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The Brainfluence Podcast with Roger Dooley
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Welcome to Brainfluence, where author and international keynote speaker Roger Dooley has weekly conversations with thought leaders and world class experts. Every episode shows you how to improve your business with advice based on science or data.

Roger's new book, *Friction,* is published by McGraw Hill and is now available at Amazon, Barnes & Noble, and bookstores everywhere. Dr Robert Cialdini described the book as, "Blinding insight," and Nobel winner Dr. Richard Claimer said, "Reading Friction will arm any manager with a mental can of WD40."

To learn more, go to RogerDooley.com/Friction, or just visit the book seller of your choice.

Now, here's Roger.

Roger Dooley: Welcome to Brainfluence. I'm Roger Dooley.

I often use Amazon examples in my speeches and workshops and the company has an early case study in my book, Friction. So today, I'm excited to be joined by Colin Bryar. He joined Amazon way back in 1998 and spent the next 12 years as part of Amazon's senior leadership team. For two of those years, he was chief of staff to Jeff Bezos, also known as Jeff's shadow. After Amazon, he served as chief operating officer of the Singapore based eCommerce company, RedMart, later acquired by Alibaba. Colin is co-founder of Working Backwards where he teaches how to implement Amazon-style management. His new book, strangely enough is, Working Backwards: Insights, Stories and Secrets From Inside Amazon. Welcome to the show, Colin.

Colin Bryar: Thanks for inviting me on the show, Roger.

Roger Dooley: Explain, Colin, what it meant to be Jeff Bezos' shadow and what that experience was like.

Colin Bryar: So I was very fortunate to have spent two years working with Jeff as his technical advisor or shadow as they called that role internally. When Jeff first asked me if I would like to take the role, my first question was, "Well, what is it? What is this role and what does its success look like?" Because I knew it was such an important role that I didn't want to take it if I didn't think I was the right person to help in that role. But the way that Jeff put it is that the first thing was to help him be a better CEO, so I worked a lot with teams who would be coming in to talk with Jeff or afterwards, following up with teams after they had talked with Jeff.

But he said the more important thing was a longer term part of the job and he said that by the end of this tenure in the role, that we'd be able to model how each other thought about different issues, because I would go somewhere else in the company and work relatively autonomously. So I took that part to heart too, and I would take advantage of all the hallway dead time and space or for traveling and have long list of questions. I'd keep peppering him with and just really figure out how he thought about different issues. So, really, what it looked like every day? During that time, he probably got in the office around 10 and left around 7:00, so I'd bookend on either side of the day.

It wasn't just a technical role, so it was really being in the room and participating in everything that Jeff did for those two years. So I got to see a really good broad overview of the company and then where Jeff's spent his time, one of

the questions that I often get from lots of CEOs, especially who are stepped into a big role, it's like, "How should I spend my day?" How a CEO spends his time is one of the most important decisions that you can make. Jeff gave me some good insights on how he viewed that and then also, how he wanted to scale the company so people could make decisions when he wasn't in the room that he'd be happy with.

Roger Dooley: After spending so much time working directly with Jeff, is there any particular superpower, or maybe are there a couple that you observed that he seems to have that other, even pretty good leaders that you've met haven't had?

Colin Bryar: Number one is, the smarts is just off the charts and he's very humble about that too. He said that you really want to be proud of your actions, not your gifts. having a high IQ is really just a gift. he just has that innately. But besides that, where he, I think, shines above most that I've been around is just customer obsession. He never compromises on that. His time horizon is much different. He thinks long-term about things and just that spirit of invention also shines through. Those three things are really contagious, so one of the things that I learned is that long-term thinking doesn't necessarily mean it takes you longer to get to your goal. Often, long-term thinking forces you to really focus on where you want to go and you won't deviate off path and you'll get there faster.

Two examples of that are Amazon was the fastest company from a zero to a hundred billion dollars in revenue. Then AWS, we've taken as a separate company, which didn't have any tailwinds really from

Amazon, the eCommerce company when it started, grew from zero to $10 billion faster than Amazon did. That was really with long-term thinking, but so just a spirit of invention long-term thinking and customer obsession. Then, what was interesting during the time I worked with him, and he even said he learned how to become a better operator. There are lots of great operators at Amazon who are operationally excellent and taught Jeff a lot about that. Jeff Wilke, in particular was one of them, so that was a teachable skill. Jeff was always curious on learning new things and then taking those new ideas and incorporating them into Amazon.

Roger Dooley: Colin, PowerPoint, well, first of all, it's pretty much ubiquitous in corporate America. At the same time, it has kind of a bad reputation to the point where death by PowerPoint is a thing and usually, that refers to boring slides that are filled with text, people putting up 50 line spreadsheets a slide, but nobody can read anything and all these misuses of PowerPoint, but Amazon banned PowerPoint from many of their internal presentations, if not all. Not because they're so incredibly boring, but because it could be too persuasive. Explain it that concept of how PowerPoint can, actually, be maybe a little bit too effective, but also, why Amazon dropped it in favor of written narratives.

Colin Bryar: Amazon dropped PowerPoint in favor of written narratives for decision-making meetings. So Amazon still uses PowerPoints for things like all hands or when it's a one-to-many broadcasting to a group, the VP gets in front of a group. But for decision-making forums where you're looking at a body of information, it was back in 2004, we were using PowerPoint just like everyone else. We

realized that as the business was getting complex, we weren't making the high quality decisions that we wanted to and it was at his management team meetings. It was held once a week on, on Tuesdays and it was a four-hour meeting and there were about two to three teams that would come in and present. It was actually a Wednesday. I remember that day of the week. He said, "Okay, starting next week, we're going to try narratives."

One thing that was notable is it was an experiment. We realized that PowerPoint wasn't really working for us or slides and we could have always gone back if the narrative idea didn't work, but Jeff has later since called this move, "One of the best things that Amazon did." Where it removes bias, really, and it removes the presentation bias. An example is, you can have a charismatic speaker who has a so-so idea, or even a bad idea, and can convince a group or an organization to go forward with that. Not maliciously, but it's just not a great idea. A great presenter can convince a group of people. The flip side is you can have someone who has an awesome idea, but is just not a great presenter. It could be a boring presentation and you may skip over something.

Often, when people ask about slide presentation afterwards, "Well, how did it go?" They say, "Oh, the presenter was really engaging," or, "The presentation was boring." But at the end of the day, customers don't really care how the meeting went, in terms of the presentation. They cared that the company took an idea and took an action that would make their lives better, either through creating a product or a feature and rolling out something that enhances their lives. So Amazon switched to use

narratives just because it can convey a lot more information in the same unit time, at least 10 X. If you look at pixel density, it can handle the multi-causal relationships versus a hierarchical slide. A presentation. Doesn't do that. What it is allowed Amazon to do is the leaders stay connected to a broader range of businesses at a much deeper level.

If you spend an hour in a narrative meeting or an hour in a slide meeting, same hour, but you get about 10 times as much information, so on average, you're going to make better decisions with the former versus the latter. So those are a couple reasons that Amazon tried it. It was an experiment and it worked so well that they continued to use it and it wasn't just for Jeff's staff meetings. This is another example. You know something's a good process when it's easy to implement, it's teachable and then you don't really have to have huge auditing mechanisms to make sure it's being followed. Leaders at Amazon just realized this was a more effective decision-making tool for them than slides and so they started adopting it on their own. Now, you get to the point where if you started to put a slide up it, people would scratch their heads and say, at Amazon, "Well, what are you doing?" Thus, in this meeting, you go start writing a narrative.

Roger Dooley: I like that concept because I think that PowerPoint can be a great tool for persuasion or for informing people of what you want them to know, because you can communicate some of it verbally, some of it visually. You can add the chart. You can add, sometimes it's simple imagery, and all of this can make for a very impactful presentation. But if you're trying to analyze a business concept, it's probably not the best tool because the information density

is very low. I can go through up to 200 slides in a 45, 50-minute keynote, so clearly there is almost no information on each slide because it's not quite moving like a movie, but it's moving very quickly. People always say, "Hey, can I get a copy of that deck?" I'm more than happy to give him a copy of a deck, but they're not going to be able to drive much from it later on. Maybe it if they saw the presentation, maybe it'll bring back some of the ideas, but there's no way they could share that with a colleague and have the colleague get anything out of it.

Colin Bryar: Yeah, and that's just another thing with a written narrative, you have a record. If you're not at the meeting, you can read the narrative and the comments and the questions and the answers to those questions inside the document because now it's a collaborative document and get a very good idea of what the decision was made. Whereas, if you walk away from a presentation, people tend to remember the parts that they like, or the parts that they didn't like, the extremes, and they walk away with a slightly different idea of what was said. But so it's a good tool for some cases, but it's not for Amazon for decision-making.

Roger Dooley: Something that I talk about a lot is Amazon's focus on reducing customer effort, making the customer experience as frictionless as possible and I do this from an outsider's perspective. I talk about things like one-click ordering and some of the other frustration-free packaging and so on. I quote Jeff Bezos as saying that when you reduce friction to make something easier, people do more of it. I'm really curious. That's from an outsider perspective. I'm really observing what I've seen from an insider perspective, but talk a little bit about that and what

both Jeff and the Amazon culture, in general, felt about customer experience and, in particular, reducing effort.

Colin Bryar: So, the funny thing about when one-click is when it first launched, it was literally one click and you ordered and people didn't know they ordered. So there's a message we had to put in afterwards that said, "Yes, it really was that simple. Your order is on its way. So Amazon's flywheel is really all about which are the things that drive the business and drive the growth of the business. A good chunk of the flywheel is lowering the price structure, adding selection to the catalog and then, convenience. Part of convenience is the click to deliver time, when you click on an order and by the time to get your house, but also, part of it is being able to find and discover products that you may want to buy. All of that is removing friction in that later part.

So all of the features we knew we were inventing a new paradigm for how commerce was being done. You could take technology and do a lot of things in a much easier way than had been done before. An unlimited number of products could find you, for instance, based on your browsing history, purchase history, what other people are doing. So we tried to make those things that we thought you would want come to you versus you going to find them. So that's one example of removing friction. Another example is, really, with returns and the way returns processes have been set up at most companies where it's a hard process. It has a lot of friction and that friction is deliberate.

It's deliberate to prevent people from defrauding the company and what we looked at with our returns process,

we thought, "Well, the vast majority of our customers are trying to do the right thing and they're trying to return something most often because we made a mistake, and so let's make it easy for them to return the product. When they say they're going to return it, we'll give them a label and we'll offer the refund once it's on its way. Then for the very small percentage of the people who are trying to either defraud the company or skirt the system, we can detect that later. So don't penalize 99.5% of your customers who are trying to do the right thing to save the 0.5% of the customers who are trying to defraud you." Make no mistake, Amazon will detect that bad behavior for that very small group of people and deal with it appropriately, but not at the expense in the friction in the system for the rest of Amazon's customers doing the right thing,

Roger Dooley: You summarized about half a dozen of my slides right there because I spent years in the mail order business myself and pretty much changed businesses just as eCommerce was taking off, or beginning to take off. But I can verify that returns are really a horrible thing from the standpoint of the company because they're very expensive. Often, the product itself is unsaleable if you get it back. It's inconvenient. It takes customer service time, awkward for the customer. So most companies actually do, as you say, try and discourage returns. I recall when some companies would ship product in packaging that got destroyed so that it added additional friction. If you wanted to ship that product back to them, the customer would have to go find something to put it in. If it was something awkward in shape like maybe an old-fashioned record album, then that was really a difficult thing and people would just say, "Oh, I'll keep it. It's

okay." So that, to me, is a pretty remarkable thing for a direct marketing company to do, but, obviously, it's paid huge dividends for Amazon.

Colin Bryar: The frustration-free packaging, a lot of those clamshell plastic things are really meant to prevent theft in stores. I don't know about you, but whenever I open one of those things, probably it's about a 50% injury rate for me, but trying to get them open where I get a big gash in my hand when I'm trying to open it, and so we realized, "Well, this packaging, it's not for the customer." So we tried to change it. "How can we make a customer custom packaging where it's when they get it, it's easy to open and use? There's no risk of injury and when you get your flashlight and you're trying to open it up out of that clamshell packaging."

Roger Dooley: Recently, I have a pair of sheers, kitchen sheers, that I used to open those things with and it minimizes injury risk. It doesn't eliminate it, but I wore those out and got a new pair from a very nice German cutlery manufacturer, so really quality stuff. Believe it or not, they came in one of these heat sealed clamshells. Not only that, they were secured to the clamshell by literally an industrial string cable tie. I had to go to the garage and get wire cutters to get that thing out of the package, which I thought it was rather ironic.

But unfortunately, it's pretty typical and it's such an important concept, but so many companies don't get it. They think, "Ah, it's no big deal. I open those things all the time." The CEO will probably have somebody that opens those things for him if he ever gets one. Now, one of the interesting concepts is in the book, is single-threaded

leadership and that isn't really obvious. I think many companies think of a skilled manager as being able to handle multiple responsibilities. That's what makes them a good manager. They can keep a lot of balls in the air and not have any of them drop. Why is single-threaded leadership important and how did Amazon achieve that?

Colin Bryar: It took a while for Amazon to achieve it. I'll get to that in a second, but why it's important is if something is big enough to be worth doing, you do want someone who wakes up every day when it's their sole job to figure out, "How can I create this product or value for our customers and just be immersed in that customer experience?" Same thing with their team. You'll come up with something quicker and, actually, most of them, higher quality than you would if it's your part-time job. So Dave Limp who's the SVP of devices has a great quote where he says, "The best way to fail at inventing something is to make it someone's part-time job."

So the way Amazon develops products by starting front in services, you start from the customer experience and then work backwards from that. You have to really get deeply immersed into, "What is the experience I'm trying to create?" That's hard to do when you're context shifting to something very different, especially if what you're trying to create is a small business right now, it may be very large in the future, but it will always suffer. It will be number four or five on your priority list if you're also running some very large businesses on the side. So even for senior executives, many times Amazon has taken very senior executives from large businesses and put them on a non-existent business and said, "Can you go create this?"

That would be a career breaker at some companies. A few examples are with digital. They took Steve Kessel who was running the physical books, music and video business, which was 77% of Amazon's business when he switched to go figure out how to do digital. We didn't really know this, we were going to build the Kindle at this point. We didn't know if we would do music first or video, but it was Steve moving from one of the biggest jobs at Amazon, along with Bill Carr, my author, to a group, a handful of people saying, Now you need to go figure out digital," and that actually took about a year and a half, two years to go figure out the components we needed to be build. That would not have happened if Steve and Bill also had to run this very large cash cow for Amazon. So that's just an example of a single-threaded leader.

How do you get there? You have to have two things. You have to have a technology infrastructure that allows you to separate these things. You don't have to go into too much detail there. You have to deliberately set that up and if you see dependencies, you need to remove them. But the second thing is you need to teach people how to be autonomous and take control of their own destiny. In some organizations, if they're used to being told by someone else, "Here's what you should do next," or you present your plan. I'm going to go review everything and I'm going to tweak it and make sure it's right and it's not really your plan. You have to give people and teach them how they can be autonomous and run on their own and then finally, make sure that the person who is working on that opportunity has the skill sets and experience sets, is commensurate with the opportunity at hand.

You can't have a junior product manager, for instance, start Amazon's digital business, which would become Kindle, Prime Video and Prime Music. You had to have someone like a Steve Kessel and a Bill Carr knew what success looked like. He had to have someone like Andy Jassy when he went over to Web Services. There was no revenue there, but cloud computing and didn't even exist then, so he and his team created the cloud computing industry, but Andy had just left as Jeff's shadow. He could have had any job in the company he wanted to, but he went to this experimental thing that had a high chance of failing, but created cloud computing, but he was a single-threaded leader on that.

Roger Dooley: I think that exemplifies a few things that first of all, in many companies, the path to personal success, be that higher compensation or a higher status in the company, is moving up the hierarchy, making your boss look good, not taking any big risks because generally, you're going to be changing jobs often enough, but whatever you work on is going to have limited impact right now. It might impact the next person in the job even more than it impacts things while you're there, where this is the total opposite.

To think of, say, a major automaker, say, "Well, okay. We've got this person who is the global VP of manufacturing. We're going to tell this person now to go figure out electric vehicles, because we know that electric is going to be important in the future." That just doesn't happen. What you would have, no doubt, is the CEO assigning the job of figuring out electric vehicles to somebody who would, then, pass that down until ultimately you have a specialist electric person on that project, which, of course, doesn't give it the heft or the

visibility or the potency in the organization, so that's really a huge takeaway.

Colin Bryar: Compensation is also very important there. Amazon is long-term equity focused, but if you ask someone to do something, but pay them to do something else, if their bonus is based on revenue from the existing car division that they're running and not electric cars, they're going to focus typically on, "Okay, you're paying me to do this and you've asked me to do this, but I'm just going to treat it as a part-time job," because actions and compensation will typically win the day out of good intentions.

Roger Dooley: I think that a very common tendency at most companies is when they're looking for new ventures is to try and build on existing skills like, "Okay, we know how to do this pretty well, so how can we extend that to some other space?" Or, We have this capability, you have this kind of knowledge, whatever, how can we extend this?" This gets into the title of your book and the concept of working backwards and also the future press release idea. Explain how that works.

Colin Bryar: Yeah. So the skills forward approach that you described is what a lot of companies do. They look at what we are good at and how can we nudge into a market, a SWAT analysis, what our competitors are doing, but what's often not mentioned is the word, 'customer, and so this is where Amazon faced the same problem that all organizations face, how do you take an idea, vet it and bring it to market? But tried something radically different and it also was something, an experiment, and we tried it and it started working so well that it just spread out through the rest of the company and it was with the working

backwards process. It's the title of our book, but it's also a very specific process at Amazon on how Amazon takes an idea, no matter how small or large and decides whether to bring it to market or not.

So it can work for a feature on the phone app or a webpage or create this thing called cloud computing. It's a scalable process and has fractal quality, too. But at its heart, it's really starting from the customer experience and then working backwards from that. It sounds easy, but it's quite hard and it takes many iterations. So the working backwards process, one, it's an iterative process and the tool that uses a PR FAQ document. So it's a written document and a press release and an FAQ. So the very first thing you have to do is you have to write a press release about what is the customer problem I'm trying to solve? What is the solution and why is it good for the customer? You write that and if you're not ready to go out and buy that product or use that feature, you don't move to the next step.

A lot of people want to work on something, or, "Hey, let's build this because we know how to do this." But at Amazon, we really made sure that we were focused on what is the customer problem we are trying to solve? Then, the second part is after you write a few versions of the press release, you also have a FAQ document and there's broken up into an external and internal FAQ. So the external FAQ, questions and answers that you'll ask and answer to the press or to customers, How much is this product going to cost me? Why should I use this versus what's out there on the market? If I change my behavior and use this service, how's it going to make my life better? So those are types of external facts, and you

really have to go in detail, explain that. That, again, is challenging. If you don't crisply define your problem and you can't convince the customer, then you rewrite that.

The internal FAQs are all of the tough problems that you are going to have to solve as an organization and how you have to organize in order to go solve them. There could be unsolved technical issues that you need, you don't know how to bring it to market yet. What is that? So do we ever use it directly or partner Salesforce? How are we going to build this product with the bill of materials under $150 with these sets of features? Going through this process, you realize, and the process tells you what skills the company needs to acquire in order to develop this solution versus the company saying, "What skills do I have, therefore, what can I build?" Those are two very different paths. So with the digital path for Amazon, we were not a device maker and we started going through this process and realized that in order to build a great E-reader, we needed to control that device because that's where a lot of the innovation was going to happen.

We didn't want to outsource that and we also wanted to control the customer experience there. So, pretty quickly, we realized that, "Hey, if we're going to go into this digital space, we're going to remember 77% of our business was physical media and we knew a bunch of that was going away." So we said, "if we're going to cannibalize this business, someone's going to cannibalize it. If it's going to be us, we need to learn how to build devices." We had never done that before and so it took a number of years to essentially get that capability. Not only did it turn into Kindles, but now you look at Alexa devices, ring doorbells and it's really proliferated, but that is something you

wouldn't get with a skills-forward approach versus a working backwards approach. The process tells you what you need to do in order to solve a customer problem versus the other way around.

Roger Dooley: How did Amazon test some of those market assumptions? I recall one market that I was involved in very early on was home automation, which now as a result of efforts by Amazon and Google and a few others, is actually becoming a real thing that normal people are using. But this started way back in the late '80s and early '90s where some big brands, small companies were all piling into the home automation market basically because this networking technology and control technology existed. They said, "Wow, we can apply this to automating homes. People can turn their lights on and off, their appliances on and off."

They had this laundry list of things that people could do, but, clearly they didn't take this press release approach very seriously because nobody ever looked to see, "Okay, how are we going to present this to the average homeowner? What's this thing going to cost them? What are the true benefits that they want from it?" At that time, the answer was, "It's got to be super expensive, about 10 or $20,000 for a home, which you might be able to, at that point, put in a swimming pool or an extra bedroom for, and they're going to be able to turn some lights on and off, and you're not going to see anything, and it's all going to be buried in the walls. So nobody really did that kind of examination. They got so caught up with, "Wow, this is what we can do." How does or did Amazon test whether the market really would behave the way that they expected it to?

Colin Bryar: What I can tell you what Amazon typically doesn't do for something like this, if you had sent a survey saying, "Do you want a hockey puck or a cylinder in your house that you can talk to and it will answer you in order groceries?" They wouldn't know what to do with that, first of all. Or, if you said, "What type of hockey puck do you want in your kitchen?" So market research, when you're trying to create something brand new, Amazon doesn't do a ton of that. Amazon takes a different approach, which is the working backwards approach, which is, "What are real customer problems that we can or should solve? We may or may not have the capabilities to solve them," and then you take a look at the total addressable market.

So the second part is this a big enough problem? Does it affect enough customers to be worthy of devoting resources to go try to solve this, to make customer's lives better?" Because most of these ideas, they're actually pretty good ideas. It's pretty easy to discard the duds and the awful ideas at the beginning of the process. It's where, "Hey, this is a good idea. I'm not really sure what it is, but can we make it into a product that we can build that customers will buy?" That's the tricky part in the secret sauce, but you really just have to go down to the next level and deeply immerse yourself in the customer experience and, "Would you use this on your own?" Part of it is, "Yeah. Would I pay $20,000 to have a doorbell that can see people walk by?" "Well, no. I wouldn't do that, but would I pay $200? Yeah."

So that, then, forces people to figure out, "Okay, if we're going to do this, we need to have a device that has these capabilities and this type of networking available in the house and bandwidth." So with digital, for instance, we

were looking at digital before we invented Kindle, but we realized the screen technology wasn't there, the internet bandwidth wasn't there, so it was a little too early. That's part of the working backwards process too, is that, "Is now the right time to do it and is it big enough?" But the customer research things, especially when you're creating something brand new, doing things like surveys and focus groups, those should be tools that are meant more to reaffirm your hypotheses versus having them generate what you're going to build next. So Amazon works a different way than a lot of companies in that respect, because it pivots on understanding the customer experience.

Roger Dooley: Right, and I think to extend your example to a home automation, was there a pain point there that that was going to address? The answer was the pain points weren't that big. The engineers who designed this stuff loved the idea of being able to sit in one room and control all lights around the house and have them go on and off according to program. But that wasn't addressing a pain point for most consumers. It just it's like, "Oh, that'd be nice, maybe." It was way too complicated for the vast majority, too. Colin, this has been fascinating. How can people find you and your ideas?

Colin Bryar: So we have a website called workingbackwards.com and it explains a little bit about what we do and the process. So my colleague, Bill Carr and I, we advise companies on what this Amazon advances in management science are, and should they decide to implement one or more of these in their own organization, we coach and advise CEOs and executive teams on how to implement these principles and processes in your own organization. So

workingbackwards.com is the best way to get an initial takeout at what we have going on.

Roger Dooley: Great. Well, we will link there to the book and any other resources we spoke about on the show notes page at rogerdooley.com/podcast. We'll have audio, video and texts versions of this conversation there as well. Colin, thanks for being on the show.

Colin Bryar: Oh, thank you for inviting me, Roger. This was a great conversation.

Thank you for tuning into this episode of Brainfluence. To find more episodes like this one, and to access all of Roger's online writing and resources, the best starting point is RogerDooley.com.

And remember, Roger's new book, *Friction*, is now available at Amazon, Barnes and Noble, and book sellers everywhere. Bestselling author Dan Pink calls it, "An important read," and Wharton Professor Dr. Joana Berger said, "You'll understand Friction's power and how to harness it."

For more information or for links to Amazon and other sellers, go to RogerDooley.com/Friction.