



Stanford eCorner

Creating Enchantment [Entire Talk]

Guy Kawasaki, *Garage Technology Ventures*

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Entrepreneur and bestselling author Guy Kawasaki shares the secrets to being enchanting and developing influence through the "pillars of enchantment." In this funny and engaging lecture, Kawasaki examines the deep value in being likable, creating trust, and taking empowering action. He also shares keys to telling a great story, overcoming resistance, and enchanting your boss and colleagues.



Transcript

It is my extreme pleasure to welcome our final speaker for eWeek this week. It is Guy Kawasaki, who for many of you needs no introduction. Guy's original claim to fame was when he was the original Apple evangelist. I remember reading his columns years and years ago. And I am certainly a Mac enthusiast myself. He was founding partner of Garage Technology Ventures. He has been involved with writing. He has written 10 books, "Rules for Revolutionaries", "The Art of the Start". And his new book, "Engagement", "Enchantment". I think that's going to be your next book.

Can that be your next book, "Engagement"? "Enchantment", sorry. But I did get to read... She's a close personal friend. Of course, a close personal friend. She knows me really well. I do think I actually got a plug in the book. And I did read in advance copy of this and it is truly remarkable. So, Guy, without further adieu, here you go. Thank you very much. Let me do one more fact correction here.

I was actually the second software evangelist. The first software evangelist was a guy named Mike Boich. And so, should he ever see this or his son see this, I don't want him to think that I took credit where it was not due. Although I have done that a few times in my career, not in this instance. So, thank you very much. I am terrifically flattered to be here and to have standing room only, I mean, Jesus, like Condoleezza Rice kind of. So, I am going to give you a presentation about how to be enchanting. This is my latest book. It will be out in six days. We tried to make it so we could have it here but it just was not possible.

I use a top 10 format for my speech. I'll tell you why. As you go through your lives, you will probably see many high-tech CEOs speak. One thing you will figure out about high-tech CEOs, really CxO level, anything that begins with a C and ends with an O, you will notice that there are two salient points about their speaking ability. The first is that they pretty much all suck. And the second is that they go long. If you think about that, that is a very powerfully unfortunate combination because if you're good and you go long, it's OK. And if you suck and you go short, it's OK. But if you suck and you go long, it's like being stupid and arrogant. It is a very bad combination.

So, what I have done is I've embraced the top 10 format for all my speeches so that in case you think I suck, you know how approximately how much longer I'll suck. I truly hope you don't think I suck. But in case you do, that's why I use the top 10 format. This is a speech that I have given only a few times, not to such a packed house like this. I hope that it works for you. Maybe I should give a little bit more about my background. I worked for Apple from 1983 to 1987. I worked for Steve Jobs, which was a very interesting experience, using the word "interesting" loosely and euphemistically as Heidi could also attest. This was the Macintosh division, which was arguably the largest collection of egomaniacs in the history of California. We held that record for about 30 years until Google broke it recently.

The group was on a mission from God to make people more creative and more productive. I think we accomplished that. Because we worked for Steve, we had very special rules unlike any other part of Apple. Back then, the company was divided into the Apple II division, peripherals division and the Macintosh division. The Apple II division was shipping boat loads of Apple II. It was making hundreds of millions of dollars. The Macintosh division was not yet shipping so we were costing hundreds of millions of dollars. If you looked at the Apple PNL back then, the P was Apple II, the L was Macintosh. But because we worked for Steve, we had very special rules, unlimited supply of fresh orange juice at \$2 a bottle. We could fly first class for any flight over two hours.

My interpretation of that rule was that it began at the moment you left your apartment. So, I would fly first class from San Francisco to Monterey. One of the bad things we did, just to show you what bad people we were, is that we would not let Apple II people into our building. And so, if you think about that, when you run your large companies, you should never permit that one division does not let another division into their building, especially when that division is paying for that building. So, the Apple II division quite rightfully still came up with a great joke about the Macintosh division, which is, "How many Macintosh division employees does it take to screw in a light bulb?" The answer is one. The Macintosh division employee holds up the light bulb and expects the universe to revolve around it. How many of you use Macs in this room? Yeah, be still, my heart. Then, I'll tell you the Microsoft version of this joke, which is, "How many Microsoft employees does it take to screw in a light bulb?" The answer to that is none because Bill Gates has declared darkness the new standard. I'm going to go through this presentation. Then, we're going to do Q&A

So, if we could do all the questions at the end because I'm 56 years old. I'm getting like on in my ears like I need to be able to focus and just rip through the slides. And then, I can be asynchronous. OK, so we're good. First, it's going to be a serial process today. So, the art of enchantment. Arguably, since about 1979, I've been in the business of enchanting people, first in the jewelry business. Believe it or not, I went to Stanford. And after Stanford, I went to law school. I went to law school for two weeks and quit, which was a BFD back then.

As an Asian American, I'm sure even today some Asian Americans can attest to this, basically Asian American parents want their kids to be a doctor, a lawyer or a dentist. I decided I did not want to stick my hand into people's mouths. So, that eliminated dentistry as a career. I decided I did not want to stick my hand in any part of a human body, really. So, that eliminated medicine. What was left was sticking your hands in people's affairs, which is legal. So, I went to law school for two weeks and I quit, which is one of the hardest things I ever did. But arguably, it was one of the smartest things I ever did. But I have to tell you I love Stanford. It's easy for me to say it now.

One of the things I figured out is that at your age, you don't trust anybody over 40. Frankly, you are right to do that. I'm not going to cop this "I told you so" attitude. But you're in the happiest times of your life. Right now, you think a big tragedy is, I don't know, midterms or something. Wait until you get out. The mark of a good speaker is you never go off track. But the mark of a great speaker is you just go all over the place and come back. And I'm going to show you that. I'll tell you my Stanford story.

Back when I was at Stanford, this is right after they invented electricity, they had this family day thing. All the parents would fly in and drive in and all that. Parents would visit the kids and say. If you were lucky and you knew some rich family, they would take you to Ming's. I have a very soft spot in my heart for Ming's. When I was at Stanford as an undergrad, during family day all these people would drive their Maseratis and Ferraris and Porsches and Mercedes on campus. And I used to be at the basketball field, where there is now a big parking lot. We used to be playing basketball out there. And I'd look at these people driving their Porsches and Ferraris and Mercedes and Maseratis and I'd say, "Someday, someday I'm going to be rich like that. And I'm going to buy a car like that." Now, just to show you how perverse the world is, 10 years or so ago I had a 911 Porsche.

This is before kids really and before the dotcom implosion. So, I had this brief period of wealth, which is a whole another lesson I'll tell you about sometime. So, now I have this Porsche. And I drive to the Stanford campus and I play basketball. And I know these undergrads are looking at me saying, "Someday, I'm going to be rich like that guy and buy a Porsche." And the irony is, big lesson for you, my first lesson I want to pass to you is that at that moment, when I'm driving the Porsche and they're looking at me saying, "Someday, I'm going to be rich enough to buy a Porsche," I'm looking at them saying, "I wish I was back at Stanford." So, that's lesson number 1. You're in the happiest, freaking times of your life. My advice to you, and one of my son's classmates from high school is here in the front row, I ask you not to tell this to my son. Second piece of advice for you is stay in school as long as you can. As this good, diligent Oriental that I was, I took really heavy course load. I came in with 18 credits.

I took summer sessions because I was in a rush to go work in the real world. Little did I know you should not rush that. If I were you, I'd go to Stanford in Florence, Stanford in Germany, Stanford in the UK, Stanford in Chile, Argentina or Guatemala. Go to every Stanford. Take at least six years to graduate because if you think about it, your parents have worked in some cases decades. Perhaps even generations of your family have worked to get you to this place. You should not deprive them of the satisfaction of you staying here as long as possible. Now, we'll get on to some more practical things, the things that I want

to discuss today about enchantment, of the basics of the enchantment. Enchantment is necessary, I would argue. The more innovative you have, more innovative product, more innovative service, the more you need enchantment.

In a perfect world, don't get me wrong, if you had something innovative, the world should beat a path to your door. It just doesn't work like that. I definitely learned this from Macintosh. So, the basics, the three pillars of enchanting and enchantment is first likability. If you think about it, have you ever been enchanted by someone you didn't like? The answer is probably not. You need to be likable. I don't care how great your product is. You need to be likable. So, I'm going to give you the key points of starting down the path of likability. First key point is you have to improve your smile.

This is what's called a Pan Am smile. Unfortunately, in this audience, you probably never heard of Pan Am. Pan Am was this airline a long time ago. The Pan Am stewardess and really most flight attendants, they have what's called the Pan Am smile, where you only use your jaw muscles. You kind of fake a smile. No flight attendant is truly happy to see you. Let's just come to grips with that, all right? So, that's the Pan Am smile, where you use the zygomatic major muscle. If you want to have a great smile, you need to use the orbicularis oculi muscle, which is in other words, the eyes. What I'm trying to tell you here is crow's feet is good. Crow's feet is in.

Forget the plastic surgery. Forget the Botox. You want crow's feet because when you have crow's feet and you have your jaw working, you have a truly great smile. This is a woman named Mari Smith. I have to take the cursor off her eye there. It disturbs me. Mari Smith is an expert in social media. You may have heard of her. The great story about this particular slide is I went up to Mari and I said, "You know, I have good news for you and bad news for you. The good news is you will be in every one of my speeches from now on.

The bad news is you're in the speech because you have really pronounced crow's feet." Luckily, she took that in a good way. That's why she's in every slide. So, that's the second thing. The next thing is how to dress. No pun intended but you should dress for a tie. There are several theories about how to dress. You could dress underneath your audience, where you know your audience is a business audience, they're in a coat and tie. But you're going to freaking walk in there with T-shirt and jeans and running shoes. You don't care because you are more powerful than them. They cannot do anything to you.

You're going to wear a T-shirt, you don't care. You're disrespecting the audience. You can also overdress. This is where you're trying to communicate that "I have more money than you. I have better taste than you. I can put you to shame." That also makes you not likable. So, what you really want to do is dress equal to the audience, not high, not low, equal. Dress for a tie. The third component of likability is to have a great handshake. Of all audiences in the world, you should appreciate that this is a mathematical formula for the perfect handshake.

The citizens of the United Kingdom funded this study for you from the University of Manchester. And it tells you that you need to be a certain distance, certain firmness. Your hand needs to be smooth and dry. You need to maintain eye contact for a second or two. This is the perfect handshake. The point here is that first impressions are important; the smile, the Duchenne smile. Not the Pan Am smile, the Duchenne smile, and also that you shake hands well and also that you dress for a tie. The three starting points of likability. Now, you can like people but not trust them. You could like, for example, Hollywood stars.

But hopefully you would not trust them to give you advice. So, we need to go from just likability to trustworthiness. Trustworthiness occurs when you first of all trust others. This is not a chicken-or-egg problem. The sequence of events is that you trust people and they will trust you. The onus is upon you to trust first. Three great examples. Amazon.com trusts you. You can buy a Kindle book and return it five days later. Most of you could read the book in five days.

They're trusting you. Zappos, if Tony Hsieh had told me, "Guy, you know, our business model is we're going to enable women to buy shoes without trying it on online," I would have told him, "He is crazy." But he has pulled it off. And the reason he has pulled it off is that people, women, trust him. They trust Zappos primarily because they will pay shipping expenses both ways, no questions asked. That's the trustworthy quality of Zappos. And the old school analog brick-and-mortar example of trustworthiness is Nordstrom. All examples where the organization trusted people and then people trusted them. That's the order. The second thing is there are two kinds of people in the world. The world can roughly be divided into two kinds of people.

Stanford grads and non-Stanford grads. People who didn't go to SC and people who did. So, there are bakers and eaters. When an eater sees a pie, an eater is thinking, "Zero-sum game. I need to get as much of the pie as possible. My gain of the pie is your loss of the pie. I need to get as much of the pie as possible." A baker, by contrast, sees the world as an opportunity to make more pies and bigger pies. Trustworthy people are bakers, not eaters. They see the world as a non-zero-sum game. The third quality of trustworthiness is you need to default to yes.

Defaulting to yes means that when you meet people, you are always thinking, "How can I help that person?" which is very different than when you meet people, you're always thinking, "How can that person help me?" Default to yes. If you want to be

a great networker and a great schmoozer, always be thinking when you're meeting people, "How can I help the person?" Now, you may wonder, "This could get me into a lot of trouble, cause me a lot of aggravation, because if I'm always defaulting to yes, people would be unreasonable." It has been my experience of about 30 years that it very seldom happens. Most people are completely reasonable about what they ask. And for the rare occurrence where they are not reasonable, that's probably someone you should not bother trying to enchant. Three key points of trustworthiness. The next thing is to get ready. First step is you need to create something what I call DICEE. DICEE is an acronym. D stands for depth. Great products, great services, great ideas, great causes are deep.

Lots of features, lots of functionality. They have anticipated what people will need as they come up the power curve. Great products are deep. They are also intelligent. When you look at them, you say, "Ah, somebody was thinking. Somebody has even perhaps understood my pain better than I have, has articulated my pain better than I have." I'll give you a great example. I want to buy a Ford Mustang. Specifically, I want to buy a Ford Mustang that's called a GT500 Shelby Mustang. This Mustang has 450 horsepower. It goes 0 to 60 in 4.4 seconds.

I have an issue, however. I know that if I bought such a Ford Mustang, your classmate, my son, will inevitably end up driving it. It is not clear to me that I should put into the hands of my son a Shelby GT500 Mustang. Ford, however, has a very intelligent product. They have created something called MyKey. And what you can do with MyKey is program the top speed of the car. So, I could give my son the keys to the Mustang and he could not go faster than 55 miles per hour. You can tell him that part. Now, it is true that MyKey does not control how long it takes you to get to 55 but it does limit you to 55. I think that is a very intelligent product.

The C stands for completeness. When all of you guys go and start software companies, do not consider your product the download, the digital installation. The totality of your product is the product, the documentation, the online support, the string of enhancements. It's the totality of the product, not simply the executable code. Great products, great services are complete. They are also empowering. They make people feel more creative, more productive. They make people have a piece of mind. They bring joy to them. Powerful products do that.

And the last thing is elegant. Great products have a great user interface. Somebody cared about the user interface. So, as you get ready, ask yourself, "Are we creating something that's deep, intelligent, complete, empowering and elegant? Are we rolling the DICEE?" The next thing is as you mentally conceive your product and you position it and you tell the world about it, just remember this very simple thing. Your product, your statement, your positioning, your branding has to be short, sweet and swallowable. Meaning you do not use any acronyms. Meaning that you should be able to explain your product in two or three words. Think mantra, not mission statement. Mantra is two or three words. The mantra for Nike is "authentic athletic performance".

The mantra for Target is "democratize design". The mantra for eBay is "democratize commerce". My personal mantra is "empower people". When you get out in the business world, you will find that most companies create a mission statement. Let me tell you how mission statements are created. It is a two-day off-site. It's typically at a hotel with a world-class golf course. Very high correlation between golf course and mission statement. If you're doing it in this local area, it will probably be at the Ritz-Carlton Half Moon Bay. So, you take your top 50 employees or so.

You have this two-day off-site. The first day is led by a meeting facilitator. The reason why you have a meeting facilitator is because no one on your executive staff can lead. If you had someone who could lead, arguably you would not need the off-site. So, you go to this off-site and you have this meeting facilitator. Her name is Moon Beam. It's usually a woman. Not to be sexist, this is a statement of fact. This woman has a dual-track career. She is a meeting facilitator and she is a lamaze instructor because the process of pushing out a mission statement is very similar to pushing out a baby.

So, this is a lamaze instructor executive briefing coach thing, drives a Prius, vegetarian, Birkenstocks, all the good stuff. So, the first day is spent in outdoor exercises. You climb ropes together. You form cross-functional teams with the people you can't stand. You fall into each other's arms. And at the end of the day, kumbaya, hallelujah, you're friends with all these people you can't stand. The second day you're in a room like this. There's a pad of paper. You're going to create this magical mission statement that's good for the shareholders, the customers, the employees and if you're still in California, the whales and the dolphins. That stuff doesn't work.

Short, sweet, swallowable. This is a sign that was made right after 09/11 by an ad agency in New York. He wanted to increase the awareness for terrorist activities. He is saying, "If you see something, say something." "Loose lips sink ships", same kind of thing. Next thing. You should conduct a pre-mortem as opposed to a post-mortem. A post-mortem is something you do, obviously, after death. It's done to increase the peace of mind of the loved ones of the deceased. The problem with post-mortem is, duh, it's too late. There's another problem with post-mortem.

Post-mortem in business is really too late because by the time a company implodes, most of the people have scattered to

the winds. They're not going to stick around to the bitter end. And even if they stuck around, a post-mortem is very contentious. "You bozos wrote a piece of crap," as opposed to "You bozos couldn't market this brilliant piece of software that I created." A lot of finger pointing, a lot of angst and anger. I suggest you do a pre-mortem. The way a pre-mortem works is before you ship, you ask the team, "Let us pretend that our product, our company failed. We failed. Now, what are all the possible reasons we could have failed?" Lack of distribution, unsophisticated sales force, boggy software, unreliable cloud services, whatever it is. So, you come up with all these reasons. And then, in unemotional way, you talk about how you can eliminate each of those reasons.

This is very different than pointing the finger and saying, "Engineering is crap." What you're saying is, "This is a list of reasons. Let's conduct a pre-mortem so that we never conduct a post-mortem." Conduct a pre-mortem. The next step is to actually launch this sucker of yours. First thing here, you need to tell a story. Most people, particularly at technology, are horrible at telling stories. You need to tell a story. Why did you start eBay? Why did you start Google? Why did you start Apple? You can even make up the story after the fact. One of the great legends of Silicon Valley is that eBay was because Pierre Omidyar's girlfriend wanted to sell Pez dispensers. The truth is that he really wanted to create a perfect market where demand and supply cross each other, a perfect market. And to have a perfect market, you need to eliminate geography.

The story of the Pez dispenser is after the fact. Now, I'm not encouraging you to lie. But I am telling you a story is much more powerful when you launch. Garage knew there was a better way to search or you wanted to bring personal computers to more people or you wanted a place where people could upload a video of people dropping Mentos into Diet Cokes. Whatever it is, tell a story. The next thing is you need to plant many seeds. This is completely contrary to classic marketing. Classic marketing is you plant a few seeds because you know exactly who's going to embrace your product. And you water and fertilize just those seeds. You focus.

I think that is completely wrong. In the old days, you would focus on the A-listers and the top-tier journalists, i.e. Wall Street Journal, New York Times, BusinessWeek, Fortune, Forbes. What you did is you sucked up to them because you hoped that these great oracles of wisdom and knowledge would embrace your product and tell the hoi polloi and the great unwashed masses to embrace your product. So, you suck up to them. If you didn't have time to suck up to them, you hired a PR firm and paid them \$10,000 to suck up for you. Then, the PR firm would hire an Oriental art history from Wellesley to do the sucking up for you. This doesn't work anymore because the world has been inverted. And now, for you to reach critical mass with the product, it's not because the Wall Street Journal or the New York Times blessed your product. It's because lonelyboy15 embraced your product.

And lonelyboy15 told his 20 friends who told their 20 friends, who eventually told tiffany517 and lonelygirl to also embrace your product. This is how Twitter and this is how Facebook happened. It's not because the New York Times saw Twitter or Facebook on the first day they launched and said, "Aha! We have seen the future. We know with total certainty that someday Facebook will have more members than every other country except China and India." Show me a New York Times, BusinessWeek, Fortune or Forbes article that predicted the success of Twitter or Facebook or Apple or Yahoo! Pick any of the success stories, none of them. So, what you need to do is plant many seeds. Put your prototype out there. Cover the earth with it because you do not know who your lonelyboy15 will be. This is some loser of a person who has no life, who is a database administrator in the bowels of HP. And this person may be the person that makes your product a success. You cannot reach those people by focusing and using PR firms who have hired Oriental art history majors from Wellesley.

You need to plant many seeds. The next thing is to use salient points. First column is how we like to talk about stuff if you're in the technology. But really, the second column is what really counts. Miles per gallon? Not so much. Yearly costs, much better. The degrees or heating costs. What should you set your thermostat for? Or a very easy example, do you talk in terms of gigabytes or number of songs. The salient point is number of songs, not how many gigabytes. I doubt that most normal people wake up in the morning and say, "God, if I only had a 64-gigabyte iPod, I would be happy." You talk about songs, how many movies can it hold.

Use salient points. The fifth step is to overcome resistance. To enchant people, you will have to overcome resistance. You will encounter resistance. This is a classic example. In the mid '70s, believe it or not, electronic gaming was in a bad way. It was tarnished, Atari and all the lousy stuff when Atari came out. It just sort of polluted the whole world. People were very pessimistic about gaming. So, Nintendo was coming out with a new product.

And they were very hesitant to call it a game because retailers didn't want to stock games anymore. So, what it did is it added a cheap little peripheral as a robot. And so, it positioned its family computer system not as a game but as a toy because retailers still would stock toys but not games. And furthermore, by having a robot, it positioned it as an educational toy. So, now kids could ask their parents for educational toys as opposed to electronic games. That's how they overcame resistance to electronic games in the '70s. Some ways to overcome resistance. First, social proof. Social proof means that you see other people doing it. It must be OK.

Now, this can work both ways. But the way I mean it is as a positive. Back when Apple introduced an iPod, you saw lots of people carrying this white thing around with earbuds. You figured out that that's an iPod. You saw lots of people with white earbuds, you want an iPod. You became one of those white earbuds. More people saw more white earbuds. More people bought iPods. More people saw white earbuds. More people bought iPods.

I don't think that Apple purposely used the white for social proof. But I think it definitely worked for social proof. Another great example is from Arizona. There's a park in Arizona where they let you see petrified wood. It's petrified wood forest. They were having problems with tourists stealing petrified wood. So, Robert Cialdini, a social psychology professor from Arizona who is probably the father of influence and persuasion, he conducted an experiment with his grad students. They had a certain part of the park. They measured it off. And they controlled how much petrified wood was in the area.

Then, they tried this experiment. They put no sign. And they saw how many people stole petrified wood. Then, they put the petrified wood back. They put a sign that showed one person stealing petrified wood with a warning sign that says, "No, don't steal petrified wood." They put another sign showing lots of people stealing petrified wood, "No, don't steal petrified wood." Guess what the results were? The sign that was the most effective was one person stealing petrified wood, i.e. very few people steal petrified wood. You will be an outlier of society if you steal petrified wood. The second best condition was no sign. The third and worst condition was, "Ha! The sign that says not to steal petrified wood has lots of people on it. It must be OK." Social proof is telling you it's OK.

Social proof is a very powerful factor. Second thing. You need to find a bright spot. When you introduce a product or service and you find out that there is resistance to it, don't make yourself crazy trying to fix it for the naysayers. Instead, find the bright spot, what is working, and use that. This is a picture from Vietnam because this is an example cited that this person went to Vietnam to fight malnutrition. He found just horrible malnutrition in all these villages. But in every village, there was always a few families that had kids who were not malnourished. He investigated and found out the difference between the malnourished family and the non-malnourished families was not income level. It was not political standing in the village.

It was a very simple thing. Those mothers were taking crabs and shrimps from the rice paddies and putting it into the meals so they had more protein. Very simple thing. That was the only thing that was working. He focused on that and trained other parents to do the same thing. More high-tech example. In 1984, 5, 6, and 7, we thought we had it all figured out with Macintosh. Macintosh would be a spreadsheet database and word processing machine. If you're familiar with Macintosh from way back then, you would know we're 0 for 3 there. The bright spot was desktop publishing.

Desktop publishing was the only bright spot in the Macintosh software world at that time. And you know what? I wish I could tell you that Apple knew and predicted and caused that bright spot. Not at all. This was an example of planting many seeds. One seed was Aldus PageMaker. Aldus PageMaker created desktop publishing. Desktop publishing saved Apple. If it wasn't for Aldus PageMaker, there would be no Apple today. We would all have cell phones and real keyboards. The batteries would last longer.

We wouldn't be stuck with AT&T It would be a different world. Aldus PageMaker was a gift from God to Apple Computer. It saved Apple Computer. I believe in God. One of the reasons why I believe in God is there is no other explanation for Apple's continuous survival than the existence of God. By the process of elimination, not exactly C.S. Lewis level reasoning but it is a reason I believe in God. The point here, find the bright spot. Yes, you're getting your clock cleaned, spreadsheet, word processor and database.

Ah, but there is this bright spot called desktop publishing. Just go with what's flowing, desktop publishing. Next thing. You need to enchant all the influencers. Lots of young entrepreneurs think that the way to get your product or service into a family or a corporation is to go from the top, CIO, CEO, CTO, CMO, CXO, C-something-O. And I'll tell you something. You'll come to learn that in most organizations, the higher you go, the thinner the air. And the thinner the air, the more difficult it is to support intelligent life. So, as an entrepreneur, if you're trying to sell your product into an organization and you focus on the CXO-level people, you will be dealing with the dumbest people because the air is so thin up there. Where the air is thick and people are smart is middle and bottoms of organizations.

You need to look past the fact that it's CXO. Who's really the influencer? In a family situation, it's the same thing. Many people assume that the true decision maker in a family is the father. That's a big mistake. Not at all. It could be the mother, the spouse. Very likely. In an Asian family, it could be the sister-in-law. It could also be the grandfather. But I will tell you personally, my experience, in my family, it is the daughter.

I have a nine-year-old daughter. And I will do anything to make her happy. So, if you truly wanted to influence me, you would make my daughter happy. That's the way it works. I'm not saying you should all go after people's daughters. But do not assume it's the father. Do not even assume it's the mother. Just enchant all the influencers. The next step is to make something endure. A great example of a band that has endured is the Grateful Dead.

They're on their third and fourth generation fan. One of the things that the Grateful Dead does to ensure that it is enduring is it has a completely contrary policy towards ripping off its music. The Grateful Dead supports what's called "tapers", although nobody uses tape anymore. Tapers have a special section at every Grateful Dead concert. The Grateful Dead created a special area with great acoustics for amateurs to tape the concert. And as long as you don't use that music for commercial purposes, it lets you spread it as far and as wide as possible. Have you ever heard of any other group that would encourage you to tape the music at a concert and spread it around? This is one of the reasons why the Grateful Dead is enduring. Let me give you more tips about enduring. First of all, don't necessarily default to using money. Money introduces a whole level of complexity.

Truly, if you enchanted people, I would make the case, you would not have to resort to money. That people truly believe in your computer or your website or your software or your gizmo or whatever you're trying to sell, that's true enchantment. If you have to pay them, something could be wrong. When you have to pay somebody, it introduces a whole level of complexity. If you're the person being paid, you ask yourself, "Am I making this recommendation because I truly believe or because I'm being paid off to believe?" If you're the person receiving the enchantment, you have to ask, "Is this person enchanting me about this product because he or she truly believes or because he or she is making a commission?" There's an experiment done, very interesting, at the University of Minnesota. Of course, you shouldn't extract from undergraduate people as representative of the whole world but a very interesting study. So, there was a room. And the subject was brought into the room and told, "We're going to analyze how you interact with another person. That other person isn't here yet. But would you set up these two chairs for this interaction? You're going to sit across from each other.

Just set up the chairs so that when the next person comes in, it will be ready to do." There was a computer in the room. That computer either had a screensaver with dollar bills, a screensaver with fish or off. Three conditions. This experimenter found out that when the screensaver with money was running, the people set up the chairs the greatest distance away. Now, I'm not saying that you should necessarily take this, change all your screensavers and things. But just take it as a piece of advice that introducing money into the equation is not necessarily the right thing to do. We got pitched at Garage. We created this YouTube killer. We say, "Well, why is your product going to be successful against YouTube?" And they say, "Well, because we have an affiliate program." This is before they did this, but YouTube, you put up your video and YouTube sells advertising and they make a bunch of money. But you don't make anything.

So, our key strength, our key selling point against YouTube is you put your video on our site. And we will rev share with the advertising that runs on your piece of crap video that got 50 views. And you know what? I mean, let's face it, the reason why people put stuff on YouTube is not because of the affiliate fee or the rev share. It's because they want glory, because they want to share stuff and they want to say that 10,000 people watched my skateboard video. It's not about rev share. Don't use money. Second thing is invoke reciprocation. This is a carpet that depicts the battle between Italy and Ethiopia because Italy invaded Ethiopia in the 1930s. When that invasion occurred, the people of Mexico donated money and sent it to the people of Ethiopia. Something like 80 years later, Mexico had this horrendous series of earthquakes, lots of dead people, lots of injury, lots of suffering.

The people of Ethiopia, even though they were in a famine, collected money and sent money to Mexico because they felt the necessary obligation to reciprocate. Fast forward a few years. About right after the Civil War, the people of Charleston, South Carolina, were using bucket brigades to fight fires. The people of New York, including Union soldiers, heard about this. And they donated money to buy the city of Charleston a fire truck. That first fire truck was on a boat that sank. So, they had to raise money again and send another fire truck to Charleston. Fast forward to right after 09/11. The people of Charleston raised over half a million dollars to buy a fire truck for the people of New York because the people of Charleston pledged that if New York ever needed its help, it would come through, 135 years later. Reciprocation is a very powerful force to make your enchantment endure.

It means that you have to pay it forward, though. And I will give you a couple power tips about reciprocation. When you pay it forward, when you do something for somebody, if they have any social skills, they will thank you. They will express gratitude. When that occurs, the optimal thing for you to say is not, "You are welcome." This is a lesson from Robert Cialdini. The optimal thing for you to say when someone thanks you for doing something is, "I know you would do the same for me," because when you say that, you are doing two things. One is you are saying to the person, "You have class. I did something for you. You're thanking me. And I know you would do the same for me because you are a classy guy.

You believe in reciprocation." That's one thing you're saying. The second thing you're saying is, "Let me tell you something. You owe me. I'm telling you right now you owe me. Let's just make it clear. You freaking owe me." Another power tip. You might think that when someone owes you something, you should hesitate on letting them pay you back. "I know you would do the same for me. But you don't really have to. It's OK.

God bless you. Go on with your life." The better thing for you to do is enable him to pay me back because you don't want him carrying around this guilt and hesitation in his whole life. So, what you want to do is relieve the guilt. "OK, you can shine

my shoes. You can defragment my hard disk. You can delete the spam, whatever. You can make my Windows 7 laptop print, whatever." So, by doing that, you alleviate the guilt that he's carrying upon his shoulders. What you're doing is you are clearing the deck. "Now we're equal. I can do more favors for you.

You can even do favors for me." You're relieving the pressure. So, let people pay you back. It's good for them. It's good for you. Two power tips about reciprocation. The third thing is to build an ecosystem. The totality of your product is not just your product. The ecosystem has developers, app developers in the iTunes store. You have developers. You have conferences.

You have online forums. You have volunteers. You have supporters. It's the totality of the ecosystem. Everybody there is trying to make you successful as opposed to just you. You want to endure? You think that the 100,000 iPhone app developers are helping Apple endure? Absolutely. Build an ecosystem. The seventh thing to be a great enchanter is you need to learn to present. You need to be able to speak. I'm going to give you three tips about speaking.

First, customize the introduction. It can be orally, talking about your days at Stanford when you play basketball and you envied the Porsches. You can also do it pictorially. When I travel, particularly to a foreign country, I try to go to the country early and travel and take pictures of me in certain circumstances. If you're in Scotland, you take a picture eating haggis. I mean, you'd like really to get down into the culture. And that shows the audience that you're not this ugly American zooming in, using a shock and awe all the time. This is a real-world example. I was in Brazil to speak to LG. After I landed in Brazil, I figured out, "You know, Guy, you're speaking to LG.

You have LG appliances in your house. You use an LG washer and dryer." I bought an LG washer because it has a steam cycle. I've never used that steam cycle. But I thought it was so cool I bought this LG washer. So, I'm in Brazil and I send a text message to my two oldest sons, both at Sacred Heart now. And I tell them, "Take a picture of the washer and dryer. You know those iPhones that I bought for you? Now is the time to use them. I got iPhone 4's for you so you have high-res pictures. Get off your butt. Go downstairs.

Take a picture of the LG washer and dryer and send it to me." I sent two text messages, one to each son, because I need a backup plan. So, a few hours go by. I don't get any pictures. I'm running out of patience. So, I send my son Nick, the older one, a message. I send him a message that said, "Did you get my text messages?" He says back in response, "Noah." His other brother said, "He took the pictures. Can you get us some LG TV's?" Because God forbid, he's playing COD in low-res and he wants a high-definition TV to play Call of Duty. Needless to say, because of the principles of reciprocation, since he did not send me the picture, I did not get him a TV because there is also negative reciprocation. The point here is that not so much this text message but the previous slide, which is when I stood up to these people from Latin America, all LG representatives, and I said, "Guess what, guys? I am an LG customer. Here's proof.

Here is my washer and dryer." That just totally enchants the audience. Customize your introduction. Why are you laughing? What? You think it's not true? No, I believe you. OK, that's a great answer. The second point is when you speak, you need to sell your dream. You sell your dream of productivity, creativity, peace of mind, whatever it is. Steve Jobs does not stand up in front of an audience and say, "I have an iPhone for you today. It is \$188 worth of parts. Those parts are put together by a large company in China, where lots of people kill themselves. And until a month or so ago, you're going to get a two-year contract with the worst freaking carrier in America.

You can either have cool or you can talk on the phone. Pick one." That's not how Steve Jobs positions an iPhone. He talks about creativity, productivity, coolness, communication, 330,000 apps of which 329,000 you don't care about. He is selling a dream with that phone. It's not parts. It's not Foxconn labor. It's sure as hell not AT&T service. Sell your dream. The famous Guy Kawasaki 10/20/30 Rule of Presentations, the optimal number of slides in a PowerPoint presentation is 10, not the 60 that most people use for a one-hour meeting. Very few people are so eloquent they can rip through 60 slides in 60 minutes.

Ten slides, you should be able to give those 10 slides in 20 minutes. God bless you. You have a one-hour meeting. Still, be able to do it in 20 minutes because outside of this room, 95 percent of the world uses Windows laptops. They need 40 minutes to make it work with a projector. And then, the optimal font size is 30 points, not 8, 10 or 12. Only bozos use 8, 10 or 12. Bozos use 8, 10 or 12 because they need to put a lot of text on the slide. They need to put a lot of text on the slide because they don't know their slides. What happens is they put a lot of text and then they read the text.

The problem with reading the text is that one slide into the presentation, your audience has figured out, "This bozo is reading the slides verbatim. I can read silently to myself honestly faster than this bozo can read verbatim to me." And you lose your audience. Now, if you find this too dogmatic, this 30-point rule, I'll give you a rule of thumb. The rule of thumb is figure out who the oldest person will be in the audience, divide his or her age by two. Many times in venture capital community, you'll be pitching to these 60-year-old people. Thirty points. That's how I figured it out. Now, granted venture capitalists are getting younger, someday you may pitch to a 16-year-old venture capitalist. At that point, God bless you. Use the 8-point font.

But until that day, 10 slides, 20 minutes, 30-point font. The in thing is to use technology. Let's talk about technology for enchanting people. First, you need to remove the speed bumps from your technology. This is what you call captcha. It is done to eliminate robots and spammers. You're making it hard to sign up. What word is this? Is it Farsi? Is it Katakana? Hiragana? Is it Yiddish? What is that? Is it a Cyrillic language? What language is that? Why don't you just tell me you don't want me to register? Think of the speed bumps. When you say you can have a free account, just give me 35 fields of personal information. Oh, yeah, give us your Visa card number.

We're never going to charge it. But just in case we need to verify your existence. Just tell people you don't want them to use the service. Just be honest. Remove the speed bumps. Second thing is you need to do one of these three things in most social media circumstances. You either provide information. Information like Amazon just shipped an iPhone app where you can be in a store, take a picture of a barcode. The barcode will go up in the cloud, talk to Amazon. Amazon will come back and send you an immediate message how much that thing would cost at Amazon.

It's information to know that Amazon has released such a cool app. That's useful. The second kind of thing you could do is provide insights. What does it mean that Amazon has done this app? Does this mean the end of shopping in an analog sense? What does it mean to have such a great app on an iPhone? And the third way is assistance. How can I get this app? Where do I get this app? How do I use this app optimally? Those three things are the key to social media. The next thing is some benchmarks for you. You want to use technology. Well, you need to engage fast. Fast means within 24 hours. Every app message, every direct message, every email, within 24 hours.

This is a goal, believe me. I am as guilty as anybody of not being able to do things in 24 hours. But this is the ideal goal. In 24 hours, you should engage many people. Again, plant many seeds. Lonelyboy15 writes to you. Answer back. It doesn't just have to be the A-lister from the New York Times. Answer back. And then, you should consider the use of technology, something you have to use all the time.

It's not something that you do after everything else is done. Maybe I'll answer my email. Maybe I'll get on Twitter. Maybe I'll update my Facebook fan page. It's core to your existence as an enchanter. You have to do it all the time. It's core, not context, to use Jeffrey Moore terminology. Now, we're going to talk about enchanting up, i.e. your boss. How do you enchant a boss, someone who works above you? I hate to tell you but the way to do it is when your boss asks you to do something, you drop everything and do what he or she asks.

It is that simple. Most important lesson I could tell you right now as you enter the job market. If your boss asks you to do something, do it. It might be stupid. It might be sub-optimal. You may think, "Well, I'm working on the manual. If I don't finish the manual, we can't ship the product." Arguably, working on the manual is much more important than making a PowerPoint presentation. That's from your point of view. That might not be his or her point of view. Drop everything.

Just do it. Second thing is prototype fast. Your boss gives you a project, says, "I need this in a week." The next day, come back with a prototype. You want to come back with a prototype for two reasons. One, to show that you're really on top of things. You really did drop everything. Second thing is a prototype significantly increases the probability you will do the right thing. This is the prototype for what became this presentation. This is the level of specificity that I had. I had the text.

I even had some sample pictures. And I sent it to a designer. I said, "This is the prototype. Now, you make it beautiful." Create a prototype. And the third thing is you should always deliver bad news early. You should tell people bad news, particularly people you work for, something is going wrong. If you want to be a world-class enchanter, you not only tell people something is going wrong early, you also tell it with some suggested ways to fix the problem. And that will enchant your boss. The next step is to enchant people who work for you because as you go up the corporate chain, you will have people working for you. This is how to make them very happy.

First of all, you provide MAP. MAP stands for mastery and autonomy and purpose. Let me explain. Mastery means if you work for me, if you work for this organization, you will acquire new skills. You will master social media. You will master video editing. You will master programming. You will master writing, master selling. Whatever it is. So, we offer you an opportunity to improve yourself.

You will be improving yourself autonomously. We are not going to micromanage you. And you're going to be doing these tasks. You'll be mastering things. You'll be working autonomously and at a higher purpose. This organization has a higher purpose. Productivity, creativity, peace of mind, ending pollution, whatever it is. We have a high purpose at this organization. If you do these three things, you will enchant people who work for you. The next thing, empower action.

Basically, you're saying to people, "I trust you. I trust your judgment. I empower you to take action." Part of autonomous. Empower people to do things. And the third thing is you need to be willing to suck it up, meaning that you never ask people who work for you to do something that you yourself would not do. If you're asking someone to fly to Mumbai coach, you better

be willing to fly to Mumbai coach, too. This is a picture of Mike Rowe of Dirty Jobs, enchanting person. What makes him enchanting is if you watch Dirty Jobs, he is willing to get into the sewer. He is willing to get into the muck and the dirt and the crap and do whatever that crew also does. That's what makes Mike Rowe enchanting.

He sucks it up. The last few slides. I want to tell you a story about the cover of this book. This is the cover. I ran a Crowdsourcing contest. And this is the entry that I picked. It is a blue morpho with somewhat dubious font. But I love this design. I showed this design to my publisher. And my publisher said, "Too feminine.

Too self-help. Too woo-woo. Too Boulder-Colorado-sit-under-the-crystals. Too all that kind of stuff. No man would be caught reading a book with a cover of a blue butterfly." And after some bludgeoning, I came to agree with that. So, I figured out that, "Guess what? I'm Japanese." And Japanese have this art called origami. So, I should make an origami butterfly. I don't know anything about origami. So, I go to Google and I type in "origami butterfly". Lo and behold, I find this world master of origami.

And I contact him and I ask him, "I need a really cool butterfly, a butterfly that doesn't say 'self-help woo-woo crystals vegetarian'. I need like a macho butterfly." And so, he came up with this great butterfly. And this butterfly is a combination of butterfly and B-1 bomber. This is the bad-ass butterfly. So, that's how I got to this cover. And I think this is my very last slide. This slide gives you two pieces of information. First, the person who created this presentation, which I believe is an art to create a presentation like this. It wasn't me. So, one of the things you learn about enchantment is if you can't do it, find somebody who can do it.

I can't do it. And the next thing is if you want copies of this presentation, be happy to send it to Gina@garage.com. And that, in how long I've been, one hour, is the art of enchantment. Thank you very much.