



The Personal MBA, Updated & Expanded: Mastering Business Without Spending a Fortune | Josh Kaufman

MBA programs don't have a monopoly on advanced business knowledge.

You can teach yourself everything you need to know to succeed in life and at work.

The Personal MBA features the very best business books available, based on thousands of hours of research. So skip business school and the suffocating student loans: you can get a world-class business education simply by reading these books.

What is the Personal MBA?

“You wasted \$150,000 on an education you coulda got for a buck fifty in late charges at the public library.”— Will Hunting (played by Matt Damon), *Good Will Hunting*

“Self-education is, I firmly believe, the only kind of education there is.”— Isaac Asimov

The Personal MBA is a project designed to help you educate yourself about advanced business concepts as quickly and inexpensively as possible. This manifesto will show you how to substantially increase your knowledge of business on your own time and with little cost, all without setting foot inside a classroom.

The Personal MBA is more flexible than a traditional MBA program, doesn't involve going into massive debt, and won't interrupt your income stream for two years. Just pick up one of these business books, learn as much as you can, discuss what you learn with others, then go out into the real world and make great things happen.

If you're interested in educating yourself about business, the Personal MBA is the best place to start.

The 99 Best Business Books Available

“If I read a book that cost me \$20 and I get one good idea, I’ve gotten one of the greatest bargains of all time.” —Tom Peters

“The difference between where you are today and where you’ll be five years from now will be found in the quality of books you’ve read.” —Jim Rohn

The core of the Personal MBA self-study program is a list of the very best business books available. Some of these books will give you tools: processes or actions you can apply immediately to improve your life and work. Others will give you ideas: help in envisioning what you and your business are capable of becoming. All of them will give you mental models: useful ways of thinking about the world that you can use to your advantage in a wide variety of situations.

The Personal MBA is the tangible result of thousands of hours of reading, research, discussion, and evaluation. By reading these books and applying what you learn to your daily life, you will progressively develop a greater understanding of business and increase your effectiveness in the working world. Each book in the list has been selected for a single purpose: to maximize your educational return on invested time.

For the Skeptics: Thoughts on Traditional MBA Programs

“Whatever be the qualifications of your tutors, your improvement must chiefly depend on yourselves. They cannot think or labor for you, they can only put you in the best way of thinking and laboring for yourselves. If therefore you get knowledge, you must acquire it by your own industry.”—Joseph Priestly, Dedication of New College, London, 1794.

The debate concerning the value of traditional MBA programs is long and involved, and this manifesto won't close the issue. But there's a growing body of research that suggests that MBA programs provide very little value in relation to the direct and opportunity costs of completing the degree. For more details, read [“The End of Business Schools? Less Success Than Meets the Eye”](#) by the Academy of Management Learning and Education, which discusses this issue comprehensively.

For the sake of brevity, here's a short Q&A on the pros and cons of business school:

Q: Can a traditional MBA program help you?

Maybe. You'll meet a lot of great people and get acquainted with a few professors and corporate HR recruiters who can help you land an interview at a large investment bank or consulting firm. In exchange, you will sink deeply into debt. If you decide to enroll in a full-time MBA program, you must also consider the opportunity cost of lost wages and dramatically reduced flexibility.

Q: Will a traditional MBA teach you anything you can't learn by yourself?

No. Classroom discussion can be beneficial, but there's nothing presented in a traditional MBA program that you can't learn by studying a few good books on the subject. Remember, the value of traditional MBA programs is not in learning: it is the connection to recruiters and other students.

Q: Is a traditional MBA worth your time and money?

It depends. If you want to become an investment banker or management consultant, or you're looking to go into advanced corporate accounting, finance, quantitative analysis, commercial real estate, Fortune 500 management consulting, venture capital, or investment banking, an MBA or MS in a business-related field may be expected or required. In those cases, caveat emptor: once you decide to attend a traditional business school, the only certainty is that you'll be up to your eyeballs in debt for a few decades.

Just to be clear, here's what I'm *not* saying about traditional MBA programs:

- **I'm not saying MBA programs are worthless or an abject waste of time and money.** If you're aiming for a job at a Fortune 500, work in a field that directly rewards MBAs with higher pay or increased responsibility, or your employer is willing to pay the cost of tuition, it may make sense. If you're an entrepreneur or middle manager at a company you like, your time and energy is probably best spent working on your business and learning on your own.

- **I'm not saying you won't learn anything useful in an MBA program.** Like any other life experience, what you learn is primarily determined by how much energy and attention you choose to devote. You can learn many useful things in an MBA program—you just won't learn anything you can't learn elsewhere, and you'll waste a lot of time on things that simply aren't that important.
- **I'm not saying that people who enroll in MBA programs are stupid.** Prospective MBA students tend to be intelligent, driven, and ambitious, which are major assets. The irony is that the most promising MBA candidates are just as likely to succeed in business without an MBA as they are with the diploma. According to Jeffrey Pfeffer, professor of organizational behavior at Stanford, "If you are good enough to get in, you obviously have enough talent to do well, regardless."

Whether or not you decide that a traditional MBA program is right for you, the Personal MBA is an effective, low-cost way to educate yourself about business. Even if you're currently enrolled or have graduated from business school, you can benefit from reading these books—many current MBA candidates are active members of the Personal MBA community, and find a great deal of value in reading beyond what's required for their coursework.

Before we get to the reading list, allow me to set a few reasonable expectations:

- **The Personal MBA is not a credential.** If you read these books, you won't have corporate recruiters beating down your door, and you won't have a pretty certificate to hang on your wall when you're done. You will, however, have an understanding of business that's comparable to completing a traditional business school curriculum, along with the pleasures of not having to mortgage your life for that understanding. You do not need a certificate to be able to understand, use, and hold an intelligent conversation about advanced business topics. (Employers do, however, respond well to portfolios. If you build a portfolio of notes to capture what you learn through the Personal MBA, you'll have a tangible asset to prove your hard work and dedication during the interview process.)
- **The Personal MBA is not a stand-alone venture.** You can't learn about business solely from books (or sitting in a classroom); you have to be willing to go out and learn by doing. Whether you're working full-time for a company or building your own business, a great deal of your knowledge will develop as a direct result of your day-to-day work experiences, which provide the necessary context for understanding what you read. Reading books is not enough; application of what you read is essential.

- **The Personal MBA is not a mindless replica of a traditional MBA program.** The Personal MBA was created to expose you to a core set of advanced business concepts quickly and effectively. By design, it does not include everything you might come across in business school. If you're looking for a detailed analysis of the Black-Scholes option pricing model and its relationship to the volatility surfaces of certain financial derivatives, you're going to be very disappointed. The Personal MBA focuses on knowledge that you'll find useful in the real world, not what an academic professor personally finds interesting.
- **The Personal MBA is not an impersonal curriculum.** You'll find more material about learning who you are, what you're good at, and how to work more effectively with other people in the Personal MBA than you will in a standard business school curriculum. There's a reason why these topics are included here: these "soft skills" are often more practical and important than theoretical knowledge, and will help you tremendously in your everyday life and work.
- **The Personal MBA is not an infallible educational revelation.** It's perfectly okay if you disagree with one of the selections or think that a critical book has been overlooked. Feel free to make substitutions as you deem necessary (and leave your suggestions in the comments section). If you're skeptical about the value of a title you haven't read yet, I

encourage you to borrow the book from your local library and give it a try. If you're of the same opinion after reading a few chapters, put it down and read something else.

- **The Personal MBA is not easy.** Working your way through this list will take time, energy, and persistence. There is no substitute for hard work and dedication. I've structured this program to be as easy as possible to use, but it's up to you to put in the time and energy necessary to learn. It's not easy, but it's well worth your effort.

“By reading these books and applying what you learn to your daily life, you will progressively develop a greater understanding of business and increase your effectiveness in the working world.”

Reading List Selection Criteria

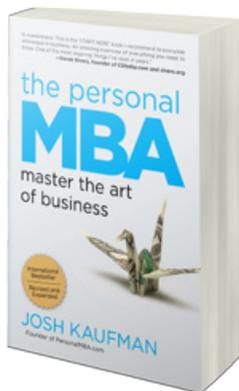
There are thousands of great books about business on the market, but not every book is right for the Personal MBA. Here are the five criteria used to select the books featured by the Personal MBA:

- **Valuable, Action-Oriented Content.** Does the book contain a lot of useful, practical information about how business works, how you can add value, and why the material in the book is important? Is the book based on scientific research or direct personal experience? Does it contain tools, ideas, and concepts that can be put to use immediately in the real world?
- **Acceptable Time Commitment.** Is the book a good educational value for the amount of time invested? Can you get the key points of each book quickly?
- **Self-Learning Friendly.** Is this book designed to keep the reader's mind engaged? Does the author present the material effectively and make the learning process enjoyable?
- **Reference Value.** Will this book be a valuable resource to turn to when you need information on a specific topic? How does the book re-read? Is it a book worth keeping for many years?
- **Comprehensive Set of Resources.** For any business-related question, does at least one of these books provide useful guidance and insight?

Each recommendation is selected from a pool of hundreds of potential candidates, based on thousands of hours of research and evaluation as well as the suggestions and recommendations of a large and diverse group of volunteers.

The Personal MBA: Master the Art of Business

The first edition of the Personal MBA appeared on ChangeThis.com in August, 2005. Since then, I've updated my recommended reading list every year, and I've partnered with Penguin/Portfolio to publish a book of my own.



The Personal MBA: Master the Art of Business is a comprehensive overview of what you'll learn reading the books on this list. I wrote this book to summarize the 248 most important ideas in business, psychology, and systems theory.

I strongly recommend reading *The Personal MBA* first. You'll get much more from the books on this list if you learn the most important concepts first. I hope you find it useful.

And now, to the reading list...



Go It Alone by Bruce Judson

Year after year, surveys show that owning a business is a goal for over half of the working adult population. Despite that, very few people muster the courage to actually start a business. That's a shame: starting and running a business can be much easier than you think.

The premise of *Go It Alone* is simple: you can create a profitable business all by yourself, without employees, loans, or venture capital funding. The major trend shift that makes this possible is technology: it's now possible to make use of business services that used to cost tens of thousands of dollars for a few dollars a month. Combined with the ability to hire help from all over the world in lieu of hiring employees, smart entrepreneurs can make more money, set their own schedule, and choose their own projects. Comparative advantage works.

Go It Alone changed the way I run my business, and I refer to it constantly. If you've been wondering whether or not entrepreneurship is for you, read this book.

(Tip: you can read the entire book for free at BruceJudson.com, although I recommend picking up a physical copy for quick reference.)



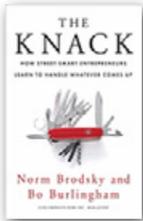
The Lean Startup by Eric Ries

Starting a business is tricky. You have an idea, but you don't know in advance whether or not it will work. Jumping in and trying things helps you learn, but going too far can be a recipe for losing money and precious time if your idea isn't viable.

The Lean Startup will teach you the fundamentals of organizing a new business for fast learning. Instead of investing money and time on blind faith, Ries explains how validating your assumptions as quickly as possible is the true test in the early days of a new business.

Instead of spending lots of time and money developing the perfect offer only to have it flop when it's presented to the market, *The Lean Startup* provides many strategies for validating the worth of a business idea. One core strategy is to develop a minimum viable product—the smallest offer you can create that someone will actually buy, then offer it to real customers. If they buy, you're in good shape. If your original idea doesn't work, you simply pivot and try another idea.

The Lean Startup also covers business analysis: what to measure when building a business. Instead of measuring things that are easy and fun to measure (vanity metrics), Ries shows you how to measure things related to the fundamental success of the business. Once your assumptions have been validated, you can build the business with confidence, secure in the knowledge your continued investment will pay dividends.

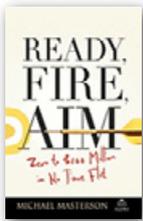


The Knack by Norm Brodsky & Bo Burlingham

There are many popular misconceptions about what it takes to succeed as an entrepreneur. *The Knack* can teach you what you need to know to create a successful company—the first time you try.

In *The Knack*, you'll learn how to manage your new venture by the numbers by focusing on gross profit, identify and turn down bad sales, create appropriate incentive systems, manage a growing company, and avoid common mistakes new entrepreneurs tend to make with their first business. An ounce of prevention is worth a pound of cure, and Brodsky & Burlingham's advice can keep you out of trouble, as well as help you fix issues quickly when they happen.

The advice in *The Knack* can help you create a successful business, even if you have no experience. Follow this advice, and you'll become a street smart entrepreneur in no time.



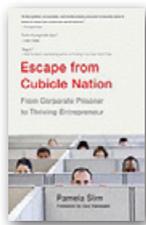
Ready, Fire, Aim by Michael Masterson

Michael Masterson is a serial entrepreneur who has created over 20 business ventures in his lifetime, and he has a unique perspective about what it takes to build a successful company. *Ready, Fire, Aim* is a practical examination of how the priorities of a successful business change as it grows.

If you're creating a brand new business, your most important priorities are (1) identifying your target market; (2) quickly developing a product to sell to that market; (3) discovering your optimum selling strategy; and (4) actually selling product. According to Masterson:

“Nothing matters more than selling. Many first-time entrepreneurs have the impression that they are doing things in a logical order when they look for the perfect office space, have logos designed, and order a lot of inventory. The reality is they are wasting valuable resources on secondary and tertiary endeavors. If no one is going to buy what you want to sell, you've just wasted a bunch of money on a business that will never be.”

As your business matures, your role as a founding entrepreneur changes from salesman to innovator, then manager, and finally investor. As you progress through these four stages, your primary focus should change as well to ensure your business successfully navigates the transition.

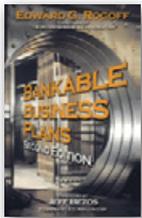


Escape from Cubicle Nation by Pamela Slim

If you're sick and tired of “working for the man,” suffering through soul-sucking meetings and typing up TPS reports, you've probably dreamt of breaking free and working for yourself. Your heart longs to leave your bleak cubicle-bound existence behind, but you're scared—scared of making a bad decision, losing everything, and living in a van down by the river.

In the immortal words of Pamela Slim, “Hating your job intensely is not a business plan.” *Escape From Cubicle Nation* is a comprehensive primer on how to make the leap from corporate employee to entrepreneur—without freaking out.

Pam Slim is equal parts practical and supportive—exactly the right combination of qualities when you’re equal parts wound up and stressed out. From crafting a workable business plan to dealing with details like taxes and insurance, *Escape From Cubicle Nation* will help you stop dreaming and start making your fledgling business a reality.



Bankable Business Plans by Edward Rogoff

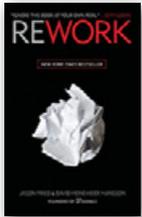
Business plans serve two primary purposes: (A) clarifying your value proposition and revenue model; and (B) convincing others that your business is sound enough to justify an investment or a loan. *Bankable Business Plans* is a step-by-step guide that will teach you everything you need to know to create a clear, comprehensive, and compelling business plan.

Dr. Edward Rogoff has helped hundreds of prospective entrepreneurs create business plans as a professor at the City University of New York, and his advice in this book is straightforward and clear. Each chapter will guide you through a specific section of your business plan: (1) value definition, (2) needs assessment, (3) differentiation and competitive assessment, (4) market analysis, (5) marketing planning,

(6) sales and promotion strategy, (7) organization design, (8) financing needs, (9) financial projections, and (10) risk analysis.

Bankable Business Plans also features a rare bonus: it explains how to use data from the Risk Management Association (RMA) to increase the accuracy of your financial projections, and thereby increasing the likelihood of obtaining funding for your entrepreneurial venture. Using Dr. Rogoff's approach, you'll be able to think through every aspect of your business and use RMA data to ensure your assumptions are accurate. Several complete business plans are included as examples to help you get started.

Value-Creation & Testing



Rework by Jason Fried and David Heinemeier Hansson

Design is ultimately about making choices, and in order to make good choices, you must know exactly what you want. Your personal design philosophy will impact every aspect of your work, so it's best to identify it as explicitly as possible.

37signals is a small firm in Chicago that specializes in creating web applications for small businesses like Backpack, Basecamp, and Highrise. In *Rework*, the programmers and designers behind 37signals share their philosophy: stay small, embrace constraints, and build less.

In *Rework*, you'll learn why features are overrated; why taking outside funding should be your last resort; why staying small and flexible is preferable to growing a company quickly; why constant iteration is important; and why real prototypes are always better than design documents. Regardless of whether you agree or disagree with the specific philosophy 37signals details in *Rework*, you'll find it very useful as you develop your own.

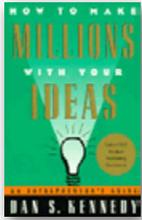


The New Business Road Test by John Mullins

So you have a business idea. How do you ensure it's a good one before you commit your savings and the next few years of your life to making it happen? Never fear: Professor John Mullins of the London Business School is here to help. *The New Business Road Test* is a systematic method of determining the viability of any business before you invest time, effort, and resources in a new venture.

Fundamental flaws in your business model virtually guarantee that your venture will fail. In *The New Business Road Test*, Mullins teaches you how to evaluate the strength of your prospective market, analyze your competition, identify your advantages, and forecast your results.

Make no mistake: building a successful business requires dedication and effort, and many ultimately fail. However, if you take the time to evaluate the opportunity before you act, you'll dramatically increase the odds that your venture will be sustainable and profitable.

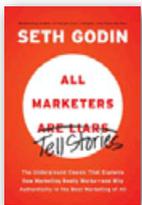


How to Make Millions with Your Ideas by Dan Kennedy

In business, you don't necessarily get points for innovation: if profit is the goal, reapplying a successful model is often the smartest move. *How to Make Millions with Your Ideas* is the best book I've found to help you create a new business or improve the profitability of your current firm.

Most profitable business ideas are simple: they focus on creating systems that can be multiplied and duplicated without massive costs. A few of the many critical concepts presented in this book are: premium pricing, exclusivity, niche marketing, up-selling, cross-selling, and franchising. You'll also learn how to become a recognized expert in your field, market products directly to the public, profit from selling information, and build salable assets.

Marketing

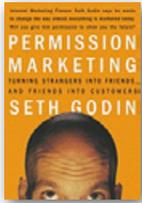


All Marketers Are Liars by Seth Godin

Creating a product is only half of the battle—to succeed, you have to capture people's attention in a way that makes them want to buy from you. In *All Marketers Are Liars*, Seth Godin explains the fundamentals of modern marketing: if you want your target market to discover and purchase your product, you must tell a consistent, authentic, believable story

that fits the way they view the world. If you're able to understand your target market's worldview, tell your story in a distinctive and memorable way that fits that worldview, and fulfill their needs, you win.

In addition to foundational marketing concepts, you'll pick up useful ideas like adoption curves, framing, cognitive dissonance, the attention economy, and the all-pervading power of expectations. *All Marketers Are Liars* will permanently change the way you think about marketing.

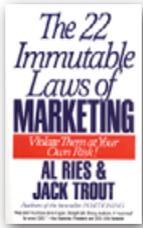


Permission Marketing by Seth Godin

The era of mass market advertising as a primary marketing strategy is over—it's expensive, annoying, and becoming less effective by the day. *Permission Marketing* teaches you how to market your offerings in a fundamentally different and more sustainable way: by “turning strangers into friends and friends into customers.”

Mass market advertising (like television, print, telemarketing, etc) rely on interruption to work—they grab your attention without your permission, which is why people find these forms of marketing irritating. The key to more effective marketing is “permission”: attracting your prospective customer's attention by doing something worth paying attention to, then obtaining their permission to continue the conversation.

By helping you focus on providing value to your prospect instead of indiscriminately hawking your wares, *Permission Marketing* will help you build a solid foundation for any modern marketing campaign.



The 22 Immutable Laws of Marketing by Al Ries & Jack Trout

Marketing is the art of attracting attention and making people interested in what you have to offer. In *The 22 Immutable Laws of Marketing*, you'll learn time-tested ways to make your offer stand out, even in the most competitive of markets.

The advice is simple and straightforward: be first in the customer's mind. If you're not first, create a new category you can be first in. If your offer doesn't stand out, it won't sell. Ries and Trout are masters of finding patterns in promotion—what works, and what doesn't. *The 22 Immutable Laws of Marketing* will help ensure your marketing efforts pay off the first time.



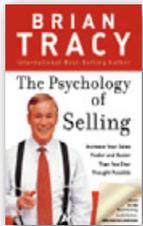
Getting Everything You Can Out of All You've Got by Jay Abraham

Jay Abraham is a marketing legend for good reason—his advice works. If you want to attend one of Jay Abraham's seminars, be prepared to pay up to \$20,000. If you don't want to spend that much, pick up *Getting Everything You Can Out of All You've Got*.

According to Mr. Abraham, there are only three fundamental ways to increase the profitability of your company: (1) increase the number of clients you serve; (2) maximize the size of each sale; and (3) increase the number of purchases each client makes. If you combine these basic observations with the mindset that “it's your moral duty to do everything in your power to serve your client's best interest,” you're on the road to business success.

Ultimately, you receive money in exchange for providing value to others, so focusing squarely on ways to increase the amount of value you provide to your clients is fruitful territory for exploration. You must learn how to provide that value effectively, communicate that value in a distinctive and memorable way, overcome objections to purchase, and ensure your clients are absolutely satisfied with their purchase and are excited to buy again.

Sales



The Psychology of Selling by Brian Tracy

Selling can be tough. Prospects often treat you with skepticism, complain about the price, give you the runaround, and waste your time without buying. Every day, you risk rejection, frustration, and lost opportunities. If you don't close the sale, you don't get paid. It's little wonder people find it difficult to sell consistently.

The Psychology of Selling is a comprehensive course on day-to-day sales fundamentals. Brian Tracy is a veteran salesperson with experience in many different industries, and he's isolated the key principles, strategies, and techniques involved in convincing prospects that your offer is more valuable than the asking price.

In *The Psychology of Selling*, you'll learn how to break a prospect's preoccupation with other matters, attract and maintain attention, present your offer in the best possible light, answer questions and overcome barriers to purchase, and close the deal when the prospect is ready to buy. You'll also learn how to manage your own psychology as you sell, keep your confidence high (and desperation low), avoid sales resistance, and systematically improve your skills until you are one of the top 10% of salespeople in your field.



Pitch Anything by Oren Klaff

A funny thing happens when you combine the old art of selling with the new science of neuropsychology: you realize you've been suffering from Caveman Syndrome. Your modern mind is capable of presenting complex logic and data, but when you pitch a potential customer, they're evaluating your presentation with the most ancient parts of their brain. That fundamental mismatch is a recipe for poor results.

In order to close the deal, your job as a salesperson is to grab and maintain the prospect's attention and interest, help them recognize your offer as an opportunity, and cultivate their desire for what you have to offer. To accomplish these objectives, you must fully appreciate that your prospect is evaluating you and your offer at a very primal level: who is dominant in the situation, who exhibits the most confidence, who is chasing and who is being chased, and whether or not a new piece of information is worth considering.

Pitch Anything has fundamentally changed how I think about the sales process. The human brain undeniably works in particular ways, regardless of how we might prefer it to work. Tune your pitch to your prospect's ancient brain, and you win.



The Ultimate Sales Machine by Chet Holmes

Books about sales are a dime a dozen, and I've reviewed several dollars worth. Most of them try to pump you up, then give you several thousand great-sounding-but-vague-and-close-to-useless tips on how to get more prospects and close the sale. This book is different.

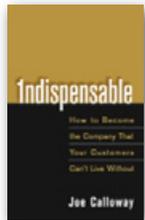
In this book, Chet Holmes focuses squarely on the fundamentals: (1) make the best use of your limited time; (2) institute high standards and individual employee training; (3) hold regular company meetings to inform and train your employees as a group; (4) develop your core story and educate your customer; (5) attract and hire superstars; (6) target your very best prospects; (7) perfect your marketing tactics; (8) perfect your presentation; (9) perfect your company's sales process; (10) perfect your personal selling skills; (11) bond with your client via follow-through and follow-up; and (12) set aggressive goals and systematically measure your performance over time.

The Ultimate Sales Machine is one of my favorite sales books of all time for a simple reason: it's based on the author's personal experience of improving the sales of hundreds of companies over many, many years. You won't find fluffy theory in this book—just 12 clear priorities that will help you improve your profit margins and make more sales.

Backed by 12 years of research, Neil Rackham's *SPIN Selling* process details how to win the trust of a corporate purchaser: (1) understand the buyer's current situation; (2) understand the buyer's problems; (3) identify the implications of those problems; and (4) help the buyer internalize how much they need your help, and the ultimate payoff of working with you.

Ultimately, *SPIN Selling* is a book that teaches you to ask good questions that quickly expose the need while presenting your company as an attractive solution to that need. If you're selling to corporate buyers, you should read this book immediately.

Value-Delivery



Indispensable by Joe Calloway

Joe Calloway is a marketing consultant who has studied thousands of different businesses, and he's identified five primary ways companies make themselves indispensable. (1) They are constantly improving their offering; (2) They focus on being consistent and dependable; (3) They constantly communicate with their customers; (4) They understand the long-term goals of their customers; and (5) They consistently over-deliver on the expectations of their customers. "Focus on the customer" seems like common sense, but it's rare to find a business that truly operates with the best interests of their customers in mind.

The stories and case studies presented in *Indispensable* illustrate precisely how to impress your customers so much that they won't do business with anyone but you. In business, customer loyalty is priceless: the last thing you want to become is another faceless commodity. *Indispensable* will teach you how to achieve the “Holy Grail” of business: becoming a company your customers simply can't live without.



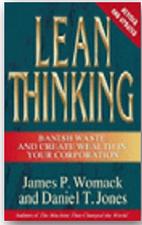
The Goal by Eliyahu Goldratt

The best way to learn about a subject is to observe a person while they're living it.

The Goal is not a traditional business book: it's a novel about Alex Rogo, a plant manager whose factory is on the brink of being closed.

As the story progresses, Goldratt and Cox use each event to teach you about operations management, systems thinking, asking good questions, analyzing constraints, managerial decision-making, and the inherently human nature of business. You'll be privy to Rogo's thoughts, questions, and hardships as he discovers that the way to save his plant is by abandoning outdated concepts and adopting new ways of thinking.

The Goal is engaging and memorable, which helps to reinforce the information presented. Goldratt's “Theory of Constraints” would be easy to forget if presented in an academic format, but watching it work makes it hard to forget.



Lean Thinking by James Womack and Daniel Jones

In a few short decades, Toyota surpassed its competitors to become the largest and most successful automotive manufacturer in the world. This book is about how they did it.

Lean Thinking looks in depth at the core principles behind the Toyota Production System, one of the most efficient and streamlined manufacturing operations in history. It will teach you the basic concepts of lean production, as created and practiced by Toyota. You'll discover how to think like your customer, complete a value stream analysis of current operations, eliminate wasteful activities, build flexibility into your operations, and build a culture that relentlessly pursues operational perfection.

Finance & Accounting



Financial Intelligence for Entrepreneurs by Karen Berman & Joe Knight

Finance can be an intimidating topic. It's easy to feel like the subject is too arcane and complicated to understand, and it's very tempting to leave it to the financial professionals and accountants. That's a mistake. If you want to understand how a business really operates, you must understand the basics of finance. Fortunately, it's easier than you think.

Financial Intelligence for Entrepreneurs is a straightforward primer on finance and accounting for small business owners. Berman and Knight have a knack for explaining the nuances of finance and accounting in a friendly, approachable manner without glossing over vital information. They cover the core topics in modern finance: the income statement, the balance sheet, the cash flow statement, the matching principle, depreciation and amortization, and important financial ratios. Also included is a detailed but easy-to-understand explanation of why each topic is important, how each statement and ratio is constructed, and (crucially) the implicit assumptions used in each tool, which can mislead the unwary or uninformed.

I've taken many finance courses, and I've read many books on finance and accounting. *Financial Intelligence for Entrepreneurs* is easily among the best introductory finance resources available for entrepreneurs.



Simple Numbers, Straight Talk, Big Profits by Greg Crabtree

Finance and accounting can be very intimidating subjects for new business owners. Fortunately, you don't have to be a CPA to understand your business's numbers or make good financial decisions. *Simple Numbers, Straight Talk, Big Profits* is a straightforward, approachable guide to business finance.

You'll learn why you need to account for your owner's salary when examining your books, how to accurately calculate profit, understand cash flow, and how to ensure your employees and contractors are truly benefiting your business instead of sucking your bank account dry.

Other major topics include securing loans, setting a valuation for investment, creating a solid tax strategy, establishing financial systems and controls, generating useful financial reports, and using forecasting to plan for business improvements. *Simple Numbers, Straight Talk, Big Profits* is the finance guide I wish I had when I started my business.

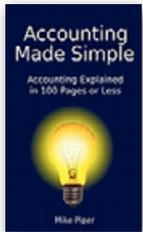


The 1% Windfall by Rafi Mohammed

Pricing your offer involves a delicate balancing act. If you charge too little, you're diminishing your profits. If you charge too much, you risk losing paying customers. As a result, loss aversion typically pushes us to charge less than what our offer is worth.

The 1% Windfall is a compilation of fundamental guidelines that will help you set the highest supportable price for your offer. In most cases, even a very small price increase can improve profits without dramatically impacting sales.

Since the price of your offer is tied directly to the value you're providing, *The 1% Windfall* spends a lot of time detailing various forms of value, bundling strategies, tradeoffs, risk reversal, versioning, and differential pricing. Optimizing your pricing strategy is one of the most effective ways to ensure your business is generating as much profit as possible. If pricing is a consistent challenge for your company, you'll find *The 1% Windfall* useful reading.

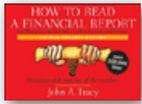


Accounting Made Simple by Mike Piper

What's the difference between cash and accrual accounting? What's a balance sheet, and how do you understand a cash flow statement? Clocking in at 100 clearly written pages, *Accounting Made Simple* will help you learn the basics of financial accounting with a minimum of time, effort, and confusion.

This high-level introduction to accounting and bookkeeping will give you all the information you need to make informed decisions about your financial reporting needs. You'll learn about assets vs. liabilities, equity, operating income vs. net income, margin, cost of goods sold, double-entry bookkeeping, and cash vs. accrual accounting. You'll also learn what basic financials like the quick ratio, current ratio, and return ratio mean regarding the health of your company.

You can read *Accounting Made Simple* in an hour or so, but you'll use the concepts it contains for the rest of your career.



How to Read a Financial Report by John A. Tracy

How to Read a Financial Report is a concise, well-written guide to navigating the three core business accounting reports: the income statement, balance sheet, and cash flow statement. In each chapter, Tracy is careful to explain how each statement is developed, how the statements relate to each other, and what each report tells you about the health of the business in question. The book is clearly and logically structured, making it easy to find answers to specific financial questions.



Venture Deals by Brad Feld & Jason Mendelson

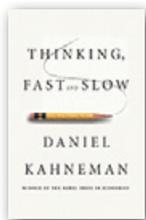
“Do I need to get funding for my business?” and “How do I raise venture capital funding?” are two of the most common questions Personal MBA readers ask me. Fortunately, there’s an excellent all-in-one resource that explains the ins-and-outs of the entire funding process.

Venture Deals is a comprehensive guide to what goes into a venture capital deal. Brad Feld and Jason Mendelson are highly respected venture capitalists with very strong track records, and they expertly cover every part of the “term sheet”—the contract VCs use when funding entrepreneurs.

You'll learn how VC firms work, legal issues involved with funding, and how to set your business up for future acquisition. Along the way, you'll learn how to avoid critical mistakes, avoid making bad decisions or unnecessary concessions, and get the funding you need without giving up too much control over the business you're creating. Making a mistake in any part of the process can be costly, so it pays to know what you're doing before you make major decisions.

Venture capital funding isn't right for every business, but it's necessary for some new companies. After studying *Venture Deals*, you'll be well prepared to discuss your business concept with investors, lawyers, and potential acquirers.

The Human Mind



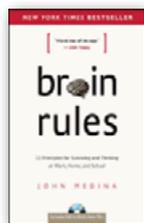
Thinking, Fast and Slow by Daniel Kahneman

The human mind is an odd contraption. At times, we're capable of impressive feats of long-range planning and complex calculation, but most of our day-to-day decisions and behaviors are automatic, lightning fast, and emotionally charged. Even on our best days, we're prone to errors in judgement that can have far-reaching consequences.

But, by understanding how humans actually gather information, process that information, and make judgements, you can learn to be wary of situations in which you're likely to misjudge, and take steps to self-correct when possible.

Daniel Kahneman, along with his colleague Amos Tversky, pioneered the field of cognitive heuristics and biases in the late 1970s. Together, they won Nobel prizes in economics for their work on prospect theory, which explains how people make decisions that involve risk of loss. Their work is the foundation for much of the work being done in cognitive psychology and behavioral economics, as well as improvements in marketing and sales strategy.

Kahneman and Tversky's previous book on this subject, *Judgement Under Uncertainty: Heuristics and Biases*, was too technical to recommend to Personal MBA readers. *Thinking, Fast and Slow* makes these essential ideas approachable for non-academic readers.

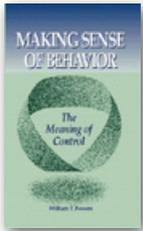


Brain Rules by John Medina

If you don't know how the human brain works, you're at a major disadvantage when it comes to business: cognitive literacy can help you discover why you behave in certain ways, as well as help explain the behavior of others. *Brain Rules* is an entertaining and informative look at how our brains work—and how we can put that knowledge to practical use.

Based on a wide variety of peer-reviewed scientific studies, John Medina compiled a list of 12 “Brain Rules”: truths about how our brains operate. In *Brain Rules*, you’ll discover why exercise and sleep are critical for cognitive performance, why repetition enhances memory, how stress affects performance, why engaging the visual sense is important, and how to keep the attention of an audience. Medina makes a point to practice his own rules, so the hardcover version of this book comes with a DVD, which is very useful in helping you grasp and remember the key points.

After reading *Brain Rules*, you’ll understand the inner workings of the human mind (and body) in a way that will help you intentionally enhance your own performance, as well as more effectively work with other people.



Making Sense of Behavior by William T. Powers

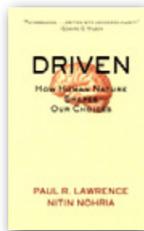
Why do people do the things they do, and how can we encourage them to do what we want? In companies and business schools across the world, the search continues for a “magical stimulus”—a reward or incentive that will encourage people to act exactly how we want them to act.

But humans don’t blindly respond to the world around them—we’re trying to keep certain perceptions about our environments and our internal states within acceptable boundaries. When those

perceptions are “under control,” we do nothing. When they’re “out of control,” we act, given the available options present in the environment.

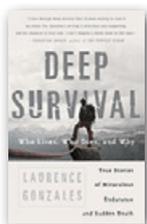
This is a difficult book to explain in a few words, which is why I highly recommend reading it if you’re interested in why people do the things they do. *Making Sense of Behavior* rewired how I think about human behavior, and I’m certain it will do the same for you.

Driven by Paul Lawrence & Nitin Nohria



Lawrence and Nohria are business professors at Harvard University, an institution that has typically advanced the idea of “homo economicus”—humans as rational maximizers of their own well-being. *Driven* departs from this idea by explaining why people often behave irrationally—they are responding to a deeply-rooted drive that is part of our human biological inheritance.

Driven is an examination of the four core emotional drives that underlie all human behavior: acquisition, bonding, learning, and defending. In *Driven*, you’ll learn why humans work to acquire possessions and status, develop close relationships with others, constantly seek information and new ideas, and aggressively protect what they perceive to be “theirs.” With this knowledge, you’ll have a firm understanding of the root causes of human behavior, as well as strategies to work with yourself and others more effectively.



Deep Survival by Laurence Gonzales

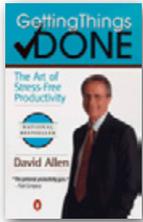
On the face of it, this book has absolutely nothing to do with business: it's a collection of stories about people who have found themselves fighting for their lives, and have survived. There is, however, a method to my madness.

If you want to really learn about a complex system like the human mind, study what happens when it's pushed to the breaking point. *Deep Survival* flawlessly explains how the mind processes strong emotions and instincts, develops models of how the world works, and continuously adjusts those models in stressful and demanding circumstances.

Between stories of mountain climbers getting caught in an avalanche, hikers getting lost in the wilderness, and sailors being shipwrecked without equipment, you'll learn about the importance of "Positive Mental Attitude", the effect of stress and uncertainty on physical and mental performance, and the importance of being present in the moment and accepting the current reality, no matter how bad things seem.

Life in the business world can be tough: layoffs, recessions, and business failures are not uncommon, and this book will help you tremendously if you ever find yourself experiencing hard times. As in life, survival in business is a combination of attitude and skill, and *Deep Survival* can help you develop the mental and emotional fortitude necessary to make it through to better days.

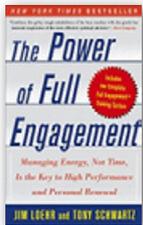
Productivity & Effectiveness



Getting Things Done by David Allen

How do you keep track of all of your responsibilities and commitments without going insane? *Getting Things Done* is a complete system of work habits that will allow you to capture, organize, and track everything that's on your mind, resulting in a clear, calm view of the next actions needed to keep your projects moving.

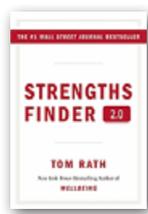
Getting Things Done is a distillation of David Allen's decades of experience working with busy corporate executives. Instead of starting with high-level principles, GTD begins with "collecting" everything on your mind, then organizing your thoughts in a system designed to help you focus on what's most important at any given moment. If you want to take your personal productivity to the next level, *Getting Things Done* is the best place to start.



The Power of Full Engagement by Jim Loehr & Tony Schwartz

Most businesspeople focus on managing time, which is misleading: true effectiveness is more about managing and investing your energy, and that starts by paying close attention to your body. *The Power of Full Engagement* describes how to optimize your daily energy levels by improving your daily habits and routines.

Central to *The Power of Full Engagement* is the idea of rest and recovery. Just like a high-performing athlete, people who think, plan, and create for a living have a need to rest after periods of intense exertion. By planning for these rest and recovery cycles, you can actually get more done in less time without feeling drained or overly stressed.



StrengthsFinder 2.0 by Tom Rath

If you want to enjoy your work and get important things done, you need to focus on your strengths instead of shoring up your weaknesses. *StrengthsFinder 2.0* will help you identify your areas of natural talent, allowing you to make the best use of your limited time and energy.

The result of a wide body of research conducted by the Gallup Organization, this book identifies 34 distinct, statistically-significant areas where people naturally exhibit consistent, near flawless performance, and created an online assessment to help you discover your personal strengths.

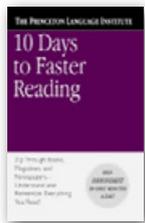
In addition to explaining how we develop our individual talents, *StrengthsFinder 2.0* has a lot to say about diversity and why it is so important in business. Since we all have different strengths, we approach the world from a slightly different perspective. By working with people who possess a wide variety of skills and backgrounds and taking advantage of each individual's unique strengths, you'll be far more likely to lead your project to a successful outcome.



Bit Literacy by Mark Hurst

Information overload is stressful and exhausting. If your e-mail inbox is overflowing, your desktop is full of random documents, and using your computer is a daily exercise in stress and frustration, you need to read *Bit Literacy*.

The core premise of *Bit Literacy* is that digital information is “psychologically heavy”—when you see that your inbox has 3000 messages in it or you notice that your desktop is out of control, it weighs you down in a very real way. The solution, according to Hurst, is to “let the bits go” by using a few simple and intuitive systems to organize your data. When your bits are finally under control, you’ll literally feel the difference. When you adopt Hurst’s methods, you’ll notice two things: (1) you’ll only see information when you need to act on it, and (2) you’ll be able to find your digital information immediately when you need it.

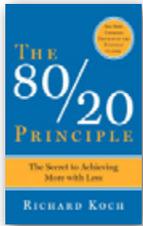


10 Days to Faster Reading by Abby Marks-Beale

When reading non-fiction, reading a book word-for-word is often a sub-optimal approach: non-linear reading strategies can help increase your reading speed while maintaining high comprehension. Developed by the Princeton Language Learning Institute, the reading techniques taught in *10 Days to Faster Reading* are supported by research and very easy to understand and apply.

I know they work from experience: by applying these techniques, I was able to review hundreds of books in the process of creating the Personal MBA Recommended Reading List. . By reading *10 Days to Faster Reading* and working each day to improve your reading skills, you'll be able to work your way through the Personal MBA in record time.

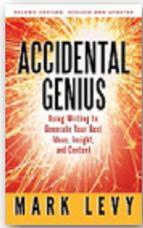
Problem Solving



The 80/20 Principle by Richard Koch

Would you like to get more done with less effort, eliminate wasteful activities, and sell more to your best customers? In *The 80/20 Principle*, Richard Koch examines Pareto's Law—the observation that, in any given context, “a minority of causes, inputs, or effort usually leads to a majority of the results, outputs, or rewards.”

This inherent nonlinearity is present in all aspects of life, and by paying attention to your efforts and results, you can identify major opportunities for improvement in every aspect of your life and business. While Pareto's Law is typically used for sales, customer, or inventory analysis, The 80/20 Principle examines personal and management applications as well, including priority setting and work/life balance. Focusing on the 20% of efforts that create 80% of results isn't always easy, but it can revolutionize your business and the quality of your life.



Accidental Genius by Mark Levy

The practice of capturing your thoughts in writing is one of the easiest ways to solve problems, identify new opportunities, and generate new ideas. Unfortunately, few of us systematically take the time to sit down, think out loud, and commit our stray thoughts to paper.

In *Accidental Genius*, veteran business and writing consultant Mark Levy teaches a simple process of daily externalization called “freewriting.” This daily practice of fast, unedited writing is a simple way to get into the flow of moving an important project forward. By asking yourself questions and answering them, you’re very likely to find solutions to major issues, as well as new ways to get what you want. Don’t be put off by the breezy, informal style: daily externalization and self-elicitation are heavy-duty creativity tools that will do wonders for your productivity. Give it a try: the results will surprise you.



Learning from the Future by Liam Fahey & Robert Randall

The future is fundamentally uncertain: even the best traditional strategic plan is 100% certain to be incomplete, and rigid plans are doomed to fail. *Learning from the Future* is a collection of essays designed to help you develop scenarios: stories about the future that can inform your decisions as the business environment changes.

Fahey & Randall join 24 other experts in sharing their knowledge and experience of using scenario planning strategies to guide business decisions. You'll learn how to anticipate changes in the market that will affect your business, imagine your possible responses to those changes, and develop a flexible plan that will guide you toward the results you want.

No one can predict the future, but with the knowledge contained in *Learning from the Future*, you'll be prepared for whatever the world throws at you.

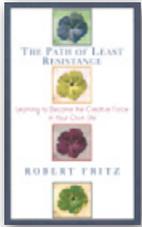
Behavioral Change



The Power of Less by Leo Babauta

You don't have to feel like you're bearing the weight of the world on your shoulders in order to be a productive person. In *The Power of Less*, Leo Babauta masterfully teaches the fine art of focusing on the essential and eliminating the superfluous.

Leo's website, [zenhabits](http://zenhabits.com), is a wide-ranging collection of ideas about living a productive and fulfilling life, and this book is a clear and nicely-edited summary of the most important concepts. In *The Power of Less*, you'll learn how to intentionally set limitations, separate the essential from the non-essential, simplify, focus, create productive habits, and build momentum by starting with small tasks.



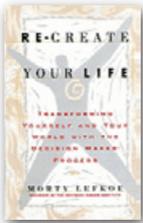
The Path of Least Resistance by Robert Fritz

Don't judge a book by its cover: this is not a flowery, froofy self-help book. *The Path of Least Resistance* will completely change the way you think about goals and planning. The author's background is in music composition, and while studying the creative process, Fritz discovered that the process used by artists and the process businesspeople use to create results is the *exact* same process.

From a certain perspective, every creative and productive person is simply “making it up as they go along,” regardless of their field of work or study.

“Structural tension” is a key element in many complex systems in the world, including the systems you're surrounded by when you're trying to work. If you're trying to accomplish something important and you're having trouble making progress, you should examine the structure underlying your actions. Trying to achieve better results without changing the underlying structure is like trying to ski uphill—you can try, but it's not going to work all that well.

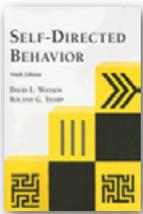
Ultimately, *The Path of Least Resistance* will teach you how to imagine (in vivid detail) what you want to create, establish a structure that will pull you towards your goal, and maintain the momentum generated by your early efforts until you've successfully created what you desire.



Re-Create Your Life by Morty Lefkoe

What you believe influences how you see the world, as well as how you react to everything around you. Everything that happens to us can be interpreted in many different ways, and how we choose to interpret what happens to us defines our behavior. The central insight of *Re-Create Your Life* is that you have far more control over what you believe than you may think.

The process described in *Re-Create Your Life* can help you overcome your own fears and anxieties, reconsider and forgive past faults, and open your mind to new possibilities you've never considered. In addition, it can help you identify the beliefs you and your colleagues have about business—the first step in creating a company culture that will keep your customers happy and your employees satisfied.



Self-Directed Behavior by David L. Watson & Roland G. Tharp

We all have things about ourselves we'd like to improve, but changing behavior is often very tricky business. The spirit may be willing, but the flesh is often weak, and our efforts to change sometimes end in frustration. Feeling bad about yourself doesn't help, either.

Watson and Tharp have done a masterful job of summarizing all of the latest findings in science and psychology that can help you change your behavior—and make those changes stick. You'll learn what self-regulation is and why it's important, how to choose useful goals and anticipate obstacles, how to observe yourself, how to examine the antecedents and consequences of particular behaviors, and how to solve problems and prevent relapses once a behavioral change is made.

Self-Directed Behavior can help you stop wasting valuable energy on behaviors that don't serve you, and redirect that energy to behaviors that support the kind of life you want to live.

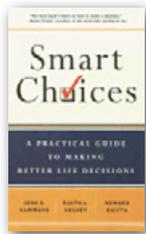
Decision-Making



Sources of Power by Gary Klein

When decision-making is taught in business schools, it's typically presented as a rational, linear process. There's one tiny little problem with the "rational choice model": in the real world, that's not actually how people make decisions. In *Sources of Power*, Gary Klein studies time-constrained, high-stakes decision-making in the field and explains how people actually use their skills and experience to make decisions with real consequences.

In *Sources of Power*, you'll learn about the importance of communicating intent and context, asking clarifying questions, using analogy and metaphor, and how to deal with uncertainty and lack of information. By understanding how people actually make decisions, you'll be equipped to provide your colleagues with the facts and context they need to make smart, informed decisions, and you'll have a better understanding of how to ensure your decisions are as good as they can possibly be.

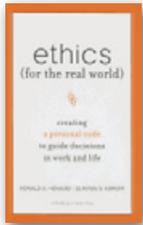


Smart Choices by John S. Hammond et al

In *Sources of Power*, Gary Klein suggests that decision-makers don't always have time for research or deliberation. When you have the benefit of time, however, rational deliberation is a useful strategy, and *Smart Choices* will teach you how to identify the best of all available options.

In *Smart Choices*, you'll learn how to analyze your current situation, weight factors appropriately, and make tradeoffs without confusion or emotional distress. You'll also learn how to ensure you've identified the right problem, clarify your ultimate objective, and find other alternatives that will satisfy your objectives while avoiding excessive uncertainty and risk.

Whether you're looking for a new job, making a big-ticket purchase, or evaluating a new business, *Smart Choices* will help you ensure that you make a prudent decision.

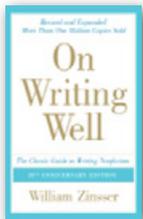


Ethics for the Real World by Ronald Howard & Clinton Korver

As a business leader, your actions can affect thousands (if not millions) of people. But the world is not a black and white place: shades of grey are everywhere, and making ethical decisions in a grey world can be challenging. *Ethics for the Real World* takes an “engineering” approach to decision-making, guiding you through the process of creating a set of ethical standards you can use to guide your actions.

It’s difficult to write about ethics without moralizing, but Howard & Korver have done it. In this book, you’ll learn how to detect when a situation is becoming ethically questionable, and how to use your personal code of ethical principles to develop alternatives to acting in a manner that would compromise your standards.

Communication

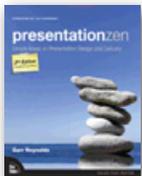


On Writing Well by William Zinsser

If you want to succeed in business, excellent writing skills are essential. In *On Writing Well*, Zinsser teaches you how to communicate with simplicity and clarity, the hallmarks of an effective writer.

“Managers at every level are prisoners of the notion that a simple style reflects a simple mind. Actually, a simple style is the result of hard work and hard thinking; a muddled style reflects a muddled thinker or a person too arrogant, or too dumb, or too lazy to organize his thoughts. Remember that what you write is often the only chance you’ll get to present yourself to someone whose business or money or good will you need. If what you write is ornate, or pompous, or fuzzy, that’s how you’ll be perceived. The reader has no other choice.”

With a dedicated chapter on writing for business, *On Writing Well* will teach you that big words, complicated sentences, and jargon decrease your ability to communicate your thoughts to the people reading your work. Once you know how to think about writing, you’ll be amazed at how much your communication skills improve.



Presentation Zen by Garr Reynolds

I’ve struggled to find a good book about the art of presenting to business audiences for years now. As I’m sure you’ve experienced, Powerpoint-style business presentations tend to be painfully boring and needlessly complex. After three years of research, I’m happy to finally be able to recommend a book that will teach you the essence of how to be a polished and persuasive presenter: *Presentation Zen*.

Crafting a presentation is a creative act, and in *Presentation Zen*, you'll learn how to identify the core of your message, eliminate unnecessary elements, and communicate your thoughts in a way people can easily remember and act upon.

Under the guidance of master presenter Garr Reynolds, you'll also learn why it's important to plan your talk away from the computer. And when you're ready to create your own material, the library of sample slides will give you plenty of inspiration to get started.

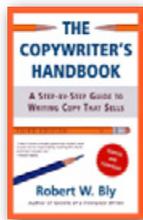


Made to Stick by Chip and Dan Heath

Remember the last boring PowerPoint presentation you sat through? How much of it did you remember? Chances are, the talk contained important information—it just wasn't “sticky” enough to stay in your mind

In *Made to Stick*, Chip and Dan Heath clearly show that ideas that spread have six common characteristics: they're simple, unexpected, provide concrete details, come from credible sources, have emotional impact, and take the form of stories and anecdotes. Not only do these characteristics have explanatory power, you can actually use them to identify your core message and improve its “stickiness” before you spread it.

One very useful concept you'll be exposed to in *Made to Stick* is “The Curse of Knowledge.” Just because you know exactly what you mean when you're communicating doesn't mean your audience will always be able to follow you—you must take care to present contextual information in a way they are able to completely understand and remember. By using the principles the Heath Brothers explain in this book, you can overcome the Curse of Knowledge and craft an idea that will spread on its own.



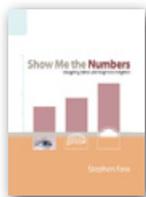
The Copywriter's Handbook by Robert Bly

Writing effective sales copy is critically important to achieving your sales goals.

Good copy engages the reader, builds interest in the product, and tells the prospect exactly how to take action. *The Copywriter's Handbook* is an essential resource for everyone responsible for creating marketing materials that sell.

In this book, you'll learn how to write attention-grabbing headlines, tell engaging stories that highlight the benefits of your product, build trust through the use of testimonials and guarantees, ultimately resulting in a successful sale.

Whether you're creating a sales letter, a pay-per-click search engine ad, or a web page, *The Copywriter's Handbook* will help you write copy that builds your business.

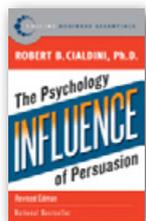


Show Me the Numbers by Stephen Few

It's rare to find a business analysis that doesn't feature at least one table, chart, or graph. Unfortunately, bad information design practices often create more confusion for the reader. *Show Me the Numbers* is a comprehensive introduction to information design that will help you communicate business data with clarity and precision.

Good information design is about making choices about what to include and what to leave out. Building on the work of the renowned information designer Edward Tufte, Stephen Few shows the reader how to apply good information design practices to business reporting and analysis. By emphasizing only a few important elements and eliminating the unimportant, your tables and graphs will powerfully illustrate your findings without confusing the reader.

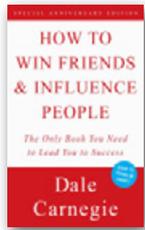
Communication



Influence by Robert B. Cialdini

A self-described “sucker” for sales tactics, Robert Cialdini was every salesman’s dream prospect, and he wanted to know why. To find out, Dr. Cialdini, a social psychologist, worked undercover in fields like sales, PR, advertising, and fund-raising to discover what actually makes people comply with the demands of others.

Influence: The Psychology of Persuasion is the summary of what he learned. It identifies six ways that people are consistently, unsuspectingly, and (often) automatically persuaded: reciprocity, scarcity, liking, authority, social proof, and commitment/consistency. Knowing these natural psychological tendencies will help you in two ways: (1) you'll become more persuasive; and (2) you'll be able to identify when these tendencies are present, protecting you from being misled in the future.



How to Win Friends and Influence People by Dale Carnegie

Based on the core idea that people have a fundamental psychological need to feel important, *How to Win Friends and Influence People* details “three fundamental techniques for handling people, six ways to make people like you, twelve ways to win people to your way of thinking, and nine ways to change people without arousing resentment.”

Each of the principles Carnegie discusses is presented in a clear and memorable way, accompanied by examples that illustrate the principle in action. You'll learn about the importance of remembering names, asking questions instead of giving orders, speaking with others about their interests, emphasizing areas of agreement, giving people a reputation to live up to, and allowing people to come to your conclusions on their own.

Beneath all of the stories and anecdotes is a simple, valuable lesson: if you choose to be genuinely interested in the people you work with and you let them know it, they will always be happy to work with you.

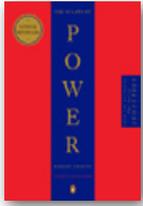


Crucial Conversations by Kerry Patterson et al

Life is full of difficult situations that require not-so-fun conversations with the people around us, both at home and at work. Written by a team of expert communicators, *Crucial Conversations* will teach you how to handle difficult interpersonal situations with poise and skill.

Arguing with others is counter-productive, and avoiding the conversation doesn't resolve the issue. By reading this book and mastering the principles it teaches, you can diffuse or avoid many unpleasant and unproductive situations before they occur. By setting expectations, listening with your full attention, and showing respect for the other party, you'll be able to keep moving forward in a productive, enjoyable way instead of getting bogged-down in disagreement and strife.

Major topics discussed in this book include: making the situation emotionally safe for both parties to speak, how to manage your emotions, how to discuss sensitive issues, how to persuade others without being abrasive or pushy, and how to work with people who are upset or angry.

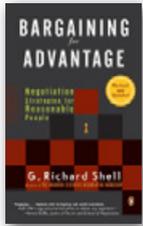


The 48 Laws of Power by Robert Greene

The use—and abuse—of power is a critically important part of the human experience. If you don't understand how to accumulate and wield power responsibly, you'll forever be at the mercy of other people's plans for you. *The 48 Laws of Power* is part history, part primer: it tells the stories of leaders past and present who have accumulated, wielded, and been affected by power—to their benefit and often their detriment.

I'll be frank: *The 48 Laws of Power* is a disconcerting read—that's the point. Greene's treatment of power is completely amoral: it treats the accumulation and use of power as an end in and of itself, making no judgements on good and evil. The book assumes you're interested in increasing your control and influence by any means necessary, and like a modern Machiavelli, shows you how to go about doing just that.

While some of the historical examples aren't immediately applicable (please don't behead your enemies), it's not difficult to see echos of these "laws" in modern business life. Forewarned is forearmed—knowing these principles makes it much easier to defend against those that would use them against you. By the time you finish *The 48 Laws of Power*, you'll be far less naive when it comes to the uses and abuses of power, and far better prepared to handle the power plays you'll experience in your career—time very well spent.

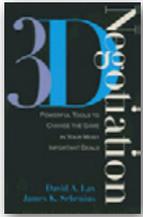


Bargaining For Advantage by G. Richard Shell

No matter what you do for a living, good negotiation skills help you reach your goals quickly. *Bargaining For Advantage* will help you identify your negotiating style, strengths and weaknesses, identify your bargaining goals, and teach you useful tactics for getting the most out of your negotiations.

Most negotiation books focus on the extremes of bargaining relationships: heavy-handed power plays or compromise-to-keep-everyone-happy. Shell strikes a balance between getting what you want and strengthening and preserving your relationship with your negotiating partner. Bargaining is a process, and only by identifying your goals, priorities, and points of leverage will you be able to identify a solution that's acceptable to everyone involved.

Bargaining For Advantage also takes into account that more and more negotiations are being conducted remotely by phone, e-mail, or instant messaging. Negotiation in a networked world has many advantages and disadvantages that are different from face-to-face bargaining, and you'll find the recommended tactics useful as you negotiate your way to financial success.

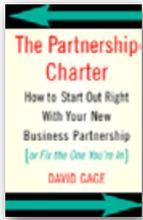


3-D Negotiation by David A. Lax & James K. Sebenius

Once you're at the bargaining table, 2/3 of the negotiation is already over, which means that tactics can only take you so far. In *3-D Negotiation*, Lax and Sebenius teach you how to address the first two dimensions of negotiation (deal design and deal setup) before you're face-to-face with your negotiating partners.

Designing the proposed deal can determine success or failure. Information is king here, and accurate, detailed knowledge of your negotiation partner's position can help you create a deal that serves both of your interests while ensuring your most important needs are met. The most commonly overlooked dimension of negotiation is the deal setup: "ensuring that the right parties have been approached, in the right sequence, to deal with the right issues that engage the right set of interests, at the right table, at the right time, under the right expectations, and facing the right consequences of walking away if there is no deal."

Negotiating a complex deal successfully takes planning, analysis, perseverance, critical thinking, and hard work. By reading *3-D Negotiation* and thinking through the entire deal from start-to-finish instead of obsessing about bargaining tactics, you'll have the upper hand.

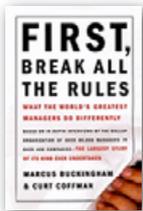


The Partnership Charter by David Gage

Businesses that fail typically close due to one of three common reasons: (1) they go bankrupt; (2) it's not worth it—too much effort for too little reward; and (3) irreconcilable differences between the founders or partners that own the business.

Even the most profitable business can close due to disputes between partners, but starting a business with one or more partners is extremely common. *The Partnership Charter* will show you how to set expectations with your partners before you have issues, making it easier to resolve them quickly and amicably. *The Partnership Charter* works—if you're already working with a partner or plan to work with someone in the future, read this book first.

Management



First, Break All The Rules by Marcus Buckingham & Curt Coffman

Most “common knowledge” about how to manage employees is completely misguided. If you want to succeed as a manager, you're going to have to break a few rules. Based on in-depth interviews of 80,000 managers in 400 companies by the Gallup Organization, *First, Break All The Rules* shows that the world's best managers break virtually every conventional “rule” of management practice.

In this book, Buckingham and Coffman show why exceptional managers select employees for talent, not experience, intelligence, or determination. Effective managers define the right outcomes for people, not the right steps; they focus on developing employee strengths, not eradicating weaknesses; they find the right fit for employees in the organization instead of relentlessly promoting people to their level of incompetence.

First, Break All The Rules will help you examine what you believe about effective management and encourage you to think of ways to set people up for success in your organization from the beginning.



12 by Rodd Wagner & James Harter

Great businesses attract and retain talented and productive people. *12: The Elements of Great Managing* is a follow-up to *First, Break All The Rules* that teaches you how to keep your employees happy and create a strong company culture. And, like all of Gallup's books, this text is backed by an extraordinary degree of research, observation, and empirical evidence.

Focusing on what keeps employees actively engaged in their work, Wagner and Harter have discovered twelve elements that largely determine how satisfied people are with their work. Unlike other texts on employee satisfaction, each element is supported by data drawn from

thousands of companies around the world, not anecdotal evidence, so you can put full faith and trust in the recommendations in this book.

If your people really are “your greatest asset,” read *12: The Elements of Great Managing* and make it a priority to create a plan to improve your company’s performance on each of these twelve elements as soon as possible.

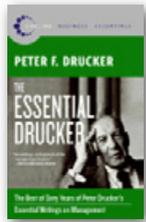


Growing Great Employees by Erika Andersen

Setting strategy and “creating the vision” are sexy parts of management, but one of the most important and under-appreciated parts of being a manager is helping your direct reports to grow and develop. Using a creative very useful gardening metaphor, *Growing Great Employees* is a primer on how to help your employees flourish by mindfully cultivating their skills and talents.

Erika Anderson has a great deal of knowledge and expertise in helping people grow, and she shares her secrets liberally in this book. You’ll learn how to listen to and appreciate other people’s needs, look for the right employees for your business, hire employees with promise and potential, set appropriate expectations, manage people how they like to be managed, coach instead of order, make clear agreements, handle difficulties, and encourage their autonomy.

Improving your management skills takes time and effort, but *Growing Great Employees* will set you on the path of becoming a manager people will be happy to report to.



The Essential Drucker by Peter F. Drucker

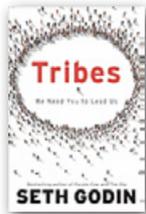
All modern theories of management, traced to their source, eventually lead to Peter Drucker. *The Essential Drucker* is an edited collection of Peter Drucker's most influential thoughts about the practice of management.

Drucker held the view that the manager is the central element in every business, responsible for organizing resources and ensuring they're used to maximum effect.

You'll learn the three primary functions of management: managing the business, managing other managers, and managing subordinates, and how setting clear objectives and measures is absolutely essential to the success of the firm.

Good management is not necessarily exciting: on the surface, the lack of drama could be seen as downright boring, but keeping the system running smoothly frees up resources and energy to move the business forward. By reading *The Essential Drucker* and making an effort to apply Drucker's suggestions to your business, you'll be superbly prepared to handle managerial responsibility.

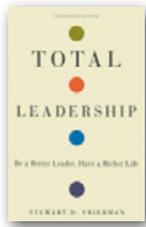
Leadership



Tribes by Seth Godin

Leadership isn't something reserved for the CEOs of this world—if you care deeply about making some type of change happen, the only thing preventing you from taking the lead is your own hesitation. *Tribes* is a meditation on the nature of leadership and what it means to lead a group of people toward a shared objective.

As it turns out, leadership is a lot like marketing—do something worth talking about and worth getting excited about, and your “tribe” will find—and follow—your lead. There are millions of people in this world who care about the same things that you do—people who would be willing to follow, as long as you step up to take the lead. *Tribes* will show you how.

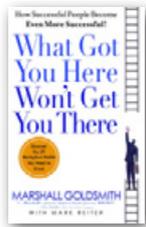


Total Leadership by Stewart Friedman

Leadership involves responsibility, but how can you deliver on what you're responsible for if you're constantly stretched too thin? *Total Leadership* will teach you how to balance the demands of four major areas of life: your work, your home life, your community, and yourself.

Total Leadership will help you become a better leader by identifying “four-way wins”: situations in which you fulfill the needs in more than one area at the same time. The exercises in this book are designed to give you a better perspective on what you’re actually responsible for, as well as generate creative options that will enable you to elegantly satisfy these demands while maintaining a solid sense of perspective and taking good care of yourself.

By finding creative ways to exercise your responsibility or alter the structure of your responsibilities, you’ll have more physical, mental, and emotional energy to devote to what you care about most. That’s *Total Leadership* at its finest.



What Got You Here Won't Get You There by Marshall Goldsmith

C-level executives at all companies tend to be intelligent, driven, dedicated, and hard-working. The primary difference between good and great leaders is interpersonal skills: great leaders engage rather than annoy others. *What Got You Here Won't Get You There* exposes 20 unconscious habits that are holding you back as an effective manager and leader, and then teaches you how to eliminate them.

Although many leaders are rightfully proud of their accomplishments, the personality traits that they credit their success to may be the very tendencies that are limiting their promotion potential.

In *What Got You Here Won't Get You There*, veteran executive coach Marshall Goldsmith shares his years of experience in helping top executives at Fortune 500 companies change their behavior and improve their interpersonal skills. You'll learn about the dangers of “winning too much”, adding too much value, refusing to share information, and taking too much credit for results. By staying mindful of the subtle ways you communicate disrespect for your peers and subordinates, you'll improve your relationships with your associates dramatically.

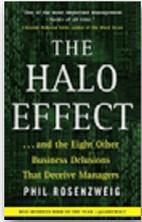


The New Leader's 100-Day Action Plan by George Bradt et al

Walking into a new leadership assignment is tough, and to succeed you're going to need a plan. *The New Leader's 100-Day Action Plan* will guide you through the process of planning the first 100 days of your new role.

In this book, you'll learn how to plan to make a great first impression, gain allies in your new role quickly, manage your team, collect early wins, set a new strategic direction, and avoid common mistakes and pitfalls that often trip up new leaders.

In addition to containing great information, this book also features a set of downloadable forms that will help you start planning quickly and easily. The next time you're ready to take on a new leadership challenge, pick up *The New Leader's 100-Day Action Plan*.



The Halo Effect by Phil Rosenzweig

In this book, Phil Rosenzweig kills all of the sacred cows of modern management theory, grinds them up into hamburger, adds a massive pile of charcoal, strikes a match, and creates a bonfire large enough to be seen from space. He argues that most business managers and the business press are systematically delusional when it comes to picking theories about the reasons for strong company performance.

The nine delusions covered in this book read like a management-oriented version of *How to Lie with Statistics*: confusing temporary fortune with lasting success, correlation vs. causation errors, pervasive sample bias, favoring for single explanations instead of multiple factors, inadequate business comparisons, poor data quality, comparing results on absolute instead of relative terms, and searching for the “formula” for perpetual success.

Rosenzweig isn't shy about kicking butt and taking names: you'll learn why *Good to Great*, *Built to Last*, *In Search of Excellence*, and other high-profile business books of the past few decades have more value as “business bedtime stories” than as blueprints for improving performance. After reading *The Halo Effect*, you'll develop a healthy degree of skepticism for the latest management fads, be able to identify when you're in danger of succumbing to wishful thinking, and be better prepared to avoid falling for the promise of a simple solution to management issues.

Project Management

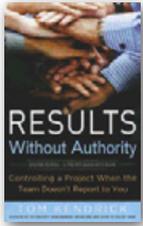


Making Things Happen by Scott Berkun

Project management is a core business skill that every successful business professional must learn. Unfortunately, most people learn it by managing projects without training or support, relying on mistakes and feedback to improve their skills. *Making Things Happen* is full of practical advice and real-world examples about how to lead projects successfully from conception to completion, without having to “learn it the hard way”.

Scott Berkun, formerly a project manager for Microsoft, has a knack for skipping the complicated jargon and convoluted methodologies that characterize most project management books. Instead, he breaks complex subjects down to the critical essentials and provides a copious amount of real-world examples, which makes this book very approachable and easy to understand.

The first version of this book, *The Art of Project Management*, was focused on software and technology development professionals. *Making Things Happen* is a revised edition that makes Berkun’s advice more applicable to all project managers, regardless of industry. The leadership and management lessons presented in this book are universal to all projects, making this revised edition a must-read.

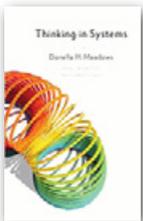


Results Without Authority by Tom Kendrick

If you're responsible for leading a project in a modern company, there's a 99.9% probability that at least one of the members of the team doesn't report to you. *Results Without Authority* will teach you how to lead a project team effectively via influence and clear communication.

The straightforward structure of this book makes it easy to quickly find sections that are relevant to your current projects, and real-world examples are used liberally to illustrate key concepts and practices. Appendix A contains a list of common project management questions, and alone is well worth the price of the book. If you're responsible for leading a project, large or small, read *Results Without Authority*.

Systems

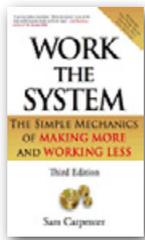


Thinking in Systems by Donella Meadows

In the words of biologist Julian Huxley, "Life is just one damn relatedness after another." *Thinking in Systems* will help you understand the complex interrelationships that are present in the world and the ramifications of those interrelationships.

“Systems thinking” has been used as a business management fad in recent history, which is a shame—there are many useful concepts to explore in this area, and *Thinking in Systems* explains them admirably. You’ll learn major concepts like inflows and outflows, feedback loops, non-linearity, constraints, escalation, and resilience, as well as gain a better understanding of how systems tend to change over time.

All businesses are complex systems that operate within even more complex systems: industries and societies. If you want to be able to improve systems while avoiding unanticipated consequences, read *Thinking in Systems*.



Work the System by Sam Carpenter

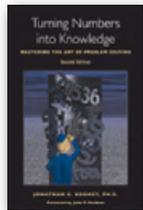
You have too many important things to do to spend time “fighting fires”—focusing on urgent issues that constantly seem to pop up in your business. In order to grow, you need a system—a set of standard operating procedures that will help you handle issues in a quick and effective manner. *Work the System* describes a few simple methods you can use to turn your business into a well-oiled machine.

Systems don’t have to be complicated, and you don’t have to be a genius to benefit from installing business systems and processes—all it takes is a willingness to watch what’s happening and create simple, visible, repeatable methods to solve common issues.

Once the system is in place and working properly, you can delegate or outsource common tasks to employees or contractors, freeing up your valuable time and energy for more important things.

If you want to spend less time working *in* your business, you must choose to work *on* it. *Work the System* will show you how to create business systems and processes that work, allowing you to grow without going insane.

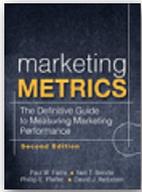
Analysis



Turning Numbers Into Knowledge by Jonathan Koomey

Jonathan Koomey is a Project Scientist at Lawrence Berkley National Laboratory and Professor at Stanford University. Under his expert guidance, you'll learn how to collect accurate data, identify potential bias, create hypotheses and models, and use that data to come to solid conclusions.

Turning Numbers into Knowledge isn't simply a book about number-crunching: it's ultimately about critical thinking, problem solving, and asking good questions. By using the information taught in this book, you will have all the tools you need to solve even your most challenging business problems.

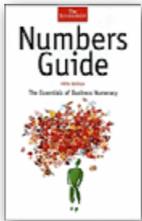


Marketing Metrics by Paul W. Farris et al

Generating and closing leads is the lifeblood of every business, and measuring the results of your marketing activity is critically important to your success. This book will help you understand your current business process and craft a set of metrics that will keep your attention on the most important issues facing your business.

Major topics include measuring customer perception, market share, competitive analysis, revenue, cost structure, profitability, awareness, trial, growth, repeat, cannibalization, brand equity, customer profitability, margin, market coverage, operations and logistics, price sensitivity, promotional activity, reach, frequency, and impressions.

In the immortal words of Peter Drucker, “what gets measured gets managed.” *Marketing Metrics* will help you measure everything in your business that matters.



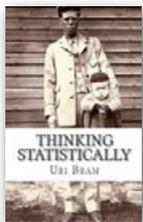
The Economist Numbers Guide by Richard Stuteley

Business analysis is a subject of many concepts: time-value of money, discounted cash flow valuation, amortization, depreciation, etc. *The Economist Numbers Guide* is a handy reference that will help you use these concepts appropriately and explain them clearly to your colleagues.

It is a short, but comprehensive book that contains everything you need to know about business mathematics. Inside, you'll find information on arithmetic, notation, financial structures, investment analysis, inflation, interest, distributions, graphing, forecasting, sampling, testing, decision trees, Markov chains, and even advanced subjects like linear programming. You'll be hard pressed to find a business situation that requires math this book doesn't cover well.

The Economist Numbers Guide is the reference book I rely on to ensure I'm using business analysis techniques properly and explaining them clearly to other people. If business analysis is part of your job, I highly recommend keeping this book close at hand.

Statistics



Thinking Statistically by Uri Bram

Statistics is an important subject, but it's notoriously difficult to learn. The ideas are useful, but it's far too easy to be overwhelmed by complex formulae and dry proofs. *Thinking Statistically* explains essential concepts in statistics with wit and flair.

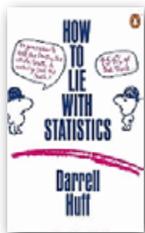
Instead of page after page of mathematical mumbo-jumbo, Uri Bram tells stories that clearly illustrate the core ideas. The math is there, but the illustrations make formula easy to follow and remember.

The approach helps you remember and apply each concept to real-world situations, as one reviewer noted:

“Perversely, the best compliment I can give this book is to warn prospective readers against relying on its very high reviews, because of the inherent selection bias in the sample of reviewers relative to the entire population of readers.”

You’ll learn about major sources of statistical bias, the importance of representative samples, how to know when you can rely on statistical analyses with confidence, and how to use Bayes’s Theorem to update your probability estimates as you gather more information.

If you need an advanced statistics reference, I still recommend *Principles of Statistics* by M.G. Bulmer. Otherwise, *Thinking Statistically* is the best introductory primer available.

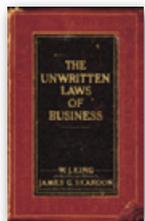


How to Lie with Statistics by Darrell Huff

How to Lie with Statistics is a truly timeless book: originally written in 1954, this book shows you how easy it is to be misled through statistical manipulation, giving you the knowledge necessary to intelligently question and understand the story behind the numbers.

Every day, statistics are used to tell stories about what's happening in the world and in your business. There's only one problem: most of them are designed to mislead you. Using stories and examples, Darrel Huff shows you how easy it is to be misled by poorly crafted statistics, covering sample bias, improper use of averages, statistical significance, probable error, chart scale, distorted graphical proportion, lack of proper context, biased polling questions, correlation vs. causation, and unwarranted precision. The examples are entertainingly old-fashioned, but the principles in *How to Lie with Statistics* are just as important today as they were 50 years ago.

Corporate Skills

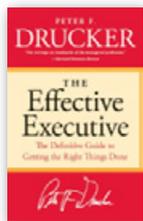


The Unwritten Laws of Business by W.J. King

This illuminating little book has been the subject of a great deal of controversy. Originally published in 1944 as *The Unwritten Rules of Engineering*, this book by W.J. King was an underground college textbook best-seller until much of its content was co-opted by Raytheon CEO Bill Swanson, who published a short booklet called *Swanson's Unwritten Rules of Management*. The booklet became a minor sensation, receiving accolades from everyone from Jack Welch to Warren Buffett, until the copycatting was discovered, leading to a very public scandal and a dark smudge on Swanson's reputation.

Swanson, to his credit, picked a very good book to plagiarize: *The Unwritten Laws of Business* is a short, no-nonsense primer on how to work effectively in a modern company. A collection of short maxims and meditations, this book speaks with the air of authority and hard-won experience. Like a commercial Confucius, King has a knack for presenting the realities of working in a complex organization clearly and simply.

Covering everything from estimating project schedules to confirming commitments, *The Unwritten Laws of Business* is a good book to keep handy by your desk—you'll consult it often.



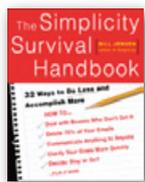
The Effective Executive by Peter F. Drucker

When you're in charge of a business, the most important job you have is not simply to ensure that "things get done"—it's to ensure the right things get done right—at the right time, and in the right way. In *The Effective Executive*, you'll learn that the role of leadership is to set clear priorities, focus your people on those priorities, and make tough choices about what to do and what not to do in the face of uncertainty.

Drucker argues that every executive should have a standard, core set of personal skills: effective time management, clear communication, and the ability to make solid decisions based on the data available. These aren't inborn abilities; they can only be developed through study and experience, and leaders should ensure that these skills are developed in subordinates.

Each point is illustrated with several historical examples, so you'll really understand why each idea is important and how it looks in the real world.

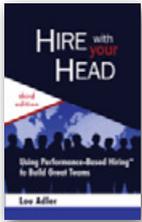
You'll see two more books by Drucker in the Personal MBA Reading List for a reason: they really are all they're cracked up to be. Drucker's influence on the business world is so profound that you can find seeds of almost every other book on this list in material he wrote decades ago.



The Simplicity Survival Handbook by Bill Jensen

It's remarkably rare to find a book in which the author tells you on the first page not to read the whole book. Bill Jensen, however, believes in the virtue of ruthless simplicity, and his advice is to focus squarely on the few subjects in this book that will help you most right now.

The *Simplicity Survival Handbook* teaches you how to complete critical tasks in a modern business organization with a minimum of time, energy, and politics. Jensen shows no mercy in finding ways to circumvent or eliminate everything in your working life that gets in the way of getting the most important things done. Along the way, you'll learn how to interact with peers and your managers, communicate effectively, present to senior management, and deal with the onslaught of change and information common in modern organizations.

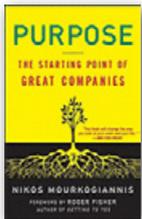


Hire With Your Head by Lou Adler

Let's face it: it's hard to find good people. To complicate matters, making a bad hire is very expensive in terms of money and opportunity cost. *Hire With Your Head* is a systematic approach to discovering, evaluating, and hiring the best employees and contractors you can find.

Lou Adler is a former corporate executive turned recruiting consultant, and shares his step-by-step method to finding, qualifying, hiring, and integrating new employees. He'll teach you everything from writing clear and compelling job descriptions to interviewing and extending offers to promising candidates. Once you establish an effective hiring process, you'll find it much easier to focus on the purpose of hiring: building a productive, high-performing organization.

Corporate Strategy



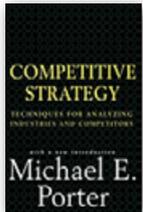
Purpose by Nikos Mourkogiannis

Purpose is about your business's ultimate, fundamental strategy: why does your firm exist, beyond the easy answer of making money? The clarity of your answer will determine everything from your company culture to your staff's morale.

The primary insight of *Purpose* is that people are inspired and motivated by factors beyond the bottom line: they crave a meaning behind their actions powerful enough to give them motivation to complete the work and hope that their work is moving them towards a better future.

Mourkogiannis discusses the four primary business purposes: Discovery, Helping, Achievement, and Heroism, and gives many historical examples of businesses that have recognized their purpose.

Purpose is one of the rare books about leadership and business strategy that can fundamentally change how you view your business. This book also contains a fantastic appendix with “Fifty Key Points” for easy reference and review.



Competitive Strategy by Michael Porter

Michael Porter has been a world-renowned expert on corporate strategy for decades, and his books and papers are a staple of business school classrooms. The “five forces” model of corporate competition presented in *Competitive Strategy* provides an intuitive and thorough way to analyze the attractiveness of any existing industry.

By paying particular attention to the power of suppliers and customers, the threats of new entry and substitutes, and the level of internal rivalry in the industry, Porter argues that it’s possible to identify opportunities and develop strategies that create a profitable position for your firm.



Blue Ocean Strategy by W. Chan Kim & Renée Mauborgne

The thesis of *Blue Ocean Strategy* is simple: why compete with other firms if you don't have to? In contrast to Michael Porter's work, W. Chan Kim and Renee Mauborgne advocate a different approach to strategy: focus on creating new industries that change the competitive landscape completely.

By focusing your resources on creating uncontested market space (a "Blue Ocean"), you're working to simultaneously make your firm the industry leader and make your current competition irrelevant. *Blue Ocean Strategy* will help you identify new areas of business that your company can pioneer. After all, there's no sense in operating in highly competitive war-zones ("Red Oceans") if you have a choice.



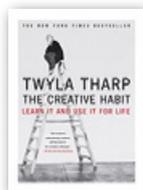
Seeing What's Next by Clayton M. Christensen et al

Clayton Christensen is famous for developing theories of why firms rise and fall in *The Innovator's Dilemma* and *The Innovator's Solution*. *Seeing What's Next* is a comprehensive compilation of the ideas presented in both of these landmark books, with a smattering of business history thrown in for good measure. This book attempts to answer the question: "How will innovation change an industry, and what impact will this have on the firms I care about?"

By building on a framework of three core theories of innovation, the authors develop a three-part process of predicting industry change: (1) identifying signals of change; (2) analyzing competitive battles; and (3) understanding strategic choices.

Predicting the future is notoriously difficult, but *Seeing What's Next* provides an approachable model for making the best decisions you can with the information you have at your disposal.

Innovation & Creativity



The Creative Habit by Twyla Tharp

Creating something new and useful is one of the surest ways to succeed in business, but “the muse” is notoriously fickle. But does it have to be? Twyla Tharp is one of the most respected and influential choreographers of our time, and she has a great deal to say about creativity. In *The Creative Habit*, you will learn how to actively harness your creativity through a combination of preparation, routine, and practice.

The principles taught in this book are straightforward and very practical. You will learn how to prepare for creativity through the use of rituals, constraints, structure, doodling, research, and improvisation—all illustrated with stories from Tharp’s 35+ years of professional experience.

Consistent, sustained creativity takes a great deal of effort, but you don't have to wait for the muse. If you're willing to learn what Tharp has to teach in *The Creative Habit*, your persistence and dedication will make the muse come to you.



Myths of Innovation by Scott Berkun

Innovation is a very hot topic in the business world. With the success of your business riding on having the “next big idea,” how do you go about ensuring your thoughts are “innovative”? In *Myths of Innovation*, Scott Berkun dispels 10 commonly held beliefs about innovation, revealing that there's nothing magical about discovering new ideas.

Using historical examples of innovations like the assembly line, the QWERTY keyboard, and the airplane, Berkun shows that innovative ideas aren't created by divinely-inspired rogue geniuses; they're the result of the mundane preparation, research, experimentation, persistence, time, and luck of ordinary people who are open to new thoughts.

Berkun is clear to point out that the best ideas don't always win. Even after having an idea, it's not always apparent that it's particularly innovative or good, and it's likely that your idea will face a great deal of resistance. By knowing what to expect in advance, you'll be less likely to give up or invest precious time and energy on adopting complex and unrealistic “innovation methodologies.”



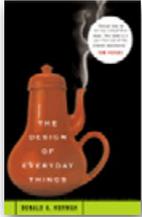
Innovation and Entrepreneurship by Peter F. Drucker

“Because the purpose of business is to create a customer, the business enterprise has two—and only two—basic functions: marketing and innovation. Marketing and innovation produce results; all the rest are costs.” —Peter F. Drucker

Drucker’s *Innovation and Entrepreneurship* was the first book to discuss business innovation and entrepreneurship in a systematic way. By examining where innovation and entrepreneurial activity happens, you’ll be able to create and manage a successful entrepreneurial business without undue risk.

Drucker discusses seven clear signs that indicate opportunity for business innovation: (1) unexpected success, (2) incongruity between reality and ideal, (3) identification of an unmet need, (4) changes in industry or market structure, (5) demographic shifts, (6) changes in public perception, and (7) discovery of new knowledge. By watching for these signs to identify an opportunity, and then creating and acting on a systematic plan to deliver a valuable product, businesses can create new value.

Innovation and Entrepreneurship isn’t just for start-ups: existing businesses and public-service institutions can also learn a great deal from this book.



The Design of Everyday Things by Donald Norman

Products and services don't exist in a vacuum: they're created by and for people. A cognitive scientist by background, Norman is an advocate of what he calls "User-Centered Design": the process of designing from the perspective of the people who will actually be using the product.

Through the use of hundreds of examples, you'll learn a great deal about how people actually interact with the objects around them, learn how to use new tools, and figure out what to do next when things don't work as expected. *The Design of Everyday Things* is a broad introduction to the role design plays in our daily lives, a primer in how to notice good and bad design in the world around you, and a set of principles that will help you use your imagination, intuition, and experience to create products and services people enjoy using.

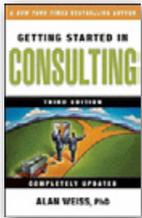


Universal Principles of Design by William Lidwell et al

For me, the primary purpose of reading business books is discovering new mental models: foundational concepts that teach you how to understand a wide variety of situations. That's why I love this book.

In little more than 200 pages, *Universal Principles of Design* explains a wide variety of foundational design concepts, including performance load, Occam's Razor, and the product adoption life-cycle. Superbly illustrated and thoroughly explained, this text provides a detailed summary of over 100 mental models that relate to the design process. Each principle is explained in two pages, complete with visual examples and references to other texts for further study. So whenever you're stuck with a design issue, need inspiration, or want to improve an existing design, pick up *Universal Principles of Design*.

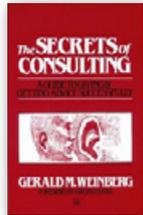
Consulting



Getting Started in Consulting by Alan Weiss

Entrepreneurship isn't just about creating physical products: it's about helping and serving people as well. Chances are that you're probably in the top 25% of people in some particular area, and *Getting Started in Consulting* can help you turn that knowledge and experience into money by teaching you how to start a consulting business with low overhead and high revenue potential. You'll learn how to finance your start-up and operational costs, market your services to corporate clients, write proposals that close the sale, set your fees, keep accurate records, and structure your business for maximum flexibility.

I've found *Getting Started in Consulting* very helpful in starting my own consulting business, and I'm convinced that this book is the single best resource on starting a consulting practice currently available.



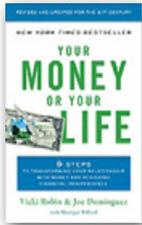
Secrets of Consulting by Gerald M. Weinberg

If you are responsible for influencing others as part of your job, you can learn a great deal from professional consultants: it's what they do for a living. Gerry Weinberg has been in the consulting business for more than three decades, and he knows a thing or two about working with people.

Originally published over 20 years ago, *Secrets of Consulting* is an entertaining, candid, and practical look at how to successfully solve problems and give and receive advice. Part of the magic of this book is Weinberg's masterful storytelling. Instead of blasting you non-stop with "do this" and "don't do that" statements, Weinberg shares his insights using short stories and anecdotes that illustrate each principle in action.

This book isn't just for career consultants: if you're ever asked for advice, using the principles outlined in *Secrets of Consulting* can help ensure that your advice is taken favorably and is ultimately acted upon. You'll also find this book useful if you're in the market for a consultant—it'll give you good advice on what to look for and what to avoid.

Personal Finance

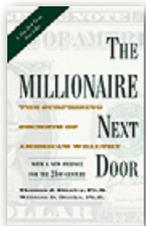


Your Money or Your Life by Joel Dominguez & Vicki Robin

Are you willing to trade two weeks of your life for a high-definition television set?
What about six months of your life for a brand new BMW?

On a fundamental level, everyone who works exchanges their time and energy for money. After realizing this fundamental truth, financial decisions like purchasing products via debt or staying in a high-income but stressful job take on a greater sense of urgency: your life and your freedom are at stake.

Your Money or Your Life will help make the mental and emotional commitment necessary to eliminate debt, develop a savings plan, set your financial priorities, avoid unnecessary purchases, and work only as much as you need to in order to enjoy a fulfilling life.

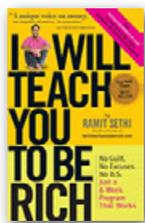


The Millionaire Next Door by Thomas Stanley & William Danko

Based on Stanley & Danko's 20+ years of research, people who are financially secure are very different from people who "act wealthy." *The Millionaire Next Door* will give you a candid and detailed look at the personal habits of the financially successful.

Financially successful people choose to do work that is economically rewarding, then manage their income with frugality and thrift. Instead of spending their money on expensive cars or designer clothing, they choose to save and invest it, focusing more on intangible relationships with family and friends than outward displays of success.

As the saying goes: “even the smallest leak will sink the biggest ship.” *The Millionaire Next Door* will enable you to examine your financial decisions against the actions of others who have achieved financial security, helping you find the wealth-destroying leaks in your financial situation.

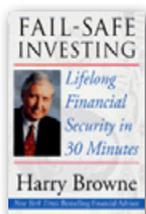


I Will Teach You To Be Rich by Ramit Sethi

For most people, negotiation is a strategy reserved for “big deals” like purchasing a house. After reading *I Will Teach You To Be Rich*, you’ll realize that negotiation situations are everywhere, and that you can save thousands of dollars every year if you simply pay attention and start dealing.

This is a personal finance book with a twist: instead of simply covering financial concepts and tools (which it does admirably), this book helps you identify a few ways to potentially save (or make) substantial sums of money, and then teaches you how to turn that possibility into reality through negotiation.

In most cases, this involves doing a bit of research, then calling the other party (like a bank or insurance company) to make a proposal using the negotiation tactics and scripts Sethi provides. More often than not, by being informed and direct, you can successfully negotiate yourself into a better financial position in a matter of minutes.



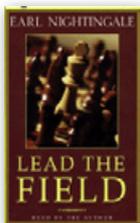
Fail-Safe Investing by Harry Browne

Warren Buffett famously has two rules of investing. Rule #1: Don't Lose Money. Rule #2: Never Forget Rule #1. *Fail-Safe Investing* follows Buffett's lead by teaching you how to protect your net worth against whatever the market throws your way without sacrificing your portfolio's performance.

One of the central tenants of *Fail-Safe Investing* is that people have absolutely no reliable means of predicting the future. Investment requires purchasing an asset whose price and/or value will appreciate over time, and that limitation makes most market activity little more than speculation. Browne suggests structuring your financial portfolio in a way that will ensure it generates solid annual returns while maintaining value in even the most extreme and uncertain economic conditions—inflation, deflation, and recession. While the structure of this portfolio is deeply counterintuitive, this strategy has generated ~10% compound annual growth since the 1970s, with a maximum drop in the worth of the portfolio of 6% in any given year. That's impressive.

While the investment strategy *Fail-Safe Investing* suggests appears to be extremely conservative (25% of the portfolio is in gold, with another 25% in cash equivalents), the advice in this book will help you generate solid annual returns without much effort, and weather almost any financial storm with your portfolio (and sense of financial security) intact. That knowledge is priceless.

Personal Growth

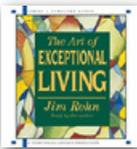


Lead the Field by Earl Nightingale

If you want to become a successful businessperson, you need to focus on serving others, develop a positive attitude, take responsibility for your life, and set goals. In *Lead the Field*, Earl Nightingale shares the ideas and mindset necessary to be successful in business and in life.

Earl Nightingale grew up in California during the Great Depression. His family was very poor, so Earl educated himself in his local library. His main area of concern was what makes people turn out the way they do, both in terms of their wealth and happiness. After serving in the US Marines during World War II, Earl became a popular daily broadcaster for CBS. His interest in personal development and audio eventually led him to establish the Nightingale-Conant Corporation, where he focused on recording the ideas about success he had collected since he was a boy.

Lead the Field is a practical course on how to think like a successful businessperson. The stories Nightingale uses to make his points are simple, but the lessons he teaches in these recordings are essential and timeless. After listening, you can't help but go out and make something good happen.

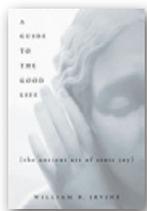


The Art of Exceptional Living by Jim Rohn

If you're interested in the Personal MBA, chances are you won't be satisfied with living an ordinary life—you want to become extraordinary. In *The Art of Exceptional Living*, Jim Rohn discusses the critical importance of establishing a personal philosophy and daily habits to create the life you want.

At the age of 25, Rohn found himself drowning in debt and obligations, with seemingly little opportunity to improve his situation. With the help of a mentor, Rohn realized that the real source of his problems wasn't his environment—it was how he chose to think about the world and his present circumstances. Six years later, Rohn had eliminated his debt and increased his net worth to \$1 million. In *The Art of Exceptional Living*, he discusses how he was able to make such a dramatic transformation, and how a few simple habits can put you on the path to success, however you define it.

Chief among the habits Rohn recommends is building a comprehensive personal library that covers a wide array of topics: sales, history, philosophy, accounting, finance, and law. And if you're interested in quickly building your own library, you're in luck: the Personal MBA is the best place to start.



A Guide to the Good Life by William Braxton Irvine

What's the purpose of life? Is it to accumulate dollars or possessions? To become famous the world over? To experience sensations of pleasure every moment of every day? *A Guide to the Good Life* is an examination of a universal question: what makes life worth living?

In this meditation on daily life, William Braxton Irvine revisits the philosophy of Stoicism, as practiced by the ancient Greeks and Romans. Far from being a philosophy of cold emotional detachment, Stoicism is a practical philosophy that recognizes a few consistent elements of reality. The world is always changing, we have only limited control or influence over the world around us, and becoming too attached to certain situations is likely to cause us great pain. By recognizing these realities, we can reduce or eliminate major negative emotions, and experience joy in our daily lives more often.

For good or ill, “enlightened hedonism” is the default philosophy of life for most individuals in the world today, regardless of culture or religion. *A Guide to the Good Life* will help you examine and practice the benefits of virtue, self-discipline, and self-control.

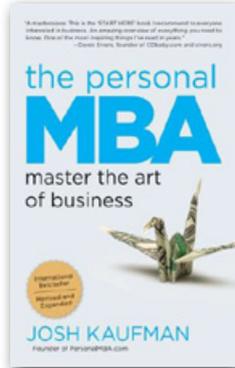
Appreciation and Gratitude

I hope I’ve demonstrated that books can help you master everything you need to know about business—without the time and cost of business school. But books are only one part of the equation. You’ll need the support of other people to succeed in business, as well.

Many people have helped me create the Personal MBA, and I’m very grateful for their assistance, perspective, and support. Here are a few: Seth Godin, Rick Bennett, Greg Flint, Chris Woodruff, Brendon Connelly, Tom Ehrenfeld, Bob Gilbreath, Sam Aquillano, Jeff Bates, Kent Kingery, Kelsey Kaufman, Sheri and Dave McKelfresh, Michael Ramm, Bill Redd, Todd Sattersten, the staff of 800-CEO-READ, Phillip Eby, Tyler Martin, Olivier Cotossen, Joseph Goldberg, Justin Lee, Vincent Touquet, Ben Casnocha, Ramit Sethi, Olivier Roland, Akshay Kapur, Dan Rubin, Travis Corcoran, PJ Eby, Evan Deauble, Tim Grahl, and Derek Sivers.

To everyone who has given of their time and energy to make the Personal MBA better, my heartfelt thanks. **Happy reading!** 📖

Info



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ABOUT THE AUTHOR | Josh's unique, multidisciplinary approach to business mastery has helped millions of readers around the world learn essential business concepts on their own terms. Josh's work has been featured in *The New York Times*, *The Wall Street Journal*, *Fortune*, *Time*, *BusinessWeek*, *Fast Company*, and HarvardBusiness.org. [PersonalMBA.com](#) hosts over 50,000 readers every month, and has been visited by over 2 million readers since its founding in 2005. Josh's work has directly saved prospective business students millions of dollars in unnecessary tuition, fees, and interest by providing an effective, affordable, and debt-free method of learning fundamental business principles.

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