practice. So they use their time wisely.

Don't scar on the first cut

"Someone's wearing shorts!? We need a dress code!" No, you don't. Just tell John not to wear shorts again. Policies are organizational scar tissue. Don't create a policy because one person did something wrong once. Policies are only meant for situations that come up over and over again.

Sound like you

Language is often your first impression so why start it off with a lie? Don't be afraid to be you. If you're a small company, don't try to sound big with stiff language, formal announcements, artificial friendliness, legalese, etc. It just makes you sound ridiculous. Don't use seven words when four will do.

Four-letter words

The words *need*, *must*, *can't*, *easy*, *just*, *only* and *fast* get in the way of healthy communication. They are red flags that introduce animosity, torpedo good discussions, and cause projects to be late. These four-letter words create a black-and-white situation and truth is rarely black and white.

ASAP is poison

Stop saying ASAP. We get it. It's implied. Everyone ones wants things done as soon as they can be done. When you turn into one of these people who adds ASAP to the end of everything you request, you're saying everything is high priority. When everything is high priority, nothing is. Chill out.

CONCLUSION

Inspiration is perishable

We all have ideas. Ideas are immortal. They last forever. What doesn't last forever is inspiration. Inspiration is like fresh fruit or milk in that it has an expiration date. If you want to do something, you've got to do it now. Inspiration won't wait. If it grabs you, grab it back and put it to work.