



REWORK:

A BETTER, EASIER WAY TO SUCCEED IN BUSINESS

A 37signals Manifesto

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Ignore the real world

“That would never work in the real world.” You hear it all the time when you tell people about a fresh idea.

This real world sounds like an awfully depressing place to live. It’s a place where new ideas, unfamiliar approaches, and foreign concepts always lose. The only things that win are what people already know and do, even if those things are flawed and inefficient.

Scratch the surface and you’ll find these “real world” inhabitants are filled with pessimism and despair. They expect fresh concepts to fail. They assume society isn’t ready for or capable of change.

Even worse, they want to drag others down into their tomb. If you’re hopeful and ambitious, they’ll try to convince you that your ideas are impossible. They’ll say you’re wasting your time.

Don’t believe them. That world may be real for them, but it doesn’t mean you have to live in it.

We know because our company fails the real world test in all kinds of ways. In the real world, you can’t have over a dozen employees spread out across eight different cities over two continents. In the real world, you can’t attract millions of customers without any salespeople or advertising.

In the real world, you can’t reveal your formula for success to the rest of the world. But we’ve done all those things and prospered.

The real world isn’t a place, it’s an excuse. It’s a justification for not trying. It has nothing to do with you.

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Planning is guessing

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

Why don't we just call plans what they really are: guesses. Change the name of your business plans to business guesses, your financial plans to financial guesses, and your strategic planning to strategic guessing. Now you can stop worrying about them as much. They just aren't worth the stress, and the false sense of control they provide can be dangerous.

When you turn guesses into plans, you enter a danger zone. Plans let the past drive the future. They put blinders on you. "This is where we were going because, well, that's where we said we were going." And that's the problem: Plans are inconsistent with improvisation.

And you have to be able to improvise. You have to be able to pick up new opportunities that come along, which by the very nature of things, cannot be "planned." Sometimes you need to say, "Were going in a new direction because that's what makes sense today."

The timing of long-range plans is screwed up too. You have the most information when you're doing something, not before you've done it. Yet when do you write a plan? Usually, it's before you've even begun. That's the worst time to make a big decision.

Now, this isn't to say you shouldn't think about the future or contemplate how you might attack upcoming obstacles. That's a worthwhile exercise. Just don't feel like you need to write it down or obsess about it. If you write a big plan, you'll most likely never look at it anyway. 20-plus page plans just wind up as fossils in your file cabinet.

Give up on the guesswork. Decide what you're going to do this week, not this year. Figure out the most important thing to do and do it. Then move onto the next most important thing and do that. Make decisions right before you do something, not far in advance.

It's okay to wing it—beneficial even. Just get on the plane and go. You can pick up a nicer shirt, shaving cream, and a toothbrush once you get there.

Working without a plan may seem scary. But blindly following a plan that has no relationship with reality is even scarier.

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Start making something

We all have that one friend who says, “I had the idea for eBay. If only I had acted on it, I’d be a billionaire!” That logic is pathetic and delusional. Having the idea for eBay has nothing to do with actually creating eBay. What you do is what matters, not what you think or say or plan.

Think your ideas that valuable? Then go try to sell it and see what you get for it. Not much is probably the answer. Until you actually start making something, your brilliant idea is just that—an idea. And everyone’s got one of those.

Stanley Kubrick gave this advice to aspiring filmmakers: “Get hold of a camera and some film and make a movie of any kind at all.” Kubrick knew that when you’re new at something, you need to start creating. The most important thing is to begin. So get a camera, hit record, and start shooting.

Ideas are cheap and plentiful. The original pitch idea is such a small part of a business that it’s almost negligible. The real question is how well you execute.

Embrace constraints

“I don’t have enough time/money/people/experience.” Stop whining. Less is a good thing. Constraints are advantages in disguise. Limited resources force you to make do with what you’ve got. There’s no room for waste. And that forces you to be creative.

Ever seen the weapons that prisoners make out of soap and other everyday items? They make do with what they’ve got. Now we’re not saying you should go out and shank somebody—but get creative and you’ll be amazed at what you can make with just a little.

Writers use constraints to force creativity all the time. Shakespeare reveled in the limitations of sonnets (i.e. fourteen-line lyric poems in iambic pentameter). Haiku and limericks also have strict rules that lead to creative results. Writers like Ernest Hemingway and Raymond Carver found that forcing themselves to use simple, clear language helped them deliver maximum impact.

The Price is Right, the longest running game show in history, is also a great example of creativity born from embracing constraints. The show has over 100 games and each one is based on the question: “How much does this item cost?” That simple formula has attracted fans for over 30 years.

Southwest, unlike most other airlines which fly multiple aircraft models, flies only Boeing 737s. As a result, every Southwest pilot, flight attendant, and ground crew member can work any flight. Plus, all of Southwest’s parts fit all of its planes. All that means lower costs and a business that’s easier to run. They made it easy on themselves.

When we were building Basecamp, we had plenty of limitations. We had a design firm with existing client work to run, a 7-hour time difference between principals (David was doing the programming in Denmark, the rest of us were in the States), a small team, and no outside funding. These constraints forced us to keep the product simple.

These days, we have more resources and staff members, but we still force constraints. We make sure to have only one or two people working on a product at a time. And we always keep features to a minimum. Boxing ourselves in this way prevents us from creating bloated products.

So before you sing the “not enough” blues, see how far you can get with what you have.

Make tiny decisions

Big decisions are hard to make and hard to change. And once you make one, the tendency is to continue believing you made the right decision, even if you didn't. You stop being objective.

Once ego and pride are on the line, you can't change your mind without looking bad. The desire to save face trumps the desire to make the right call. And then there's inertia too: The more steam you put into going in one direction, the harder it is to change course.

Instead, make choices that are small enough that they're effectively temporary. When you make tiny decisions, you can't make big mistakes. These small decisions mean you can afford to change. There's no big penalty if you mess up—you just fix it.

Making tiny decisions doesn't mean you can't make big plans (guesses) or think big ideas. It just means you believe the best way to achieve those big things is one tiny decision at a time. The problem with big, hairy goals and grand accomplishments is they kill motivation. They set you up for failure.

Polar Explorer Ben Saunders said that during his solo North Pole expedition (31 marathons back-to-back, 72 days alone) the "huge decision" was often so horrifically overwhelming to contemplate that his day-to-day decision-making rarely extended beyond "getting to that bit of ice a few yards in front of me."

Attainable goals like that are the best ones to have—ones you can actually accomplish and build on. You get to say, "We nailed it. Done!" Then you get going on the next one. That's a lot more satisfying than some pie-in-the-sky, fantasy goal you never meet.

Underdo your competition

Conventional wisdom says that, to beat your competitors, you need to one-up them. If they have four features, you need five (or 15, or 25). If they're spending \$20k, you need to spend \$30k. If they have 50 employees, you need 100.

This sort of one-upping, Cold War mentality is a dead end. When you get suckered into an arms race, you wind up in a never-ending battle that costs you massive amounts of money, time, and drive. And it forces you to constantly be on the defensive, too. Defensive companies can't think ahead and act. They can only think behind, and react. They don't lead, they follow.

So what do you do instead? Do less than your competitors to beat them. Solve the simple problems and leave the hairy, difficult, nasty problems to the competition. Instead of one-upping, try one-downing. Instead of outdoing, try underdoing.

Do less than your competitors to beat them.

The bicycle world provides a great example. For years, major bicycle brands focused on the latest in high-tech equipment: mountain bikes with suspension and ultra-strong disc brakes or lightweight titanium road bikes with dozens of gears and carbon-fiber everything. And it was assumed that bikes should have multiple gears: 3, 10, 21, etc.

But recently, fixed gear bicycles have boomed in popularity, despite being as low-tech as you can get. These bikes have just one gear. Some models don't have brakes. The advantage: They're simpler, lighter, cheaper, and don't require as much maintenance.

The Flip is another great example of a product that is succeeding by underdoing the competition. It's an ultra-simple, point-and-shoot, compact camcorder that's taken a significant percentage of the market in a short time. Look at all the things The Flip does *not* deliver:

- No big screen (and the tiny screen doesn't swing out for self-portraits either)
- No photo-taking ability
- No tapes or discs (you have to offload the videos to a computer)
- No menus
- No settings
- No video light
- No viewfinder
- No special effects
- No headphone jack
- No lens cap
- No memory card
- No optical zoom

The Flip wins fans because it only does a few simple things and it does them well. It's easy and fun to use. It goes places a bigger camera would never go and gets used by people who would never use a fancier camera.

Don't shy away from the fact that your product or service does less. Highlight it. Be proud of it. Sell it as aggressively as competitors sell their extensive feature lists.

Less is a good thing.
Constraints are advantages in disguise.

Build an audience

All companies have customers. Lucky companies have fans. But the most fortunate companies have *audiences*. An audience can be your secret weapon.

A lot of businesses still spend big bucks to reach people. Every time they want to say something, they dip into their budgets, pull out a huge wad of cash, and place some ads. But this approach is both expensive and unreliable. As they say, you waste half of your ad budget—you just don't know which half.

Today's smartest companies know better. Instead of going out to reach people, you want people to come to you. An audience returns often—on its own—to see what you have to say. This is the most receptive group of customers and potential customers you'll ever have.

Over the past ten years we've built an audience of well over 100,000 daily readers for our Signal vs. Noise blog. Every day they come back to see what we have to say. We may talk about design or business or software or psychology or usability or our industry at large. Whatever it is, over 100,000 people are interested enough that they come back to hear more. And, if they like what we have to say, they'll probably also like what we have to sell.

How much would it cost us to reach those 100,000 people every day the old fashioned way? Hundreds of thousands? Millions? And how would we have done it? Running ads? Buying radio spots? Sending direct mail?

When you build an audience, you don't have to buy people's attention—they give it to you. This is a huge advantage. So build an audience. Speak, write, blog, tweet, make videos, whatever. Share information that's valuable and you'll slowly but surely build a loyal audience. Then, when you need to get the word out, the right people will already be listening.

Out-teach your competition

You can advertise. You can hire sales people. You can sponsor events. But your competitors are doing the same things. How does that help you stand out?

Instead of trying to out-spend, out-sell, or out-sponsor competitors, try to out-teach them. Teaching probably isn't something your competitors are even thinking about. Most businesses focus on selling or servicing, but teaching never even occurs to them.

The Hoefler Type Foundry teaches designers about type at Typography.com. Etsy, an online store for things handmade, holds entrepreneurial workshops that explain “best practices” and promotional ideas to people who sell at the site. Gary Vaynerchuk, who owns a large wine shop, teaches people about wine at Wine Library TV (and tens of thousands of people watch every day).

Teach and you'll form a bond you just don't get from traditional marketing tactics. Buying people's attention with a magazine or online banner ad is one thing. Earning their loyalty by teaching them forms a whole different connection. They'll trust you more. They'll respect you more. Even if they don't use your product, they can still be your fan.

Plus, it's something us individuals and small companies can do that bigger competitors can't. Big companies can afford a super bowl ad; you can't. But you can afford to teach, and that's something they'll never do since big companies are obsessed with secrecy. Everything at those places has to get filtered through a lawyer and go through layers of red tape. **Teaching is your chance to outmaneuver them.** 📖

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Jason Fried and David Heinemeier Hansson are the founders of 37signals—a trailblazing software company that produces products used by millions of people around the world. They have been profiled in publications like *Time*, *Newsweek*, and *Wired*. They're also contributors to Signal vs. Noise, on the Web's most popular blogs. To learn more about Rework and 37signals, go to 37signals.com.

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