

### 3 Takeaways Podcast Transcript

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(<https://www.3takeaways.com/>)

#### Ep. 28: Working for Jeff Bezos and The Secrets of Amazon's Success

**INTRO male voice:** Welcome to the 3 Takeaways Podcast, which features short memorable conversations with the world's best thinkers, business leaders, writers, politicians, scientists, and other news-makers. Each episode ends with the three key takeaways that person has learned over their lives and their careers, and now your host and board member of schools at Harvard, Princeton and Columbia, Lynn Thoman.

**0:23 Lynn Thoman:** Hi everyone, it's Lynn Thoman, and welcome to another episode. Today, I'm delighted to be here with Colin Bryar and Bill Carr. They both joined Amazon in the late 1990s, a few years after the company was founded. Colin's first job at Amazon was as Jeff Bezos's technical advisor, his shadow, he literally spent all day, every day for two years with Jeff Bezos, during a pivotal period that included the launch of Amazon Prime and Amazon Web Services. Bill was vice president of worldwide media, including books, music and video, and then became head of digital media with the task of building Amazon's digital media business. He led the launch, development and growth of the Kindle, Amazon music, Prime Video and Amazon Studios. I'm excited to learn what working with Jeff Bezos was really like, and to learn their insights, stories and secrets from inside Amazon. Colin and Bill are also the authors of Working Backwards. Welcome, Colin and Bill, and thanks so much for being here today.

**Colin Bryar:** Thank you for having us.

**Bill Carr:** Thank you for having us.

**1:32 Lynn Thoman:** What was each of your first meetings with Jeff Bezos like?

**1:36 CB:** I remember my first meeting with Jeff, it was my first day at Amazon, that was in March of 1998. There was a small group of us who had started that week. We went through an orientation and I was fairly informal because the company was pretty small then. The corporate group was about 100 people total, the company size was 600 people. Once you included the number of folks in the two warehouses we had, and in the customer service centers. Toward the end, Jeff came in and there were probably 10 of us who were starting. He said that first and foremost, we wanted to build earth's most customer-centric company at Amazon, and then be the place to find and discover... Where customers can find and discover anything they might want to buy online. And he's held true to that vision that first day that I met him about creating earth's most customer-centric company, so he's held true to his word from the very first day I met him back then.

**BC:** I can't remember the very first meeting, but I certainly remember the first thing that most people were astonished by is his laugh. It was a loud honking laugh. I remember in later years he used to tell me the story about how his siblings hated to go to movies with him because he would embarrass them with it, his laugh was so loud. And the second thing that was astonishing was a burning intensity in his eyes. You'd hear him talk about Amazon or concepts and customers, and

he was such an amazing communicator and so smart and insightful, and there were very few days where I was in a meeting with Jeff, and I was in a lot of them, where he didn't say something that made me rethink my world.

**3:16 LT:** Colin, you held the job of Jeff Bezos's technical advisor, his shadow, and this was the job that Andy Jassy, who is succeeding Jeff based as a CEO held before you. What was it like spending all day every day with Jeff Bezos for two years. Can you share some of your most memorable moments?

**CB:** It was a lot of fun. It was intense. We would work on every area of the company, I was spending 10 hours a day with Jeff, and coming before to make sure that things we're set up properly, and at the end of the day, working with other teams for what the next, part of the next day is going to be like. One of the things with Jeff is, he just has a true passion and joy for building great customer experiences and building Amazon into what it is today. I could tell he wasn't doing that for his legacy, he genuinely loved inventing things for customers, large and small, by the way. That laugh that Bill talked about, the twinkle in his eyes when we were talking about inventions, even something as simple as a small feature on the web page, or the app, versus something big like Kindle or Amazon Prime, that same joy held through no matter what, and then he would always relate it to the customer. Jeff often said that it's not IQ points that get you these insights, it's looking at things from different angles, and it's... He was just paraphrasing Alan Kay, who was a researcher at Xerox PARC.

**4:42 LT:** Walter Isaacson says the same thing, smart people are dime a dozen, it's not how smart somebody is. You have both titled your book, Working Backwards. What does that mean, and can you give some examples?

**4:56 BC:** Working Backwards is the title of the book because it refers to both a way of thinking that's central to how Amazon works, which is in general, so then everything that you do is to start by focusing on the customer, obsessing over the customer and working backwards from there. And secondly, it also refers to one of the five core processes that Amazon uses, and this is a couple of working backwards PRFAQ process, this is the process that is used by Amazon for every new product feature, the PR stands for press release. So when you have a new product idea, you write a one-page press release. What you want to summarize in that press release is the important problem you're solving on behalf of the customers and the elegant product you're inventing that will solve it. And it's called working backwards, because normally a press release is something that you do at the end of a product development process, after the engineering team and the product team have developed that product. They throw it over the wall to the marketing and PR folks and say, "Okay, go sell this thing."

**BC:** By putting this at the start of the process, what this allows you to do is to free yourself from a lot of constraints and focus simply on not what your organization is good at today, or what are the current boundaries of technology or business models but to focus on, "Okay, well, what would be an amazing product for customers so that if they read this press release, they would be thrilled to buy it?" And there, through the second part of the process, which is the FAQ, frequently asked questions. And you'd ask and answer a series of questions about what will be the various challenges, whether they be technical, legal, business model or otherwise you would

have to overcome to actually bring this exciting product to life?

**CB:** This is fundamentally different than how a lot of organizations make decisions, they use what's called the skills forward approach, what are we good at? What should we do next? How do we take an idea and decide whether it's worth doing? And just flipped it on its head and said, "If we want to be customer-obsessed, then let's make sure this process is customer obsessed, so get the customer front and center from the very germ of the idea, all the way through to the end.

**7:07 LT:** Bill, you were head of books, music and video, which were over three-quarters of Amazon's revenue, and then you became the first head of digital media, charged with building a digital media business. What was that like?

**7:21 BC:** Two quick clarifications, I was the co-head of the US Books, Music, Video business, I managed half that panel. And I was the second leader in for digital media, my then boss, Steve Kessel came in, and in fact, this is an important part of the story, Steve, who had been my manager, he was managing the media business worldwide, and I was co-leading it on the US basis, so that was Amazon's largest business in the company by far, as you mentioned. The notable thing is that when Jeff Bezos decided it's time for us to start figuring out and investing in a little digital media, the beginning of 2004, that he didn't ask us to do it as part of our existing roles as leaders of media, which would actually be the way you'd expect it to work. We were leading the biggest business in the company, so we'll take this on too. Instead, he asked us to stop doing that, stop managing the biggest business and start doing something that really had no revenue. He recognized that the importance of us being successful in that business because it was clear that media products were going to digital. The iPad had already sold, there was at least a million of those already out there, people were using Napster to share our music.

**BC:** Media products were going to go digital, I didn't really appreciate or agree with that move back in those days, it felt like a demotion in many ways, but I realized in later years how important that decision was, and that's actually central to one of Amazon's core processes, which is the Organizational Structural Process called single-threaded leader, which frequently involves taking your best leaders off of managing big existing businesses and putting them on new opportunities and letting them focus on that and nothing else, and then building teams that do that the same way. The quote, the current senior vice president of devices at Amazon, Dave Limp, "The best way to fail at inventing something is by making it somebody's part-time job."

**9:13 LT:** At the time, Amazon only distributed physical books, they didn't build any physical products, they had no experience or expertise in hardware, how was the decision made to build a physical product, the Kindle?

**9:29 BC:** This is another important lesson, and most companies take a skills forward approach, and so we would have looked ourselves as e-commerce retailers and thought, okay, we're going to build an e-commerce solution for e-books. The reality is, we actually already had one, e-books business had already existed for several years, but it didn't really meet customer needs, there were very few books available from publishers, they'd priced them the same price as the hard cover edition, and by the way, you could only download them to a PC or a Mac, you couldn't take them around with you on anything portable. What we set about doing was a series of

ideation sessions over many months to figure out what we would need to create in the e-book business for this to become exciting for customers. It didn't take us long to realize well, it needed to be a device that you would carry around with you that would look like a book and behave like a book, that you could read it outside where most computer screens are totally inappropriate for that. It would need to be connected to the internet at all times, because you wanted to be able to shop for the books and download them to the device wherever you were, there need to be a broad selection of books, there need to be low prices for books.

**10:28 BC:** The device needed to recognize you, to make it easy when you shopped on Amazon for those books to automatically upload to your reader, all these things. But none of these things existed when we laid them down and we wrote them in a press release, and then in the FAQ, we meticulously went through each one of these issues and the problems we would have to solve, both technical and business model and partnership and otherwise, and came up with a plan to do it. It took us nearly a year just to even come up with that plan, and then took us another two years beyond that to actually build and launch the Kindle, so the required intense patience, and it was going slow to go fast.

**11:05 LT:** The Kindle is an e-book reader, much like the Apple iPod is a music player, but you went so much further, the iPod needed to be hooked up and synced with a computer, but the Kindle seemingly downloaded books like magic through Whispersync without people needing to sync with a computer or even to have an AT&T or other Internet account for their Kindle. Who had the idea for Whispersync? How did that come about?

**11:32 BC:** As we often said at Amazon, people ask us, "How do you do your market research, how do you come up with these ideas?" And as we say, we swim in data at Amazon. You observe how customers use your own products, you do some third-party research, you observe other devices. We stood on the shoulders of Apple and actually Blackberry. Back in those days, yes, the iPod was the primary device, but it didn't take long for us to figure out through some basic consumer research that it had a fatal flaw, which was that you had to connect it to your PC or Mac to get new songs onto it. Customers didn't do this very often, in fact, the average customer only did it a couple of times a year, which means that if you bought a song in July, it might not make it onto your iPod until December. People like to listen to the most recent music by the way, not the old stuff so people would get a stale iPod syndrome. But also at that time we all were using Blackberries, and the magic of the Blackberry was that it was always connected to the internet, and so no matter where you were you could send email, receive email.

**BC:** It was picking those two concepts together and saying, "The solution to this iPod problem, is the Blackberry problem. But how do we do it without having to charge people fees like you would get a carrier contract with AT&T or Verizon?" That required some deep invention and one of the leaders that we... Came on to the team, Ian Freed, had a lot of experience in the mobile industry. And he crafted a way to come up with relationships with AT&T to not have to require customers to actually create a contract and to make it affordable thus for Amazon to have these various connections to AT&T and not break the bank, make the economics work for Kindle.

**CB:** And this was before the iPhone, we now think of as Always on devices is something that... Yeah, it's just part of life. That was a novel concept to have something connected to the internet

in the background where you don't have to worry about it, you don't have a data plan through your Telco provider. It was something you only get really by asking yourself, "Is it good enough to make it to market?" And you have to be brutally honest with it. You want to launch these things early but if it's not good enough, you've got to go back and iterate and come up with your next best idea or refine the idea that you have.

**LT:** Was Whispersync an idea from Jeff Bezos?

**BC:** He definitely played a part in that idea. Was it specifically from him? Maybe. But there were a lot of people in the room working sessions over weeks, months, countless document iterations. This is how this PRFAQ process works. The working backward process works at Amazon.

**14:08 LT:** In general, there are two strategies for companies entering markets. There's the fast follower or copycat approach, and then there's the invent a new product. Does Amazon ever go the fast follower route, or do they always invent? It seems like Amazon always invents.

**BC:** Well, actually Amazon has done both, prefers to do invent. But if you actually look at several of Amazon's failures, they generally actually were when the company fast followed.

**14:34 LT:** I'm not sure most people understand how transformational Amazon Prime with the free shipping was for Amazon and what a huge success it was. Can you tell us about how Amazon Prime gave Amazon a huge advantage with its customers and how it changed customers shopping at Amazon?

**CB:** It came out in 2005 and we didn't know exactly how it was going to pan out. There were some risks with Amazon Prime. Even when it was released, it was an all-you-can-eat free shipping program. And usually the first people who come to the all-you-can-eat buffets want to eat more than their fair share of what they pay. We didn't know whether there would be a behavior change for people using Amazon Prime. You thought, Well, if it's \$79 when it first came out, that the only people who may sign up are people who are already paying more than \$79 a year in shipping charges, then they would buy the same amount and all we would be doing was subsidizing the shipping. When we launched Amazon Prime, there were relatively small number of subscribers who signed up in those first couple of days and months, and their behavior didn't change overnight either.

**CB:** It took a little over a year to see those behavior changes, but once people started using Prime and they realized, "Hey, all I have to do is click and it shows up two days later," then their behavior changed, the purchase behavior changed because it was a superior customer experience. It built a moat for Amazon. You wouldn't sign up for a Prime-like program for your favorite electronics retailer, your favorite bookseller, your favorite music store, because Amazon had all of those. So the fact that Amazon was offering all those, you could join one Prime-like program and get your premium shipping experience. By the way if it worked, we had to change our whole logistics infrastructure because it was set up to deliver goods cheaply and reliably.

**LT:** And then Amazon went even beyond that to the idea of the hassle-free returns, where Amazon gives the customer credit before the item even is returned to Amazon. How did that

come about?

**BC:** Jeff often said that there's an important principle, which is what a lot of companies do when they make policies, like a return policy and things like that, for most honest and good customers that say they're going to return something, the best thing to do is to go ahead and give them the credit right away. I have a lot of people I've worked with who are great finance leaders, but oftentimes if the CFO and the finance function starts to run your company, you would become centered around your own financial results in the near term, not focused on customers.

**17:10 LT:** Another part of Amazon Prime is free Amazon videos. Again, it's a business unrelated to or seemingly unrelated to Amazon's existing businesses. How did that come about and how has that differentiated Amazon from its competitors?

**17:29 BC:** It actually has been and was quite central to Amazon's business, dating back to the late 1990s. Amazon's core and heritage were in books, music and video became very quickly the second largest category of the company. For many years, Amazon was the largest place for customers to find, discover, and buy media products online. But then the digital transformation diffused and changed that. And the second thing is that one of the notable things about the movie and TV show business, it has a remarkably high household penetration, higher than many consumer package goods, yet it has an incredibly high frequency of usage. Most households watch movies and TV shows every day. By focusing on things that have broad penetration and that people do habitually, that's a perfect business for a recurring revenue business. Things that don't have deep penetration and they buy occasionally are terrible businesses for a recurring revenue business. We stood on the shoulders of others and observing both how Netflix had entered the business of the recurring revenue stream.

**BC:** Netflix started off by renting DVDS to people. The very first version of their streaming service, it was actually included at no additional charge with people's TV rental. We observed the way that allowed the company to transition in a smooth way rather than

**BC:** force itself to do a cold start. If you try to start a subscription service from zero, have zero subscribers and start off with a small amount of content and ask them to pay money for it, that is a very difficult problem to solve. You can't afford to buy great movies and TV shows, because it's a big fixed cost business. It's very hard to acquire subscribers from zero. By knitting it into an existing subscription service, which is how Netflix got going, that influenced how we thought about expanding the Prime membership program from being defined by solely a shipping benefit to a broad suite of benefits at Amazon that today includes not only fast and free shipping, but includes a fantastic selection of movies and TV shows, a fantastic selection of music and even more.

**CB:** Jeff said, what we need to think about Prime as bigger than just free shipping, we will eventually offer some ancillary services to make Prime a better program. There was a little pause because we were still trying to figure out, "Wait a minute, we don't even know if the Prime is going to work yet, Jeff wants it to be an irresponsible decision if you're a household in the US to not pay that money for Prime because you're going to get so much more in return."

**BC:** As was often the case where everyone else in the meeting was thinking about today, this week or this month, Jeff was thinking [chuckle] about a decade or two ahead of us.

**20:06 LT:** Can you tell about Amazon creating Amazon Studios and its own content? Certainly, again, conventional wisdom would have said that Amazon had no expertise in creating movies and TV, there are so many studios that failed or seemingly had random success in creating successful TV shows and movies. Why did Amazon start producing its own content? And how did they create that content so successfully? What's the secret to producing successful TV and movies?

**BC:** Very early on, all the way back to 2004 when we started down the path of digital media, Jeff made an important observation he shared with Steve Kessel, my manager, who then passed it on to me, which was that in physical goods e-commerce business, the way that Amazon created value is by being an aggregator, anyone could ultimately aggregate digital books, movies, music, and no one entity could gain any relative advantage in terms of cost-saving, speed of delivery, quality, they would all be about the same. In order to differentiate in digital media, we actually had to look at the old analog media world, and how did those entities differentiate. And basically, on one end of the spectrum where our distributors, in the old days, that would be a TV station or a TV network, and in the digital world, that would be devices or applications. And then on the other end of the spectrum was the content creation itself. The only place to see these high-quality movies and TV shows is this app. That's what caused us to sort of move in that direction. As to the secret to doing so is really to pull together the right team, A, look at the data to understand what kinds of movies and TV shows that people want to see, and then, B, go out into the creative community to find the scripts and projects that are the most promising to meet those customers needs.

**21:54 LT:** Within one year of Amazon's founding, Jeff Bezos articulated four key principles that Amazon follows till this day. The first one is customer obsession instead of competitor obsession. Can you tell us about that?

**22:10 CB:** From the first day I met Jeff, he wanted to build Earth's most customer-centric company. Day in and day out, he would not only repeat the mantra, but also weave into the processes that the company performs on a daily basis to make sure that the customer is not forgotten and customer obsession shines in everything you do. When we interview people, we make sure they fit that customer-obsessed culture rather than a fast following competitor-obsessed culture. How we collect data and how we measure the businesses, Jeff from early on, had a heavy bias to, "Let's measure as much as we can... "

**BC:** And Jeff is wise to pick this model, because the benefit of picking customer obsession is that customers are perpetually dissatisfied. And one of the things that happened is we were pioneers in this online business, and in online businesses, the executives have the direct connection to the customers, meaning email back in those older days were customer reviews. And by reading those, you could get this tactile granular information about customers, where were they satisfied or where were they dissatisfied. And customers are not shy with email [chuckle] about telling you all the ways they're dissatisfied and often with salty language too. By focusing on customers, the good news is you never rest on your laurels. Even if you catch your

competitors and you become number one, you're not just saying, "Oh great, I'm number one now. I passed that competitor," by focusing on customers, you're in a constant state of invention and improving your processes and services to please them.

**23:45 LT:** I can tell you that as an Amazon customer, I am continuously delighted with new surprises, like the hassle-free returns where I get a credit even before my item has been returned to Amazon or Whispersync on a Kindle. There are all these wonderful things that I wasn't expecting, that are just terrific. Jeff's second principle is willing to think long-term with a longer investment horizon than most companies. Can you give some examples of that?

**CB:** We have this concept and tip of the hat to Jim Collins and his book, *Good to Great*, where there's a flywheel, how do you inject energy in your daily activities of the company to improve the customer experience, lowering your cost structure so you can afford to lower prices, adding more items that are available in our fulfillment centers or through our third-party marketplace sellers to deliver it to customers and reducing the click-to-deliver time. The nice thing about having those is those are durable customer needs. So, any work that you can do today to make the products cheaper or get it to customers faster, that'll pay a dividend today, next year, five years, 10 years from now. Everyone at the company thinking, "How can I improve the customer experience even just a little bit this week?" It adds up and it accrues over time. That's one example of long-term thinking. The other thing, Jeff, always used to say is, "Be stubborn on the vision and flexible on the details." You have to move fast, you're going to get things wrong, and you have to pay attention to outside trends, study data, and work to disconfirm your initial beliefs to make sure that they're the right ones, but be stubborn in what the important things, the needle drivers for the company and the customer experience are, and just have trust that those will work out.

**LT:** How much was Jeff willing to invest on new businesses like the Kindle?

**25:41 BC:** Well, there's a famous quote that we included in the book where we began working on digital media in 2004, and Kindle didn't actually release until I think it was 2007, so it took quite some time. We didn't want it to not come out till 2007. There we had set a challenging new course for us. We had to stand up a whole new hardware development organization, we'd never built a hardware device before, and oh, by the way, we were trying to solve a whole bunch of new technical problems. In 2006, this project was over budget, it had missed its dates, and there were some tough meetings at the S team. Jeff and his direct reports get together and review businesses. One of the other S team members asked him a pointed question, saying, "We're investing so much money in this. How much money are you willing to really spend or invest in this Kindle?" Jeff paused, looked up and then half serious, half jokingly looked over to our Chief Financial Officer, Tom Szkutak, and looked at him and said, "How much have we got?"

**BC:** The joking part is Jeff knew exactly how much Amazon had, but what he was really doing was making a point to say that this is incredibly important, the future of the company is at stake here in many ways because our media business is going to go away if we don't make this transition, and in some respects, it doesn't matter what the upfront costs are because we have to be able to get to the other end of this. Also keep in mind, by the way, the Amazon of 2006, it was a lot leaner company from a profitability and revenue point of view than the Amazon of 2021, so

the amount of money we're talking about then meant a whole lot to Amazon in those days. Wouldn't mean quite as much today.

**27:12 LT:** The third of Jeff's founding four principles is eagerness to invent. You've both talked about that, but eagerness to invent goes hand-in-hand with failure. Is Amazon a good place to fail at?

**CB:** If you want to be a place where lots of invention happens, you also have to accept and have processes to deal with failure, and one example that jumps to mind about when something fails... We got this from Toyota, the Five Whys process, or correction of errors report... And it's really just a clinical study of why... The website went down, what happened? And then why did that happen? And you trace it back till you get to the root cause, and it's often not just one root cause by the way. It's usually three or four things that happen unexpectedly at the same time, and then you put a mechanism or a process in place to make sure that doesn't happen again. You don't just yell at the team to say, "Keep the website running," and putting it on their performance review. So you have to make sure that when people do fail that you have to be able to talk about failures.

**CB:** There's a process called the voice of the customer, and we had a voice of the seller too, where we would collect anecdotes from customers and sellers of where we let them down. Those are painful stories to hear, but you read them out in front of everyone in the room, and then the groups who are involved or who had caused some of that would have to come up and say, "Here's how we found the problem and here's how we're going to fix it." And again, this was not a finger pointing exercise. If you shout about your failures, you're doing another thing, you're likely preventing other teams from making the same mistake twice, the same mistake that you made. So those are two examples of where it's okay to fail. Fire Phone is a big failure, and Ian Freed didn't get fired when the Fire Phone didn't take off as Amazon had hoped. Predicting consumer behavior is tricky, so this invention machine Amazon has created, it's going to have some failures with it. By the way, if it doesn't, it's not working fast enough, you're not pushing the boundary enough, so you have to know when and how to accept failure.

**LT:** Jeff's fourth principle, the last one, has to do with operations and taking professional pride in operational excellence. Most companies don't put operations front and center, and Amazon, not only as the low-cost provider, they provide the best service, and they're also the most trusted company, most trusted brand in the United States. How does Amazon think about operations and how do they achieve operational excellence at such a low and decreasing cost?

**BC:** When I first joined Amazon, I remember we weren't profitable. I questioned, "We can't really afford to maintain such a high quality customer service organization if we're going to offer low prices. Like these things are incompatible." And Jeff was very clear to say, "No, that's not right. That's the tyranny of the 'or.' We need to have the 'and.' It's possible for us to actually have high quality and low prices too, and have a low cost structure." It's just another example of the way that Jeff set incredibly high standards, because most companies would never try for that. They're content to say, "Yes, that's a trade-off. So we're going to do one or the other." It was a journey to get there though, because honestly, we did not have high quality in the late '90s, and part of it was about hiring the right kind of leaders into the company who were great operators. And Jeff Wilke was one of the most notable ones. He really drove a ton of quality initiatives with

the fulfillment centers and operations of the company.

**BC:** And the second way was actually by establishing the culture of high quality and high standards in the software development engineering organization too, so inevitably and invariably things will go wrong with your code, bugs will happen, problems will happen, and we would hear about these different ways in which our software would create problems for customers. And this is where being customer-centric and customer-obsessed helped drive us to quality, so not only would there be lots of anecdotes that Jeff would forward to us, but also we would proactively instrument and monitor our services to go find defects, find places where customer experience was broken, and then we'd root out using a technique that was pioneered at other companies called the Five Whys process to really get to the root cause and programmatically fix these things to make them not recur. As you keep doing that every week, every day, every month, every year, then the quality of your service and experience will just get better and better, your company will get better and better at setting and maintaining high quality standards.

**CB:** So there's a saying that "You don't let defects travel downstream," and Jeff Wilke was the first person who I heard say that. He was the former CEO of the consumer business, but also ran the logistics operations. If you see a defect, it's second nature at Amazon to go figure out why it happened and fix it. Amazon has incredibly high standards, but their standards have to come from within. You have to know that even though no one's going to see this work, I'm going to make sure it's the best, error-free work that's under the tip of the iceberg for a person or a team or even for customers. Most of that work goes unseen, and that's really what taking pride in operational excellence means, and how you can have the high service and low cost at the same time.

**LT:** Jeff Bezos seems to have played such a key role in so many decisions. How do you think the company will succeed longer term without Jeff Bezos driving the day-to-day decisions?

**CB:** A lot of where he put a ton of his energy, even from the 2000s, was not in the specific product decisions across the company. It was, "How does Amazon operate, how does it make decisions, what are the key first principles that he wanted people to fall back on to make tough decisions when he was not in the room?" and that's under that tip of the iceberg that people don't see from the outside looking in to Amazon. And the second thing is that Jeff didn't really make the key decisions. When I was working with him for two years from 2003 to 2005, if you looked at the schedule, a good chunk of it was on businesses that had a revenue of zero and they were new initiatives, Amazon Web Services, Kindle, and Digital, Prime, some things that didn't see the light of day or that also failed internally. The big businesses were already running and operating largely on their own. We would evaluate them on an occasional quarterly basis.

**CB:** But Jeff, now that he is transitioning to a different role, the company is still in good hands, first of all, with Andy Jassy, who is steeped in the Amazon culture but also, he has a deep executive bench that really knows how to run Amazon's invention machine. That machine is still going to continue to hum along, even after Jeff takes a step back.

**LT:** Before I ask you both for the three key takeaways you'd like to leave the audience with today, is there anything else you'd like to discuss that you haven't already touched upon?

**34:19 BC:** No, it's been comprehensive. So, I guess the first key takeaway I would have, related to literally what Colin just said, which is that what most people associate Amazon and Jeff's legacy with are these amazing products and the big company he built. What may be even more enduring legacy is the management science that he has developed which he called and we call the Amazon invention machine, and that's really what we document and capture in our book, *Working Backwards*. The leaders of Amazon have now mastered the scalable repeatable processes, but the beauty is that any business leader can learn from them, and we've broken them down in a way so that you, any leader can actually start using them right away and they'll help your business.

**CB:** One common question that I get a lot is Amazon can afford to think long-term. They don't care about profits. And long-term thinking and customer obsession and invention often get you to your goal faster than getting distracted on what competitors, pundits are saying about your business. One reason is because it takes you off path. You're doing things that aren't really incurring customer value and then, you have to get back to it. And so, it takes you longer to get to where you're going. And two examples of these are Amazon. The company was the fastest from zero to \$100 billion in revenue, mostly through customer obsession, long-term thinking and invention. In the mid-2000s when Amazon Web Services came up, it got to from zero to \$10 billion faster than Amazon the company did, and that's all through long-term thinking. So, long-term thinking often gets you to where you want to go faster.

**35:59 LT:** And the third key takeaway?

**BC:** We sort to make it easy as possible for anyone to start behaving like Amazon and we provide a sort of simple list of things you can start doing. Ban PowerPoint in your internal meetings and start writing documents and you and your team will actually start understanding issues much better, start making better decisions. Establish the Amazon bar-raiser hiring process. It's a great way for you to then start to reinforce the principles and practices that are most critical to your company to make better hiring decisions. Third is to focus on establishing your own leadership principles of your company to put in the thought to define what is leadership for me to look like in my company, for it to be successful long-term and then, figure out how to knit those things into everything you say and do.

**36:45 LT:** Thank you so much, Colin and Bill. It's been fascinating to learn about Amazon and your insights, your stories, your secrets and the practices that you have codified that have enabled Amazon to be successful. This has been great. Thank you.

**OUTRO** male voice: If you enjoyed today's episode and would like to receive the show notes or get new fresh weekly episodes, be sure to sign up for our newsletter at [3takeaways.com](https://3takeaways.com) or follow us on Instagram, Twitter and Facebook. Note that [3takeaways.com](https://3takeaways.com) is with the number three, three is not spelled out. See you soon at [3takeaways.com](https://3takeaways.com).  
The book referred to in the episode is *Working Backwards: Insights, Stories and Secrets From Inside Amazon* by Colin Bryar and Bill Carr.