

Coach Clint @IAmCoachClint

Jeff Bezos is worth 177.5 billion dollars. Every year he wrote an annual letter teaching us how. I read all 40,000 words of them so you don't need to.

Here are his lessons worth your time:

1. Focus on customers

- a. Focus on your customers
- b. No, obsess over them.
- c. Focus on offering value and efficiency
- d. The more customers you have, the more you are able to offer value.
- e. Always make decisions with your customers in mind.

2. Be afraid

- a. Wake up every morning terrified.
- b. Not of your competition. Of your customers.
- c. Without customers, there you have no business.
- d. Without evolution, you have no business
- e. There is no rest for the weary.

3. Plant seeds and wait

- a. Plant seeds that will grow into meaningful new businesses.
- b. It takes discipline, a bit of patience, and a nurturing culture.
- c. Invest in new businesses you expect can generate specific returns on capital and scale to a meaningful size.

4. Think long term

- a. Your fundamental success will be measured over the long term.
- b. Every decision you make should bear this in mind.
- c. The longer your horizon, the better the decision you will make.
- d. Reflect this focus. Always.

5. Think exponentially

- a. In 2001, Amazon saw:
 - i. processing power 2x every 18 months
 - ii. price performance of disk space 2x every 12 months
 - iii. price performance of bandwidth 2x every 9 months
 - iv. They predicted it would allow 60x bandwidth per customer in 5 years at the SAME COST per customer.

6. Work long, hard and smart

- a. You can work long, hard or smart, but at Amazon you can't choose two out of three.
- b. Set the bar high.

7. Hire the best.

- a. Your colleagues will determine your future.
- b. Hiring the best
 - i. To hire the best people, ask:
 - 1. Will I admire this person?
 - 2. Will they raise our average?
 - 3. Where can they be a super star?
 - 4. Your colleagues make or break the business.
 - 5. Hire colleagues who will raise the bar.
- c. Work Hard, Have Fun, Make History.

8. Pay to Quit

- a. You want people on the team who want to be on the team.
- b. If they don't want to be on the team, get them off.
- c. Amazon, borrowing from Zappos, offers \$2,000 to colleagues to quit.
- d. The offer increases \$1,000 per year until \$5,000.

9. Make the right decisions

- a. Type 1 decisions are irreversible.
 - i. A one way door.
 - ii. Make them slow, careful, deliberate, and involve consultation.
- b. Type 2 decisions are reversible.
 - i. A two way door.
 - ii. Make them quick by individuals, or small groups, who have high judgment.

10. Failure is feedback

- a. You cannot succeed without failure long term.
- b. Make your workplace a place to fail - failure and invention are inseparable twins.
- c. You win big when you go against convention.
- d. Convention is generally right.
- e. Be willing to be wrong.

11. Process over results

- a. Amazon executives spend little time on financial results.
- b. Focusing on the process of controllable inputs is the most effective way to maximize financial outputs over time.
- c. By focusing on customers and executing, the financial results will happen.

12. Cash is King

- a. Always focus on cash flow.
- b. Your future cash flow and your future number of shares are all we need to determine the fair value of your stock.
- c. The more you can increase future cash flow, the more you can increase tomorrow's value.

13. Dream Businesses

- a. A dream business has four characteristics:
 - i. customers love it
 - ii. it can grow to a large size
 - iii. it has strong returns on capital
 - iv. it can endure long term - decades
- b. When you find these, go all in on them.

14. Always Day 1

- a. Day 1 at Amazon is growth, always moving forward.
- b. Day 2 is stasis, followed by irrelevance, then excruciating, painful decline, and ultimately death.
- c. To always be on Day 1, simply follow all of the points above.
- d. Always. Every. Single. Day.