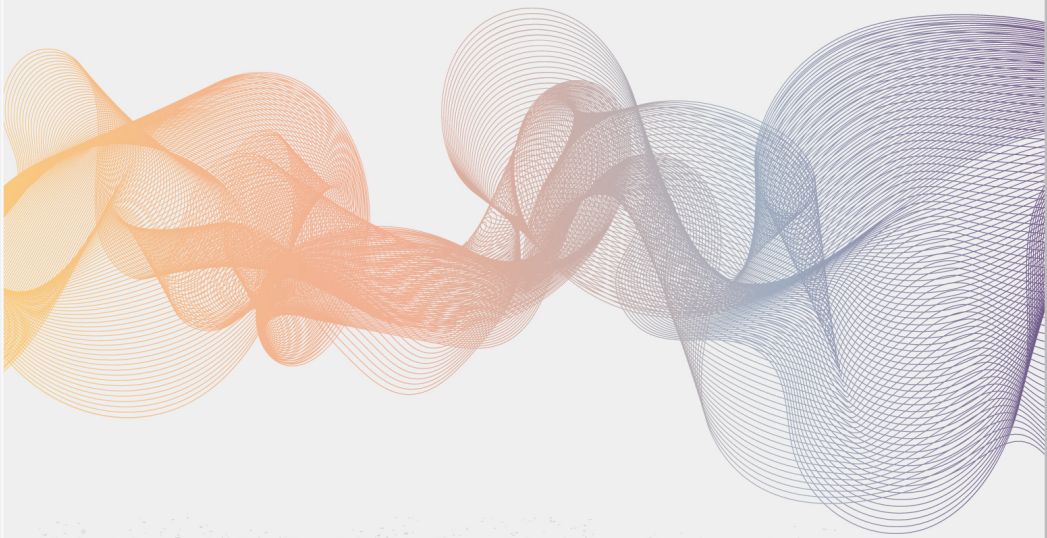


SUMMARY

WHAT YOU DO IS WHO YOU ARE

BEN HOROWITZ



Summary of «What You Do is Who You Are» by Ben Horowitz

Written by Lea Schullery

Find out how you can build a company culture that works by turning to history and seeing what you can learn from the world's greatest leaders.

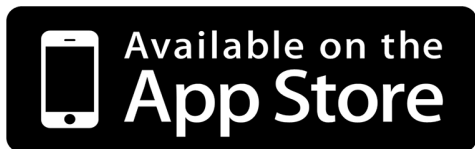


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Introduction

Ben Horowitz, the founder of LoudCloud, constantly heard advice from other CEOs and industry leaders who told him to “Pay attention to your culture. Culture is the most important thing.” But what does this mean? For eighteen years Horowitz pondered the meaning of culture as he tried to encompass his own values and morals into the image of the company. However, after one of his middle managers turned out to be a pathological liar, Horowitz found himself questioning how he could restore the company culture. He realized there are no correct answers to the question of creating a perfect culture; however, looking towards your employees is the real key to finding out the culture of your workplace.

By interviewing a man who spent years in prison for murder and researching leaders like Genghis Khan and Toussaint Louverture, Horowitz found a recipe for building a company culture that works. Remember that culture isn't just an ingrained set of rules, rather it's a structured system built on behaviors that people are expected to follow. No culture is perfect, but by learning how to do the things you need to do, you can be who you want to be.

The Story of Toussaint Louverture

The culture you create in your company is more important than you realize. Did you know that you can learn a lot about preserving culture from a man who ended slavery in Haiti? His name is Toussaint Louverture and he successfully reprogrammed the entire system of his culture, but how?

First, let's take a look at the conditions in Saint-Domingue, now Haiti, in the 1700s. Slavery was the norm and conditions for those slaves were terrible, the place was practically a slaughterhouse. Then, in 1791 an insurrection occurred when slaves of Manquets plantation rose up against their owners, a revolution likely planned by Toussaint himself. Afterward, Toussaint became a leader where he successfully fought off attacks by the British and the Spanish. By 1801 he became governor and rewrote the constitution to abolish slavery and open up jobs to all races.

In ten years, Toussaint had accomplished the impossible. He was a man with skills and brainpower unlike any other, but most importantly, he used tactics that changed the slave culture and gained respect worldwide. First, Toussaint created shocking new rules. He knew that he needed to provide believable promises to help build long-term relationships. To do this, Toussaint started a rule that forbade married officers from having concubines, which was highly unusual at the time. His thinking was that if an officer couldn't be trusted to keep his word to his wife, then how could he be trusted to keep his word to Toussaint? The rule was shocking, but it worked well.

Next, Toussaint made decisions that demonstrated cultural priorities. You see, his men wanted to take revenge on the plantation owners by killing them; however, Toussaint knew that taking revenge would ruin the culture of the country. Instead, he allowed the owners to keep maintaining their land under his control and forced them to pay laborers one-fourth of the profits. In this case, the prosperity of the country was more important than seeking revenge on plantation owners.

Today, many contemporary companies use shocking rules too, including popular companies like Apple. For instance, Steve Jobs recognized that Apple was in bad shape, so he shockingly shut down the sale of Mac OS to other hardware providers. He knew the hardware needed to be improved, so he worked hard to make it user-friendly and focused on the customer experience. When Jobs implemented his new rule, he followed Toussaint's footsteps which led Apple to become one of the most successful companies to date.

Additionally, Tom Coughlin of the New York Giants introduced a shocking rule as well: If you are on time, you're late. Coughlin implemented a rule that forced everyone to arrive at meetings five minutes before it started, otherwise, you would be fined. With this rule, Coughlin created a standard that affected his player's lives in more ways than one.

Lessons From A Samurai Warrior

You've probably heard of the ancient warriors of Japan, the Samurai. But you might not know about their code of bushido, or "the way of the warrior." Bushido is the set of cultural virtues the samurai lived by and is what enabled samurai to rule from 1186 to 1868. Upon first glance, bushido may look like a set of principles, but they are, instead, a set of practices. Today, you could compare this idea to corporate virtues. It's not necessarily what your business believes, but what your business does.

Hagakure, a famous collection of samurai wisdom, begins with one of the most shocking rules of any culture: "Keep death in mind at all times." While it may sound grim, it simply means to remember that you are not immortal, so it's important to treat every moment of your life as if it is your last. This notion that death was always around the corner is why a samurai's life was filled with detail, from their equipment to their appearance, a samurai was always ready to meet death in his most prime condition. Today, you can use this idea to accept that failure in your business can come at any time. Whether it's declaring for bankruptcy or losing out to a competitor, you should be aware of these possibilities and reflect on how to make your company better. So whether you're a CEO or a samurai, it's important to remember *why* you do what you do.

In addition to putting death at the forefront, the samurai code also focused on eight virtues: Justice, honor, courage, loyalty, benevolence, politeness, self-control, and sincerity. Throughout their lives, samurai worked daily to hone these traits to the best of their ability. Of the eight virtues, the most important is *honor*. Honor lays the foundation for the other virtues and is the standard by which you should uphold everything you do. Without honor, you have nothing. Next, politeness, sincerity, and loyalty are all qualities that work well together in any business.

For instance, during his stint at Netscape Communications, Horowitz recalls how the business was suffering because everyone was too focused on

overcoming past hurdles. This focus on the past hindered them from accomplishing anything new; however, once a new director instated three new rules, the course of their business changed. Those rules were:

1. If you see a snake, don't call anyone, just kill the snake.
2. Don't go back and play with the dead snake.
3. All opportunities start out looking like snakes.

The director trusted people to get things done, and because of these memorable rules, Netscape Communications was able to move forward and kill whatever snakes they encountered. In the process, they even invented SSL and Javascript to help them overcome their hurdles. At the end of the day, samurai virtues easily translate to the business world. By honoring your virtues and being sincere and loyal, you can create a company culture that you can be proud of...even if it fails.

The Story of Shaka Senghor

Incarcerated at the young age of 19, Shaka Senghor found himself in prison for second-degree murder. Despite his past, however, Shaka Senghor is one of the most philosophical, disciplined, and ferocious modern characters Horowitz has ever met. Now out of prison, Senghor is a best-selling author and has plenty of advice on how to shape a group's culture, something any business can benefit from.

James White, aka Shaka Senghor, recalls spending the first few weeks in prison feeling intimidated and overwhelmed. He tried to avoid guys who looked at him funny, especially the Rock Bosses, or the guys in charge. However, he quickly learned that to survive and even thrive in prison, that he would need to join a gang. Within the prison, there were five "royal" gangs, and Senghor found himself joining the Melanic Islamic Palace of The Rising Sun, Melanics for short. He chose this particular group because while they were small, they were tough and valued education.

Soon, Senghor recognized that Melanics failed to honor their own code. He saw how the higher-ups were draining one of their own members of money which went against their morals; however, they were making money, so why should they care? By using the moral code and the loyalty of the younger guys, Senghor challenged the corrupt hierarchy. He questioned the leaders about virtuous leadership and eventually became what he described as a "sophisticated thug," and sought to solve problems without violence. Through his methods, Senghor rose to the ranks of the Melanics.

Senghor realized that the cultural code of the Melanics needed a drastic overhaul. It took him nine years to perfect his methods, but he created a culture in which the members looked out for one another. Anyone deemed unworthy would lose the protection of the gang and Senghor focused on the rules: never take advantage of brothers, stay on equal footing, and treat others as you'd want to be treated. Additionally, Senghor held study groups a couple of days a week so the members would fully understand the code,

and learn to follow it. Lastly, he took a lesson from the samurais and instilled a sense of honor among the gang. Members were not allowed to use the N-word, they could not smoke while wearing the membership badge, they could not get caught by the guards with weed or prison wine. They had to stay pressed, clean, and neat, eat together, stay fit, and bond with one another.

Senghor's story can be used to teach us about shaping our own group cultures. For instance, a leader's job is to know the culture of the company. This sounds easy, but if you simply ask managers about culture, they'll likely only tell you what you want to hear. Therefore, look to the newcomers and see the culture through their eyes. It's important to ask new employees their first impressions to get a clearer perspective about group culture. Upon arriving in prison, Senghor observed everything and he discovered the corrupt culture of the Melanics, in other words, fresh eyes can see much more than seasoned ones.

Lessons From Genghis Khan

You may have heard of Genghis Khan and you probably know him for being one of the most brilliant military leaders in history. In fact, at one point he owned about one-fifth of the planet. So what's his secret? Inclusion. Simply put, Genghis Khan believed everyone should feel as if they belonged and that they were all working towards the same goal.

Born in 1162 near the border of Mongolia and Siberia, Khan was born with a blood clot clenched in his hand, a sign of his future as a conquerer. Later in life, Khan escaped his corrupt family and lived on the run from the powerful tribe he escaped. He found himself among a poor family who helped him hide from a wealthy tribe who could've easily paid them off for their help. This act of kindness changed his life and he learned that outsiders could be trusted.

Khan sought to disregard the rules and traditions of old, so he created his own tribe. By 1206, he was named leader and his success can be attributed to the rules he instated. For instance, he abandoned traditions and believed that anyone could rise the ranks of the tribe, not just those with titles. Titles didn't matter to him. His court was made up of people who were worthy, blood-related or not. His main focus was surrounding himself with people who showed merit and he even established a law that prohibited nepotism unless that person showed verifiable merit and deserved to rise the ranks.

Additionally, he created a sense of inclusion among his tribes by moving on foot with his men rather than on a horse. When defeating their enemies, Khan wouldn't just kill the men, instead, he would bring on those who showed talent to fight with him. He created a melting pot of culture within his armies and encouraged marriage between tribes to merge their cultures. During his time, he incorporated revolutionary laws like prohibiting the kidnapping and selling of women into marriage. He also declared all children were legitimate, abandoning the mindset of blood lineage. Next, he

even introduced the idea of religious freedom. People were able to believe and practice whatever they liked, as long as they remained loyal to him.

So how can we adopt Genghis Khan's inclusion into the modern world? Sure, Khan murdered his siblings and enslaved a good portion of the world, but there is still plenty that we can learn from him. One example is that of Don Thompson, the first and only African-American CEO of McDonald's. Thompson learned the importance of inclusion early on when he moved to Indianapolis and was suddenly surrounded by mostly whites. Despite their differences, he learned from his grandmother to treat everyone equally regardless of race.

Thompson worked his way up the ranks of McDonald's fighting racism along the way; however, he learned a few key strategies during his journey. He learned that inclusion meant including everyone, not just blacks or whites. Thompson created a network of Latinos, blacks, lesbians, and even whites. Each person had a unique perspective that created value. Thompson went on to create the Inclusion Network which taught him that everyone simply wishes to be heard and valued, and we should take the time to listen. Similar to how Khan included everyone regardless of lineage, Thompson hired the best regardless of race, gender or sexual orientation.

Designing Your Culture

Now that you've learned from some of the world's greatest leaders, how can you apply what you've learned to your own company culture? First, be yourself. It's important to be yourself at all times and to know your strengths and weaknesses. For instance, Horowitz recognizes that he talks far too much which is not an ideal trait for a CEO. Therefore, he surrounded himself with people who didn't talk as much to make the company a better, more efficient place.

When it comes to leaders, many try to emulate other great leaders they admire. They might also try to be someone they aren't which will only confuse others and create a false image. For instance, if a CEO is a kind person but feels the need to act more authoritative, the effects could be harmful to the group culture. Instead, be true to yourself always. Once you know yourself, you can begin to map out the kind of culture you'd like to implement.

Perhaps you want a culture in which people work hard the entire day instead of leaving early. As a leader, you'll need to put in the extra hours as well and lead by example. For instance, Twitter CEO Dick Costolo found he needed to change the company culture in which employees consistently left early. Therefore, after he went home to eat dinner, he would return to the office and talk to the people who were still there. This practice was a subtle way to encourage working late and is a great way to lead by example.

The next step in designing a culture is to look to your new hires. Imagine your ideal employees, the ones who embody the virtues you wish to instill and design the perfect hiring profile. Keep those virtues at the forefront and scan every applicant for them. Horowitz looked for the following when hiring new employees:

1. Smart. Not just intellectual, but had a desire to learn.

2. Humble. Stay focused and become the person people want to succeed.
3. Hardworking. Disciplined, professional, hardworking, competitive, and determined.
4. Collaborative. Provide leadership and take responsibility.

Next, you should instill virtues that are actionable. Like the samurai code of bushido, your virtues need to be specific and should be things you do, not just beliefs. For instance, saying that you value integrity is too vague. Instead, saying you value loyalty is much more specific and allows employees to understand exactly what your virtues are. When designing a culture, it's important to implement virtues that reflect you as a leader as well as complement the organization's objectives.

How Culture Can Fail

Cultural virtues are meant to better the employees and the company itself. They are designed to help guide decisions and allow others to get an idea of why they do what they do. But if you're not careful, a company's culture can backfire and make a company crumble.

For example, in 1999 the Blackberry was released by Research In Motion, or RIM. Their main focus was on customer satisfaction and focused solely on the needs of the customer. This sounds great in theory, in fact, it led to the creation of phones with longer battery lives and faster keyboard speed. Soon after, Apple came out with its first iPhone and while it looked sleek, it largely underperformed compared to the Blackberry. RIM took this as a sign that the iPhone would fail so they ignored their competition. Today, an entire generation doesn't even remember the Blackberry's existence.

Blackberry refused to change their cultural rules and it proved to be costly. From the mistake of RIM, you can learn that being flexible is key. Look at the company's priorities and see if adjustments need to be made as needed. For instance, if people are suddenly quitting for all the wrong reasons, you'll likely need to look at your company culture. Or maybe you're getting complaints about customer service, then it's time to reevaluate the system.

Of course, each company has a few *bad eggs*. A few types of employees can turn the culture upside down. As a leader, it's important to look out for these types of people. The first is the heretic, the person who looks for faults in the culture and builds a case against the company. Typically the heretic is a rebel and finds it hard to admit mistakes. Next, the flake is someone who is incredibly smart but cannot be relied upon. This person will apologize for his flaky behavior, but nothing ever changes and his work becomes sloppy and unfocused.

Next, be on the lookout for the jerk. The jerk is terrible with communication, fails to accept criticism, and looks for opportunities to hit

others where it hurts the most. Finally, there's the Prophet of Rage who is incredibly productive and willful and believes nothing stands in his way. This person is dangerous because he doesn't care who he hurts on his way to the top. Leaders ignore his destructive behaviors because he puts out good work; however, you can spot a prophet of rage by his "my way or the highway" attitude and his inability to accept feedback.

Lastly, your culture is affected by the decisions you make. Decision-making is tough and each leader has his own style; however, no matter the type of leader you are, it's important to ensure that everyone has a say or has some input before making a decision. Also, make sure you leave an appropriate amount of time before making a decision. Sometimes you might need to make decisions rapidly while others might require more time. Be sure to learn the difference between being a Peacetime CEO and a Wartime CEO. Peacetime is focused on the big picture and is much calmer whereas Wartime acts fast and aggressively and focuses on the details. Both have benefits during times of crisis, but regardless of the type of CEO you are, there are virtues that you should always include in your company culture.

The Significance of Trust and Loyalty

If you've learned anything so far, it should be that culture is constantly changing and no company is perfect. Circumstances change, people change, and cultures certainly change. However, there are a few virtues that you should include in your company culture that should always be implemented.

The first is trust. No matter where you work, it's important that employees trust each other and you. Telling the truth isn't always easy and requires courage. For instance, if you have a product that isn't doing well, then you need to tell the employees and address the situation head-on. But how? It's important to accept your situation and recognize that you can't change reality. If something happens then you need to be truthful, in the long run, your team will respect you far more for admitting mistake versus lying to them to save face.

Next, you need to be open to bad news. Bad things happen, right? If something bad is coming, higher-ups may know whereas the rest of the team may be clueless. The longer you keep bad news to yourself, the harder it becomes to retain trust from the rest of the team. Telling bad news is just as important as encouraging good news. What if an employee made a mistake and is too afraid to tell you about it? It's far more important to know about such news before it becomes worse. Downplay the news by saying, "Hey, isn't it great we discovered this before it killed us?" It's much more beneficial to find out about a problem in advance and try to fix it immediately rather than finding out too late. You shouldn't blame employees for mistakes either, blame the problem itself and search for the root of it. Finger-pointing never solves any problems, so avoid it at all costs.

The final virtue and the hardest to instill is loyalty. Employees need to feel that they are of worth and value to you. So how can you do this? Your aim should be to maintain a good relationship with them by taking a genuine interest in them and remaining honest. If they feel appreciated, they will

show it through loyalty. You can't expect employees to stay with you forever, especially in today's climate, but it's important to remember that employees leave managers more often than companies.

While these virtues are important, it's also important to create company virtues that are unique to you. Perhaps create a culture that reflects an aspect of your personality, or create a shocking yet impressive virtue. Don't be shocking for the sake of shock, instead, use shock for the sake of being unique and revolutionary. At the end of the day, you can follow this guide to company culture and create an environment that people want to be a part of and begin your path to success.

Final Summary

One of the biggest mistakes you can make as a leader is to underestimate the power of a company's culture. By following the guide of some of history's greatest leaders, no matter how cruel, we can learn how to create a culture that unites employees and leads to success. With Toussaint's implementation of shocking rules, the samurai's actionable code, Shaka Senghor's willingness to change tradition, and Genghis Khan's sense of inclusion we can learn how to create a culture meant to succeed.

Remember that it's not about your beliefs, it's about your actions that define who you are and what you're about. If you can walk the talk, you can work toward building an environment where people support and trust one another and create a place where employees want to work.



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