

The Amazon Way

14 Leadership Principles
Behind the World's Most Disruptive Company



John Rossman

The Amazon Way



OBSESS OVER THE CUSTOMER

TAKE OWNERSHIP OF RESULTS

INVENT AND SIMPLIFY

LEARN AND BE CURIOUS

INSIST ON THE HIGHEST STANDARDS

DELIVER RESULTS



Obsess Over the Customer



EARN THE TRUST OF OTHERS

- The biggest mistake leaders make in developing digital strategies is not seeking clarity regarding the customer experience.
- When a company makes a customer unhappy, that customer won't tell a friend or two or three... he will tell many, many more.
- The best customer service is no customer service— because the best experience happens when the customer never has to ask for help at all.
- Amazon's goal has always been to minimize the time and energy its talented people must spend on routine service interactions, freeing them to innovate new ways to delight the customer.
- The more frictionless the experience, the more loyal the customer, and the lower the control costs.
- A wide selection and fast, convenient availability with great delivery and service are equally critical elements of long-term customer needs.
- Price, selection, and availability... the three durable and universal customer desires that Amazon thinks of as its holy trinity.
- The highest level of customer service is impossible to achieve without a high degree of accountability and a willingness to be direct, open, and honest— especially when things are not going well.

HAVE BACK BONE - DISAGREE AND COMMIT

- Jeff Bezos rejects the idea of protecting profit margin, emphasizing that what really matters is what customers are thinking.
- Jeff would bring an empty chair into meetings as a constant reminder to his team that the customer, even though he or she might not be physically present in the room, still needed to be constantly acknowledged and heard.
- “If you're competitor-focused, you have to wait until there is a competitor doing something,” Jeff explains. “Being customer-focused allows you to be more pioneering.”

Obsess Over the Customer



THE SELF-SERVICE ARCHITECT

- Customers are not looking for “service.” They simply want to get something done or resolve an issue.
 - Design Everything from the Customer’s Perspective.
 - Rethink Policies and the Need for Manual Intervention.
 - Require the Entire Process to Be Automated.
 - Provide a Stateless Workflow for Real-Time Customer Feedback.
 - Create a Balanced Set of Metrics for the Customer Self-Service Experience.
 - Create and Support Program to Systematically Reduce Contacts.
 - Unlock Data and Systems through Service-Oriented Architectures (SOA) and Web Services.
 - Invest in User Interface Design to Make All Interactions Outstanding.
 - Analyze Data to Create New Customer Insights.
 - Relentlessly focus on raising the bar by measuring and reporting against the worst, not the best, customer experience.
 - Integrated and Agile Solution Development.
 - Self-Service Is No Longer a “Nice-to-Have.” Customers not only accept self-service, they expect it.
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- As customer expectations continue to rise, self-service is no longer a “nice-to-have.” Rather, end-to-end self-service capabilities will only play an increasingly central role in who retains more customers, fosters innovation, and spurs growth.

Take Ownership of Results

LEADERS ARE RIGHT, A LOT

- Organizations want to innovate, move faster, operate better, break down bureaucracy, build new business models, and incorporate digital capabilities in everything they do— and they continue to look to Amazon as a model.
- Leaders at Amazon are owners. They think long-term, and they don't sacrifice long-term value for short-term results.
- Jeff wants his people to approach every business situation as an owner, not a renter.
- Ownership means not only mastering your domain but also being willing to go beyond the boundaries of your role whenever it's needed to improve customer experience or fix a problem.
- Taking absolute responsibility for every possible dependency is one reason that very few have the rigor, determination, and tenacity to make it in a leadership role at Amazon.com.
- Failure happens. Stumbles are a part of life, but at Amazon.com, it is imperative that you learn something useful from them.

DIVE DEEP

- Bureaucracy is a killer to innovation, and high-performing employees are not attracted to companies or divisions in which they cannot make a difference.
- Sometimes, the lever you need to pull in order to create the flywheel effect can be sticky and difficult to budge.
- The willingness to engage in constant self-examination— both as individual leaders and as an organization— is vital to maintaining success. And you can't conduct such self-examination effectively without a large dose of humility and a willingness to look in the mirror and recognize honestly what you see there.
- When you settle for the median, mediocrity sets in.
- The combination of free thinking and disciplined analysis is very productive and makes diving deep a daily reality at Amazon.



Invent and Simplify



THINK BIG

- “How would our business and industry change if Amazon operated it?”
- The best part about working at Amazon is that everything is always on an improvement path. There is nothing static. Make it faster, add new features, do it cheaper, reduce errors, delight the customer— constant change.
- Three out of four companies on the S&P Index are predicted to fall out of it in the next fifteen years. It is truly “innovate or die.”
- Companies that don’t let the past models and successes define who they are will be the ones that define the next ones.
- The most radical and transformative of inventions are often those that empower others to unleash their creativity— to pursue their dreams.
- If you are not inventing for your customers and improving their experience every day— even in ways that may hurt short-term financial results— then someone else will.
- As an employee, you really do have to adopt a long view, just like Jeff’s, and truly believe you are part of something very big— something that is changing the world.

PRACTICE FRUGILITY

- Forcing function— a set of guidelines, restrictions, or commitments that force a desirable outcome without having to manage all the details of making it happen.
- Creating an operational environment that automates processes and makes them clear and transparent allows you to invest more time and energy on the thornier issues that require more work and creativity.
- Great leaders develop a strong, clear framework; then constantly apply and articulate that framework accurately to their team.



Learn and Be Curious



DON'T LET SIMPLE THINGS BE HARD THINGS

- Jeff understands the same thing that Steve Jobs did: the best design is the simplest. Simple is the key to easy, fast, intuitive, and low cost.
- No matter what your job, you are expected to improve on the processes in ways that ultimately enhance the customer experience and lower costs.
- “If I had to completely automate the process and eliminate all manual steps, how would I design it?”
- The Day 1 frame of mind prohibits preconceptions and expertise from becoming a hindrance to innovating and improving.
- If you double the number of experiments you do per year, you’re going to double your inventiveness.
- Leaders who are constantly digging deep into a challenge— curious leaders— dismantle silos and bureaucracy.
- If the answer you just provided doesn’t identify the root cause of the problem, ask “Why” again.

HIRE AND DEVELOP THE BEST

- Accountability is not painless. But it’s the only sure path to achievement.
- True collaboration is only possible in an atmosphere of trust. And that atmosphere is always set by a leader who has earned his team members’ trust and who trusts them in return.
- Proven ways to earn the trust of others: Take the Hit. Build Up Your Team Members. Ditch the Leash. Accept Confrontation. Find the Value in Each Person.
- Find what is unique in each individual and use that unique strength for the good of the team.
- Jeff’s relentlessly inquisitive mind is one of his most prominent and distinctive features - he demands the same from his people.
- Jeff likes to describe the Amazon.com culture as friendly and intense but adds, “If push comes to shove, we’ll settle for intense.”

Insist on the Highest Standards



AMAZON'S GLADIATOR CULTURE

- Innovators who change industries are not always easy to work for. Rossman's portrait of Bezos reveals him as an innovator who is as irascible and creative as Henry Ford or Steve Jobs.
- Jeff's reputation for pyrotechnic displays of emotion is already part of his legend. Jeff Bezos doesn't worry about your feelings; he doesn't give a damn whether or not you're having a good day. He only cares about results— and they'd better be the right results. Everyone who joins Amazon.com understands this; it's part of the deal.
- Trust and verify. When this becomes the norm in a company, then asking for details is no longer seen as a challenge to someone's competency.
- People who didn't excel at their jobs were failing to contribute appropriately, in effect free riding on the rest of us. As leaders, we were expected to work with laggards like these to improve their performance into the A + category— or else find some way to incent these people to leave.
- Jeff believed that his workforce, like his technology, should be constantly improving. He believed every new hire should improve the talent pool, just as every new technological process should improve efficiency and eliminate operational friction.
- Amazon.com is a gladiator culture. No one leaves the coliseum unbloodied, but if you fight hard, you may obtain glory— and at worst, live to fight another day. But if you refuse to do battle for the emperor altogether, you're guaranteed to be carried out on your shield.
- If you want to succeed in Jeff's relentless and fiercely competitive world, you cannot: Feel sorry for yourself. Give away your power. Shy away from change. Waste energy on things you cannot control. Worry about pleasing others. Fear taking calculated risks. Dwell on the past. Make the same mistakes over and over. Resent others' success. Give up after failure. Feel the world owes you anything. Expect immediate results.

Deliver Results



START WITH THE END IN MIND

- Begin with a clear, simple roadmap to the destination.
- “There are two ways to extend a business. Take inventory of what you’re good at and extend out from your skills. Or determine what your customers need and work backward, even if it requires learning new skills.”
- When you have to write your ideas out in complete sentences and complete paragraphs, it forces a deeper clarity of thinking.
- Narratives force clarity, prioritization, and accountability to deliver, and they force your audience to understand at a deeper level.
- PowerPoint is not a neutral tool— it is actively hostile to thoughtful decision-making.
- Dwight D. Eisenhower said, “Plans are nothing; planning is everything.”

HAVE A BIAS FOR ACTION

- Warren Buffet tells boards and CEOs to combat the “ABCs” (arrogance, bureaucracy, and complacency) into which successful businesses and teams fall.
- Strong processes with measurable outcomes eliminate bureaucracy and expose underperformers.
- None of the fourteen principles mentions the need for a healthy work-life balance. That is not an accident. Jeff expects all of his people to function as both owners and leaders. He wants you to drive the business as if it were your own car, not some weekend rental.
- The right kind of person for Amazon.com is somebody who is astute and contemplative yet avoids paralysis from analysis— the kind of person who is always moving forward on things without waiting to be asked to do so.
- Bill Parcells posted a sign in his locker room that read, “Blame Nobody. Expect Nothing. Do Something.”
- Success is only partially defined by talent. The real test of someone’s ability to rise to the top rests more in perseverance.