

The Compound Effect **by** **Darren Hardy**

You can sum up The Compound Effect with four words -- “It’s The Little Things”. Unfortunately too many of us are unwilling to do EXACTLY those little things. Darren Hardy is the publisher of Success magazine. He’s had the opportunity to be around thousands of individuals and has taken the lessons that he learned and shared them in The Compound Effect. The book is broken in to seven chapters:

The COMPOUND EFFECT in Action

Hardy starts by reminding us of the old story about the tortoise and the hare. We all know the story. We all know who comes out on top. And yet we all still seem to want to play by the rules of the game that the hare follows! Hardy learned at an early age that slow, steady, hard work does pay off. The key point of the book is that it pays off EXPONENTIALLY. By that he means that the little things you do will make a bigger and bigger difference over time. In essence they build upon themselves / snowball. The formula he puts forward is

- Small, Smart Choices + Consistency + Time = RADICAL DIFFERENCE

Whether it’s transforming your body, saving money, or developing any other habit, the key is to employ this formula.

Choices

How many of you wake up in the morning and decide to do something really stupid? Not many I would guess. The reality is we rarely make catastrophically poor choices. However, we do OFTEN make small choices that have a negative effect on us over the long term. Hardy suggests – and I agree wholeheartedly – that if we begin to focus on small, smart choices, we can see incredible results. He offers a great example.

For one year, he took the time each day to write down something about his wife for which he was extremely grateful. At the end of the year, he gave her the journal. As expected, this small, consistent daily act paid huge dividends in his marriage.

The key to choices is to recognize and accept that we are 100% accountable for the choices we make each and every moment. Once we accept that there are ramifications to our choices, we are much more likely to consider those choices more carefully.

Hardy suggests that by making the right choices, we can make our own luck which he defines as follows:

- Preparation (Personal Growth) + Attitude (Belief/Mindset) + Opportunity (A Good Thing Come Your Way) + Action (Doing Something About It) = LUCK

To become more aware of our choices, he recommends that we begin keeping a written journal of the choices related to the habit(s) we want to develop. If you have never taken the time to record your actions/choices you will be absolutely amazed at the effect it can have! First, the very fact that you KNOW you will be recording your choice will cause you to do MORE of the good things and LESS of the bad things. Second, the act of actually writing down the choice will immediately have a positive or negative effect on how you feel – depending on whether it was a good or bad choice. Finally, as you look back on the journal over time, you'll get a physical reminder of your progress. Journaling is a technique that many successful individuals use.

Finally Hardy re-emphasizes the importance of time. While he uses compound interest to illustrate how time has an exponential effect, the reality is that time will multiply all of our habits good or bad. The implications of this are two-fold. First, don't expect to see huge results early on as a result of the small choices you make. Second, you will see ever increasing results the longer you stick with your positive choices.

Habits

Hardy starts the chapter on habits with a quote from Aristotle:

- We are what we repeatedly do

Every one of us has habits. That's both good and bad – as Newton pointed out, a body in motion tends to stay in motion. Hence we need to focus on adopting those habits that will help us to become the person we want to be.

The challenge is that most of us prefer the instant gratification and/or the avoidance of the pain of change versus the hard work that is associated with changing our habits. My favorite quote of all time is from Jim Rohn and deals with exactly this issue:

- We must all deal with one of two pains. The pain of discipline or the pain of regret.

Most people want to change their habits. They just do not want to go through the pain associated with the change. Further, when they do NOT change their habits, they are often frustrated at themselves. Hardy does a great job of outlining a process through which you can change your habits. That process starts by identifying WHY you want to change habit (Simon Sinek has a great [TED talk video](#) on the importance of why that is worth the time to watch). Rather than jumping right in and attempting to change, Hardy advocates taking some time and asking "Why do you want to change?". He challenges the reader to step back and look at their core values (i.e. what is their purpose and what do they

believe). If you can associate your new habit with your personal “why” your probability of success goes up dramatically.

Once you know the “why”, you need to define your new habit in terms of a goal. Hardy’s formula for goals is:

- Goals = Choice (decision) + Behavior (action) + Habit (repeated action) + Compounding (time)

This simple formula is incredibly powerful!

Hardy offers five strategies for eliminating bad habits and six techniques for installing good habits. The five elimination strategies are:

- Identify Your Triggers – Identify what causes your bad habits.
- Clean House – Eliminate the environmental influences associated with bad habits.
- Swap It – Find a substitute (e.g. an electronic cigarette, a sugar free sweet, etc.).
- Ease In – For some, starting slowly works best.
- Jump In – For some, going “cold turkey” works best.

The six installation habits are:

- Set Yourself Up For Success – Create a new environment that supports the habit.
- Think Addition, Not Subtraction – Focus on what you CAN do after the change versus what you can NOT do.
- PDA. Public Display of Accountability – Publicly declare the habit you are changing.
- Find a Success Buddy – Find a friend that is going through the same change.
- Competition and Camaraderie – Make a contest out of the change.
- Celebrate – Take the time to revel in your success. It’s a big deal!

Finally, Hardy closes with what many would deem to be a couple of obvious statements – changing your habits is hard and takes time.

Momentum

Hardy starts the discussion on momentum with Newton’s first law which states that a body in motion tends to stay in motion. There is also another principle in physics that points out that it takes more effort to start an object in motion than to keep an object in motion. Both of these principles highlight the importance of getting things moving or momentum. The author offers four keys to help you build and maintain momentum:

- Leverage the power of routine. By establishing a daily routine you will build the framework to continue on your desired path. He emphasizes the importance of specific, well defined start of day and end of day routines.
- Periodically adjust your routine. While this seems contradictory on the surface, it is not. Rather, he advises that part of your routine should be a PLANNED deviation to an alternate routine. A great example of why this is important is seen when you consider exercise. In order to get the most out of your exercise routine you need to intersperse the types and intensity of exercise. In addition, you need to allow for times of rest and recovery. Your routines need to do the same thing – periodically adjust them to allow for further growth and improvement.
- Track your progress via a log. By tracking your progress you will (i) Create a physical record of what you are doing. This will provide positive reinforcement and help you maintain momentum, and (ii) The log will force you to record your progress on your activities. The simple fact that you are required to log your actions will serve as motivation to complete some activity related to your goal; and, in so doing, will help maintain your momentum.
- Consistency is critical. As mentioned earlier, it takes more energy to start something new than to continue on a path. Accordingly, you need to focus on consistency to maintain momentum.

Influence

Hardy next turns his focus to how we respond to external influences. He breaks the chapter on influence in to three sections. The first of these is “Garbage In, Garbage Out”. In section one, he focuses on becoming more aware of what sort of information you are consuming. His guidance is two-fold:

- Watch what you consume information wise. This includes what you read, what you listen to, and what you watch.
- Leverage your travel and exercise time to consume self-improvement material. This could include podcasts, courses, and audiobooks

In part two he addresses “Associations: Who’s Influencing You?”. Here he suggests the following:

- You need to assess who you are associating with / spending time with and asking yourself if they are consistent with the person you want to become (Jim Rohn has a great quote that suggests “you are the average of the five people you spend the most time with”).
- You need to disassociate yourself with people that are not behaving as you would like and do not share the values that you possess.
- You should consider finding an accountability partner that can help you with your journey towards self-improvement. Things are easier when you have a partner
- You should consider (i) finding a mentor and (ii) becoming a mentor. There is incredible value in the mentoring relationship.

- You should consider forming your own “personal advisory board”.

Finally, in part three he turns to the topic of “Environment: Changing Your View. Changing Your Perspective”. Here his guidance is simple – do not fall in to the trap of ONLY going to the same places ALL the time. He points out that sometimes a new physical location can cause you to think entirely differently.

Acceleration

In the final chapter, Hardy offers some suggestions on how to accelerate the rate of change. He introduces four key ideas:

- **You Will Hit a Wall** – Change is never easy and you will feel as if you cannot go any further at some point in time. This is entirely normal. The key to get to the next level is to trust in yourself and push through. When you do, you will differentiate yourself from others.
- **Do A Bit Extra** – If you are asked to do 10 push-ups, do 11. If you are asked to write 1000 words, write 1100. By doing just a little bit more than is required, you are (i) going to differentiate yourself and (ii) demonstrate to yourself that you have the ability to do something extra.
- **Beat Expectations** – Do more than what others expect. In today’s world, people are looking for those that stand out versus others. Focusing on delivering a “wow” experience will give you an extra edge.
- **Do the Unexpected** – In addition to doing more than what is expected of you, do it differently. By differentiating yourself you will stand out above the crowd.

As with the remainder of the book, it is not the one big thing that makes the difference. It is the numerous little things that when done consistently over time make the difference. It is these little things that combine to deliver the “compound effect” that is spoken of in the book’s title.

Conclusion

Hardy closes by (i) encouraging each of us to act, (ii) challenging us to remember the motivation behind why we want to change, and (iii) asking us to help others make changes in their lives as well.