The Hard Thing About Hard Things by Ben Horowitz | Book Summary by Paul Minors

INTRODUCTION

Who is this summary for?

A great read for anyone looking for business hopefuls looking to start their own venture! Entrepreneur, Ben Horowitz, has written *The Hard Thing about Hard Things* as a guide to starting and running your own startup. Ben draws from his own experience and has many helpful insights for anyone currently in a CEO position with tips on how to create a company with vision, how to encourage a working culture, hiring & firing employees.

About the author

Ben Horowitz is an extremely experienced entrepreneur, stemming from Silicon Valley he was the cofounder of Andreessen Horowitz, a private venture capital firm. Known for his sense of humour and telling it like it is Ben's writing is engaging and full of real-life advice and examples!

In this Summary

Ben begins by talking about what he calls 'the struggle', highlighting that not everything always goes to plan. Ben discusses what CEO's should do and has advice on how to fire people. Then Ben talks about what it takes to have a good company and what you need to look after the most. He then moves on to discuss growth within companies and what this can mean. Ben finished up with a discussion on how to be a good leader regardless of previous experience.

BOOK SUMMARY

IT DOESN'T ALWAYS GO TO PLAN

The title of Ben's book is The Hard Thing About Hard Things, he called it this because he knows that as a CEO you are constantly facing hard things. Every decision you make is hard. There's no easy options. Ben explains the there is no 'secret' to being a successful CEO. But, being able to focus when required and make the best possible move in a truly terrible situation is the skill that stands out. You may be stuck between a rock and a hard place, but making the best move in a dire situation is what's going to help you make a difference as a CEO.

The Struggle

Ben explains the process of being an entrepreneur. You start with a company and a clear vision, with success looming. Then you hire all the right people and create an environment that is stimulating and encouraging. And together, you work on the vision, creating the perfect product that customers are going to love. You work day and night, shed blood and tears to get this done.

But, and there's normally a but. You reach a point where you realise that not everything is going as smoothly as you expected. Theres a problem with the product and it's hard to fix, or the market has crashed, or your employees struggle and bail. It feels like the world around you is collapsing. This is what Ben describes as; 'The Struggle.'

You haven't failed

Ben points out that reaching 'The Struggle' does not mean that you have failed, but if you are weak, it will cause failure. The majority of entrepreneurs reach this point, are weak and ultimately let it define them.

Ben uses examples like Steve Jobs and Mark Zuckerberg to highlight how common it is to reach the struggle. They did, and look at their companies and products now. Successful and extremely profitable. So you're not alone if you've reached the struggle. It's pushing through here that can create greatness.

Ben's top tips for getting through 'The Struggle'

- Don't take it all on alone

- It's complex, like checkers not chess

- If you hold out long enough, you might just get lucky

- Don't take it to heart, don't take it personally

"Remember, this is what separates the woman from the girls and the men from the boys."

CEOs

Ben explains that usually, CEO's take on all responsibility for worrying about the company and it's problems. However, Ben explains that there is no good being the only one worrying. Delegation is key in these situations. Identify the problem and who the problem is closely related to. If there's a coding issue with the website, the CEO is never going to be the one to fix it so there is no point taking it upon yourself. Delegate to one of the programmers and let them fix it, they will likely be more motivated and certainly more capable of finding the solution. Context is everything.

Transparency

Ben believes that being transparent in your company is key. You need this to build trust. In the absence of trust, communication breaks down and things stop happening. If there's a problem, be transparent about this, because the more brains trying to solve it, the quicker it's going to get solved. Bad news needs to be heard, as the CEO you are probably under pressure to be positive all the time. But being upfront is likely going to get you more respect, and ultimately, more help.

How to fire

Anyone who's ever had to fire someone know's its not a very nice job. Ben has a few tops on the nicest way to do it.

1. Understand who you're firing and why.

2. Do it as soon as possible. Don't delay.

3. Train management so that they can lay off their own people. They are closer and have a better understanding

4. If there's a mass lay of, explain to the entire company what will be happening and why.

5. Talk about what's happening and why, don't make it a dirty little secret. Be transparent and real.

PEOPLE THEN PRODUCTS THEN PROFITS

Ben believes that the crucial elements of a business are taking care of the people first, the products second and finally the profits.

> *"If your company is a good place to work, you too may live long enough to find your glory."*

Make it a happy place to work

In the good times, being a good company won't make any difference. But it's in the rough times, when things aren't going to plan that it matters. Ben explains that things always go wrong, and this is where having a good company and happy employees is important.

If the company is facing tough times, this is when employees will leave. If you've looked after them and nurtured them, they will stick around and support you during the tougher times.

> *"Look after the people first. They are the cogs."*

Why people need training

Ben identifies that the most important asset to anyone running a technology company is the people. And for this reason, the recruiting process is extremely important. But just as important, is the training once people are hired. The investment in your employees needs to continue to aid their growth.

Here are Ben's reasons that you need to continue training employees;

1. Productivity is key. Train your employees how to work as productively as possible.

2. There should be a system of performance management in place. Set expectations and have a system to track these. This will benefit the employee and employer.

3. Quality is essential, if everyone is trained the same way, then everything should fit together without inconsistencies

4. Employee retention is so important. Once you've hired someone you have invested time and money into them. Ben identifies one of the key reasons that people leave a job is that they feel like their development has stalled.

Bringing a big exec into a new company?!

Ben explains that theres a BIG difference between being a hot shot exec at a big company and that of a small company. As a startup exec, you are the driver, nothing happens until you take action. Your input is the KEY driver behind the companies development, and without it, the company will stall. In comparison, Ben identifies an exec of a big company being able to sit back and work essentially comes to you. Things get done and come to you for final sign off. Work is weighted towards incoming work rather than looking for work.

There's always going to be a risk hiring someone coming from a big company into your startup. Ben explains that there are two types of mismatches that happen:

1. Rhythm Mismatch – when your exec waits for emails, calls and meetings to come to them rather than making them happen.

2. Skill set mismatch – when skills of the exec are largely about prioritisation, process improvement and complex-decision making. A startup needs someone who can contribute and provide input. There aren't processes in place to be improved, they need to be established.

Ben highlights the importance of keeping the communication lines open as a new exec transitions into the company. Make sure they know what is expected of them.

Hiring Executives

The first thing you need to know is who you are looking for. Ben stresses that placing value on a lack of weaknesses rather than primarily strengths is really useful.

Acknowledge what the strengths that you need are, and highlight what weaknesses you can handle. Create a 'template' for what you are looking for in an executive and use this as your blueprint. Come up with key questions that will help you find out who fits. Have a team of interviewers that can help with the process.

"Finally, make the decision alone. It is your decision, hire who YOU think fits the bill best."

GROWTH

Ben acknowledges that when a company starts to grow, whether slow or rapid, the culture is likely to change. The close-knit startup team of 10 will never be able to translate to a pay-roll of 100+. However, Ben mentions it's important to know that although different, it doesn't mean it's bad. You just have to be able to scale the culture, embrace change as it occurs and keep an eye on it.

Avoid politics whenever possible

When hiring, Ben recommends that you should be looking for people who are ambitions, but not only for their personal success, but for people who are passionate about the companies overall success.

Ben notes, that politics are to be avoided wherever possible. Ensure that there are processes in place to aid avoidance. You cannot completely avoid political strife in the workplace, promotions, evaluations and compensations are all events that will encourage political behaviour. It's important as a CEO to consider the likely outcomes and handle these situations as considerately as possible.

Titles and Promotions

Another place that politics are likely to come up is surrounding titles. Everyone feels a need to have a job title, and ultimately, they are necessary in order to identify who is responsible for what. However, Ben recommends that you focus on creating a structure that is well thought out, titles and promotions are necessary but can be handled differently to avoid giving them too much attention and placing too much importance on a name alone.

Culture is king

> "As your company grows, culture can help you preserve your key values, make your company a better place to work, and help it perform better in the future. Perhaps most important, after you and your people go through the inhuman amount of work that it will take to build a successful company, it will be an epic tragedy if your company culture is such that even you don't want to work there."

HOW TO BE A LEADER

Ben identifies tow key mistakes that CEOs make; taking things too personally and not taking things personally enough.

Taking things too personally is a problem, it means that every little issue becomes bigger than it may necessarily be. CEOs can then either push their team too hard as a result or make themselves miserable stressing about all the problems. Neither are a good result.

Not taking things personally enough often results in the CEO not dealing with issues as they arise. Problems can be rationalised to make the CEO feel better and the end result is that no progress is made.

The key is to find a balance, be able to seperate issues from themselves personally but be able to asses the importance and speed required to solve a problem.

The hardest skill

Ben explains that every CEO is going to face the hard things. It's not an easy road to follow and the only way to guarantee success is to never give up.

"The great CEOs tend to be remarkably consistent in their answers. They all say, "I didn't quit.""

Leadership, never perfect.

There is no cookie cutter approach to being the perfect CEO. Look at the successful leaders such as Steve Jobs, Bill Campbell and Andy Grove. Ben highlights how dramatically different CEO's they were, yet they were all successful.

Ben believes that in order to be successful as a CEO you really need to be a leader. And in order to be a leader, Ben suggests that you need the following traits;

1. The ability to articulate the vision

2. Ambition, but the right kind of ambition

3. The ability to achieve the vision.

"In the end, some attributes of leadership can be improved more than others, but every COA should work on all 3."

Making Yourself a CEO

"Be authentic. Come from the right place and don't get personal. Don't clown people in front of their peers and understand that feedback is not one-size fits all. Be direct, but never mean. Remember, feedback is a dialogue, not a monologue."

CONCLUSION

Key Takeaways

- Don't give up as soon as it gets hard.

- There are going to be hard times, the key to getting through this is persistence.

- In order to be a successful CEO you need to be a leader.

- A good company needs a good culture and needs to avoid politics wherever possible.

- Firing is never easy, make sure you know WHY you are firing and be transparent about it.

- Hiring can be equally difficult, make sure you know exactly what you are looking for in an employee and know what you are willing to compromise on.

- A great leader can articulate the vision, is ambitions and has the ability to carry out the vision.

- For a company to be successful, focus on the people, then products, then profit.

Further Reading

A great complimentary book to Ben horowit'z messages about being a great CEO and leader is *Leaders Eat Last* by Simon Sinek. This book is ideal for anyone who leads, whether it be a small team, an entire organisation, a community or a family. As a leader it's important to create a culture that leaves everyone happy and fulfilled, and this is exactly what Simon describes. Simon emphasises that when an environment is built on trust, teams will work together, have each others backs, survive and thrive.

Built to Last, by Jim Collins examines a selection of 'Visionary Companies' and identifies what it takes to run a successful organisation that will prosper over a long

period of time. If you're looking to step up to a managerial or leadership position for the first time, check out *The First Time Manager*.

Guidelines is my eBook that summarises the main lessons from 33 of the best-selling self-help books in one place. It is the ultimate book summary; Available as a 80-page ebook and 115-minute audio book. Guidelines lists 31 rules (or guidelines) that you should follow to improve your productivity, become a better leader, do better in business, improve your health, succeed in life and become a happier person.

Action Steps

1. Are you a leader? **Take a step back and asses whether you are prioritising profits, the product or people?**

2. Are you responsible for hiring and/or firing? Make sure you are well prepared, create a 'template' when looking to hire someone new. Know what you are looking for and where you are willing to comprimise!

3. Identify a time in your career where your business went through a hard time or reached 'The Struggle'. How did you get through this? Brainstorm and see if there was a better way?

4. If you liked this summary, download the full book on *Amazon*.

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