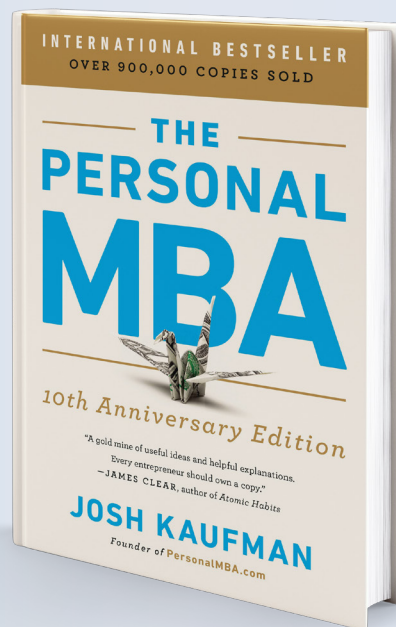


BOOK SNAPS™

Zooming In On Your Next Read



The Personal MBA

By Josh Kaufman

Josh Kaufman is the author of three bestselling books. His research focuses on business, entrepreneurship, skill acquisition, productivity, creativity, applied psychology, and practical wisdom. Josh has been featured as the #1 bestselling author in Business & Money, as ranked by Amazon.com. Josh's research has been featured by The New York Times, The BBC, The Wall Street Journal, The Atlantic, Fortune, Forbes, Time, BusinessWeek, Wired, Fast Company, Financial Times, HarvardBusiness.org, The World Economic Forum, Inside Higher Ed, Lifehacker, MarketWatch, The Independent, Bloomberg TV, PBS Next Avenue, CCTV, and CNN's Sanjay Gupta MD.

Copyright © 2021 by Josh Kaufman • Portfolio; Anniversary Edition

Master the Art of Business

Josh Kaufman is the founder of an organization called The Personal MBA, through which he helps teach the principles of business without students needing to go through the formal process of earning an MBA from an accredited university. He was born in 1983 and he graduated from Yale University. His work has been featured on many reputable online publications, such as Inc. Magazine, Forbes, Entrepreneur, Fast Company and others. He is also a nationally certified coach for pre-business students with the National Institute of Certified Coaches. Kaufman has long been down on the idea of MBA programs, which he takes down in no uncertain terms in the book's marketing materials:

“The consensus is clear: MBA programs are a waste of time and money. Even the elite schools offer outdated assembly-line education about profit-and-loss statements and PowerPoint presentations. After two years poring over sanitized case studies, students are shuffled off into middle management to find out how business really works.”

Where you stand on this admittedly strong opinion will probably say a lot about whether you consider yourself a fan of Kaufman's message and work. But in general, Kaufman's book *The Personal MBA* is a fantastic read for anyone who would like to learn the basics of business. He does an excellent job when it comes to breaking down each topic into smaller pieces, so that readers are able to understand everything without falling asleep in the process. He also offers several examples to support his arguments which makes this work even more compelling and engaging at the same time. Moreover, he provides connections to various resources where readers can find additional information about topics discussed in detail within these pages. All of this combines with Kaufman's witty sense of humor and makes reading his content entertaining and, somehow, even fun.

As Josh says, “True leaders aren't made by business schools—they make themselves, seeking out the knowledge, skills, and experiences they need to succeed.” If he's right, he's written a book that serves as an effective place to start with that search for knowledge.



The Art and Science of Value Creation

Kaufman breaks the book into 9 essential segments, and the first focuses on value creation. The most essential element of this section is his breakdown of what exactly a business is, which can be identified as five simple pieces. According to Kaufman, a business is a repeatable process that:

Creates and delivers something of value...

That other people want or need...

At a price they're willing to pay...

In a way that satisfies that customer's needs and expectations...

So that the business brings in enough profit to make it worthwhile for the owners to continue operation. Notably, that begins with value creation—discovering what people want or need, then making it. Kaufman goes on to explore the process involved with creating value, from ideation to executing on those ideas in a way that leads to actual demand for your products. All along the way, he keeps his tone light but informative enough to feel like a great business course—which seems to be Kaufman's goal, given the book's title.

Marketing for the Future

Next, Kaufman dives into the concept of marketing with his signature no-BS approach that stresses that offering value simply isn't enough. As he puts it in the section's introduction, "If no one knows or cares about what you have to offer, it doesn't matter how much value you create. Without marketing, no business can survive—people who don't know you exist can't purchase what you have to offer, and people who aren't interested in what you have to offer won't become paying customers.

What makes Kaufman's writing on marketing so effective is that he perfectly balances the bird's-eye-view importance of marketing efforts with the technical details that are required to execute it. He leaves no stone unturned, covering everything from attention and receptivity to qualification of leads and point of market entry—and even advanced marketing tactics like controlling a narrative and managing controversy. It's a master-class on marketing that truly ought to be taught in every real-world MBA program nationwide.

Sales, Sales, Sales

The eternal battle for prominence between marketing and sales rages on, but Kaufman isn't particularly interested in crowning a winner in *The Personal MBA*. From his perspective, both marketing and sales have interrelated roles to play—and can make or break a business.

"The best businesses in the world earn the trust of their prospects and help them understand why the offer is worth paying for," he writes. "No one wants to make a bad decision or be taken advantage of, so sales mostly consists of helping the pros-

pect understand what's important and convincing them you're capable of actually delivering on what you promise."

While this is one of the more technical sections of *The Personal MBA*, this complexity comes out of necessity. Kaufman is not afraid to shy away from the technical yet vitally important elements of sales for successful businesses, including the pricing uncertainty principle, price transition shock, value-based selling, education-based selling, and other advanced concepts—some of which are missed in the average MBA class.

Value Delivery Made Simple (Well, Simpler)

Creating value is one thing. How do you bring that value to customers effectively? Kaufman covers this concept at length in one of the book's most compelling sections. This is a particularly remarkable feat considering that many of the concepts involved with value delivery—order processing, inventory management, delivery/fulfillment troubleshooting, and customer support—are generally considered among the driest business concepts. They don't grab attention or get anyone particularly excited about entrepreneurship like innovation and disruption do.

One of the primary focuses of this section is scale. After all, Kaufman compellingly explains, logistical issues are simple on a small scale. If I have to deliver a loaf of bread to my neighbor across the street once a week, my value delivery process is relatively straightforward. But if I had to deliver 10,000 loafs of bread to 10,000 different people, spread across the country, every day, suddenly more advanced processes would need to be in place. Kaufman effectively highlights the methods that will help businesses prepare for that level of scale before they need it, not after.

Mastering Finance

As much as the mechanics of value delivery can lead to glazed-over eyes and disinterest, nothing puts people to sleep quite like discussions of finance. But Kaufman has a unique talent for making financial concepts simple to understand, and placing finance firmly in the larger context of meeting your business goals.

"Finance is the art and science of watching the money flowing into and out of a business, then deciding how to allocate it and determining whether or not what you're doing is producing the results you want," he says, before continuing: "Accounting is the process of ensuring the data you use to make financial decisions is as complete and accurate as possible. It's really not any more complicated than that." The way Kaufman speaks so effectively and concisely on finance and accounting, you're likely to believe him.

The Human Mind

In Kaufman's own words, "Understanding how we take in information, how we make decisions, and how we decide what to do or what not to do is critically important if you want to create and sustain a successful business venture." Once you have a clear pic-



Once you have a clear picture of how the human mind works, it's easy to find better ways to get things done and work more effectively with others.”

ture of how the human mind works, it's easy to find better ways to get things done and work more effectively with others.

Concepts covered here include conservation of energy, conflict resolution, pattern matching, intrinsic and extrinsic motivations, and how inhibition can be both an enemy and an ally when trying to motivate yourself and others to escape their comfort zone and deliver great work— or purchase your product despite their reservations. Meanwhile, Kaufman covers business 101 basics such as scarcity, absence blindness, loss aversion, and novelty to explain why people do what they do and buy what they buy— or don't buy what they don't buy.

Working with Yourself

In these sections, Kaufman turns his psychological focus towards two distinct but equally important areas— your relationship with yourself, and your relationship with others.

First, he begins by highlighting that the most effective and successful entrepreneurs and business people are those who know how to 'work with themselves.' "In today's busy business environment," he writes, "it's easy to get stressed about everything that needs to be done. Learning how to work effectively and efficiently can be the difference between a fulfilling career and a draining one."

A quick glance at the chapter titles in this section might have you thinking you're ready a philosophy book— Akrasia, Monoidealism, States of Being, Self-Elicitation, to name a few— but each one is effectively tied back to the principles of business and justifies its presence in this book. Kaufman believably draws a line directly from enhanced understanding of human nature to increased business success, in any industry or market.

Working with Others

At this point, Kaufman acknowledges the inherent truth of running a business— it's not just you. No matter how small or humble your company's origins, any goal you may have of future growth will require you to work with others.

"Working with other people is an ever-present part of business and life: you can't escape it, even if you want to. Customers, employees, contractors, and partners are all individuals with their own unique motivations and desires. If you want to do well in this world, it pays to understand how to get things done with and through other people."

It's here that Kaufman's book outshines its traditional education counterparts. He recognizes that a business is more than just

strategies and finances, profit margins and marketing schemes. It's the interaction of people, sometimes on a small scale and sometimes on a massive scale. This understanding makes the book, and this section in particular, both engaging and highly actionable. It's packed with insights, from communication overhead and employee safety to the dangers of apathy, improper planning, and imbalance of power.

Understanding, Analyzing, and Improving Systems

At its core, a business is a system. Its people, its policies, its products, its customers, and everything in-between all create a complex moving organism of sorts. But that system also operates within other systems— the market, the industry, the society, the planet. Meanwhile, smaller systems operate inside of the business— the teams, departments, and employee relationships that must be navigated daily.

Understanding, analyzing, and successfully improving those systems is the central focus of the book's final third. And while it's decidedly more complex in its subject matter than much of the book, its value isn't lost as a result. Kaufman manages to reveal key insights based on economic and even philosophical concepts— Gall's Law, for example— to help readers become more effective business leaders through their understanding of complex (and simple) systems. Here is where Kaufman ties it all together, helping businesses build resilience, stress test their processes, establish standard operating procedures that are built to be changed, and ensuring a healthy experimental mindset no matter how big or established your business may become.

Conclusion

Josh Kaufman has created a great resource for anyone who is looking to learn more about business and get the real-world experience he provides without having to spend years working in the real-world themselves. *The Personal MBA* provides all the information you need to know in order to start your own business or improve an existing one, without going deep into debt or spending years of your life pursuing an MBA at one of the outdated programs still being offered throughout the country. This book does not offer any quick fixes and instead teaches people how to think like successful entrepreneurs, and for that alone Kaufman should be respected as a profoundly talented mind on the art of teaching business for the real world.