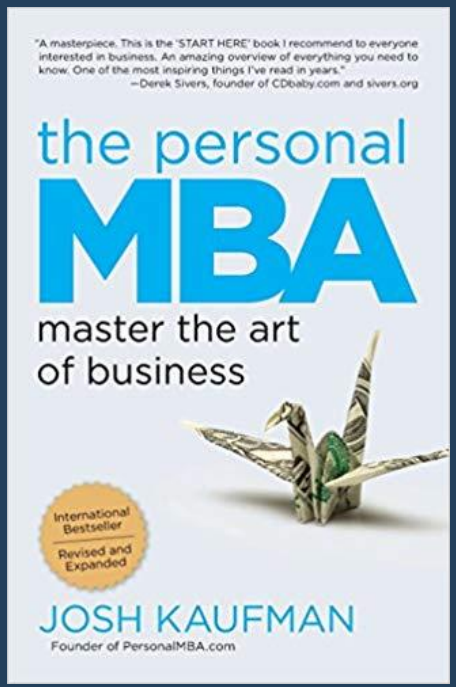

The Personal MBA

Manual do CEO
Year of publication: 2012
Author: Josh Kaufman
464 pages
Link for purchase: https://amzn.to/2P3WnJO

Josh Kaufman's "The Personal MBA: Master of the Art of Business" has 400 pages of clear and objective reading, which is also systematic in all areas of management.
Published in 2010, this book is considered by many to be a true MBA, as the author condenses, in a single volume, practical teachings and numerous cases.
Josh Kaufman conveys valuable tips and teaches the reader how to master important concepts in each area, which helps to broaden his vision as an executive or entrepreneur.

Score

8

9 Aplicability
8 Inspiration
7 Innovation
9 Impact on results
9 Structure

Main ideias of the book

- s it really risky to start a business ?;
- Do you need to have a perfect business plan before you start your business?;
- Do you really have to raise huge capital before developing your business ?;
- After all, what matters is what you know, or who you know?
- What is the "Iron Market Act" and what is it for?
- The "Twelve Standard Forms of Value" and how to apply them to your business.

For whom is this book suitable?

This book is intended for CEOs, entrepreneurs, and anyone seriously considering entrepreneurship.

Overview of the book

You Don't Need to Know Everything

Yes, that's right: you don't have to know everything!
Josh Kaufman ensures that to learn about any topic, you only need to know concepts of critical importance.
According to the writer, once we have the essential principles as the basis for working, it becomes simple and uncomplicated to develop all our knowledge and to always progress.
This book, for example, presents a set of fundamental business concepts that you can use to fulfill your aspirations.
Josh says book reading and the pursuit of knowledge, in general, are what will give you a firm foundation of business knowledge that you can apply to your practical activities. And as soon as you master these fundamentals (boom!): You'll be ready to reach all your goals with ease!

> *Mental models are concepts that represent our understanding of "how things work." In other words, a mental model is an idea of how something works in the real world.*

Mental Models, Not Methods

The author calls fundamental business concepts “mental models”. He considers that together these concepts create a solid frame of reference on which to base our decisions.
Josh Kaufman explains that mental models are concepts that represent our understanding of "how things work." In other words, a mental model is an idea of how something works in the real world.
On the other hand, explains the author, the mental models you form alone are not completely accurate. This is because you are one person, so your knowledge and experiences are limited.
To change that, you must bet on education. Education will help you learn to see the world in a new and more productive way. From the perspective of people with other backgrounds and baggage: winners!

How to start a business from scratch

Correcting our mental models can help us think more clearly about what we are doing. This helps us make better decisions in the business world.
To clarify his point, Josh says many people find it risky to start their own business. Or believe that you should have a great plan before you get your business going.
Such thoughts, according to the author, are mental models that are not accurate. They leave us in doubt about our actions and are obstacles to doing what we want.

What Josh means, based on his life experiences, is:

- Uncertainty is always part of business, but the risks that can be minimized are worth taking;
- Writing down a business plan may be in the background;
- As much as you prepare, there will always be surprises along the way;
- Raise funds only if there is no other way (such as to build a factory);

- Personal connections are important, but knowledge is critical if you want to get the most out of these connections;
- Instead of wasting time and energy feeling intimidated and out of control, learning these concepts can give you the freedom to stop worrying and start making progress.

The Iron Law of the Market

"What if you throw a party and no one shows up?" With this question, Josh Kaufman introduces the chapter on the "Iron Law." Do you already know what it is?
In fact, it is very simple. The Iron Law states that business performance does not always consist of a poorly designed product. To be aware, even sophisticated technology may not "take off."
So what is the point? In Iron Law, you have to ask yourself if the market you are investing in really exists. In the author's view, this kind of failure happens to new businesses every day.
Because without the revenue needed to support themselves, any business is doomed to failure. So your revenue depends on people really wanting what you have to offer.
Still, according to Josh Kaufman, Iron Market Law requires that you have a large group of people who really want what you have to offer. That way you are more likely to start a successful business.
“It's a waste to create something no one wants”, he says. For this very reason, the writer stresses the importance of market research in business.
Doing this, you will not be left alone or “lost” in your business, like John Travolta.

The 12 Standard Forms of Value

As you just saw, Iron Law requires your market to exist.
Then, to successfully deliver value, according to Josh Kaufman, your product must take a form which your target audience is willing to pay.
But how can your product be designed to serve the market promisingly? Well, there is no exact form, but twelve!
The author presents, in his work, the “12 Standard Forms of Value”:

1. Product: Create something tangible. Then sell and deliver for more than the cost of production;
2. Service: Do the service but charge a fee;
3. Shared Resource: Create an asset usable by many people and charge for access;
4. Subscription: Offer a continuous benefit and charge a recurring fee;
5. Resale: Buy from a wholesaler and sell the product at a higher price.
6. Lease: purchase an asset and rent it for a fee;
7. Agency: Promote and sell a third party asset or service and cover a percentage rate of the transaction price;
8. Audience Aggregation: Attract an audience and sell your access to another company in exchange for advertising;
9. Loans: Lend money at a predetermined interest rate.
10. Option: Offer a certain share for a fixed period and charge a fee;
11. Insurance: Take the risk for your insured, get paid for it, and pay claims only if necessary;
12. Capital: Purchase a business interest in exchange for a portion of the profits (such as a one-off payment or a continuous dividend).

So, are you excited to get your hands dirty?

I firmly believe that self-learning is the only kind of education that exists

Josh Kaufman's “Personal” MBA

Kaufman opens this topic with the following sentence by Isaac Asimov, a biochemist, and author of several books: “I firmly believe that self-learning is the only kind of education that exists”.
According to the author himself, people often ask him if he has an MBA. “No,” he replies, adding as soon as he attended a business school.
When Josh was a student at the University of Cincinnati, he had a chance to participate in the Carl H. Lindner Honors-PLUS program, which is, in essence, an undergraduate MBA.
The author says he was lucky enough to have a scholarship and, as a result, took the opportunity to experience most of what business schools offer.
After that, Josh Kaufman was also - as he says - a "rising star on the road to corporate success."

The “personal MBA” in practice

Through the program, he began managing a Fortune 50 company - Procter & Gamble - in his sophomore year of college.
When he graduated in 2005, he was offered to become an assistant brand manager in P&G's cleaning products division. Such a post is usually reserved for graduates of MBA programs.
In the last semester of college, Josh focused less on the study and more on the future. The new job would require business knowledge, and virtually all of his colleagues and bosses would already have MBA degrees.
At this point, he considered enrolling in an MBA program, but realized that it made no sense to fight for a credential to get the kind of job he already had.
In this, he recalled a piece of professional advice from Andy Walter, associate director of P&G: "If you put in the same time and energy you would spend earning an MBA degree to do a good job and develop your skills, you won't be missing anything."
So Josh chose to give up business school, but not business education. Instead of enrolling in an MBA program, he left the classroom and devoted himself to books to create his “personal” MBA himself.

What other authors say about it?

Authors Jim Collins and Jerry Porras reinforce the idea that you don't have to have the best plan when starting your business. In “Made to Last,” they say that most visionary companies didn't start with a revolutionary idea that made them successful early on. In fact, they had a slow start and eventually overpowered their markets.
In the book “The Sales Bible,” the author Jeffrey Gitomer advises that the most important and fundamental tool for any business is your mind. Self-confidence is the key to controlling it, if you don't believe in yourself, no one will.
If you think it is too late to start your own business, we recommend Flávio Augusto's work, "Geração de Valor", “Value Generation” in free translation. The author shows your vision of the venture and the world and gives you tips to stand out from the crowd.

Okay, but how can I apply this in my life?

Now that you've followed the basics of "The Personal MBA", how about going over it?

- Start reading now: this will give you a firm foundation of business knowledge;
- Talk to professionals who know more than you - even in a specific area;
- Work in a company or project where you can learn about business in practice;
- Make connections with people you would call your team;
- Undertake: Open your own business! You will become a great CEO as you practice;
- Build your team: Remember the connections with “the right people” we've just talked about ?;
- Put your idea into practice: After that, “with the car moving”, you can adjust things on paper;
- Prepare for every challenge, but especially for surprises: they are part of every CEO's routine;
- Start with what you have: “this fundraising” may come in a second moment;
- Make personal connections (with CEOs and professionals greater than you), but only when you already have the appropriate knowledge to benefit from these connections;
- Do market research and make sure there is an audience willing to pay for your product;
- Do you remember the “Twelve Standard Forms of Value” we talked about up here? To know it by heart, you have to study and practice.

Did you write it down? So let's put it into practice!

If you liked this book, visit our complete collection with hundreds of Pocketbooks of the greatest successes in the areas of management, marketing and sales, leadership, strategy, personal development and entrepreneurship!

www.pocketbook4you.com

Note:
The content presented above reflects the vision and critical analysis of our team of copywriters, respecting the fundamentals of intellectual property in Brazil (Article 8, item I).
No part of the book is being copied. They are unique and exclusive content, always giving credits to the authors and indicating the link to purchase the complete work. PocketBook4You respects the copyright code in accordance with the provisions of Brazilian law, Law 9.610 / 98.
This content is the exclusive property of PocketBook4You and is protected by the Copyright Law in its Articles 46, I, (a) and 47, because this is not a reproduction and also does not imply any discredit, on the contrary, the moral right is protected and, as pointed out earlier, the reader receives a link to acquire the work. Reproduction of this material without the permission of the company is prohibited.