

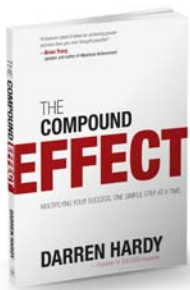
# THE COMPOUND

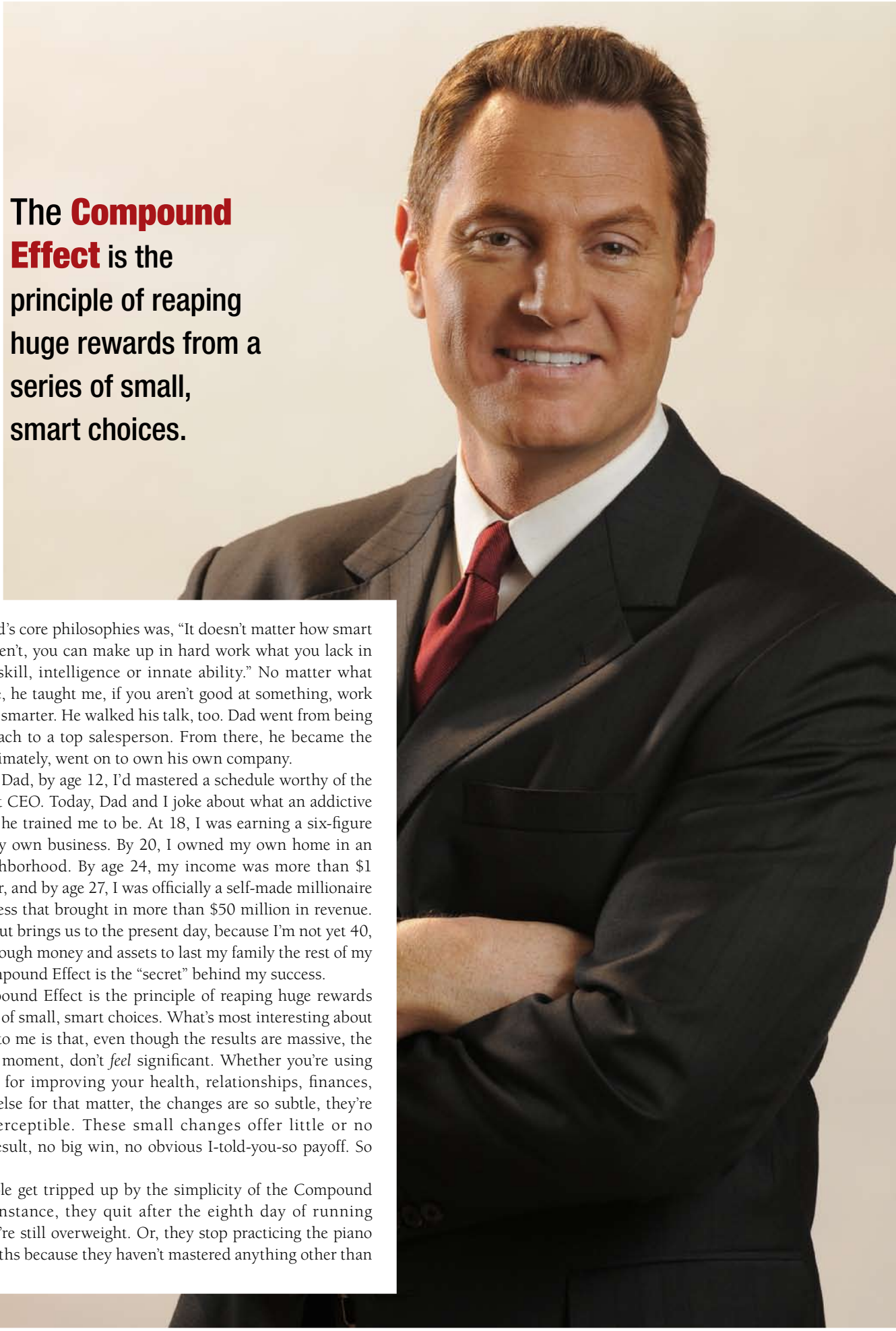
# EFFECT **IN ACTION**

Multiplying Your  
Success One Simple  
Step at a Time.

*by Darren Hardy*

If you've ever heard the story of the tortoise and the hare, you know the expression, "Slow and steady wins the race." Ladies and gentlemen, I'm the tortoise. Give me enough time, and I will beat virtually anybody, anytime, in any competition. Why? Not because I'm the best or the smartest or the fastest. I'll win because of the positive habits I've developed, and because of the consistency I use in applying those habits. I'm living proof that consistency is the ultimate key to success, yet it's one of the biggest pitfalls for people struggling to achieve. Most people don't know how to sustain it. I do. I have my father to thank for that. In essence, he was my first coach for igniting the power of the Compound Effect.





**The Compound Effect** is the principle of reaping huge rewards from a series of small, smart choices.

One of Dad's core philosophies was, "It doesn't matter how smart you are or aren't, you can make up in hard work what you lack in experience, skill, intelligence or innate ability." No matter what the challenge, he taught me, if you aren't good at something, work harder, work smarter. He walked his talk, too. Dad went from being a football coach to a top salesperson. From there, he became the boss, and ultimately, went on to own his own company.

Thanks to Dad, by age 12, I'd mastered a schedule worthy of the most efficient CEO. Today, Dad and I joke about what an addictive overachiever he trained me to be. At 18, I was earning a six-figure income in my own business. By 20, I owned my own home in an upscale neighborhood. By age 24, my income was more than \$1 million a year, and by age 27, I was officially a self-made millionaire with a business that brought in more than \$50 million in revenue. That just about brings us to the present day, because I'm not yet 40, but I have enough money and assets to last my family the rest of my life. The Compound Effect is the "secret" behind my success.

The Compound Effect is the principle of reaping huge rewards from a series of small, smart choices. What's most interesting about this process to me is that, even though the results are massive, the steps, in the moment, don't *feel* significant. Whether you're using this strategy for improving your health, relationships, finances, or anything else for that matter, the changes are so subtle, they're almost imperceptible. These small changes offer little or no immediate result, no big win, no obvious I-told-you-so payoff. So why bother?

Most people get tripped up by the simplicity of the Compound Effect. For instance, they quit after the eighth day of running because they're still overweight. Or, they stop practicing the piano after six months because they haven't mastered anything other than

“Chopsticks”. Or, they stop making contributions to their IRA after a few years because they could use the cash—and it doesn’t seem to be adding up to much anyway.

What they don’t realize is that these small, seemingly insignificant steps completed consistently over time will create a radical difference. Consider this example of three friends: Larry, Scott and Brad.

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



**Three Friends**

These three buddies grew up together. They live in the same neighborhood, with very similar sensibilities. Each earns around \$50,000 a year. They’re all married and have average health and body weight, plus a little bit of that dreaded “marriage flab.”

Larry plods along doing as he’s always done. He’s happy, or so he thinks, but complains occasionally that nothing ever changes.

Scott starts making some small, seemingly inconsequential, positive changes. He begins reading in the evening and listening to 30 minutes of something instructional or inspirational on his commute to work. He recently read an interview with Dr. Mehmet Oz and chose one idea from the article to implement in his life: He’s going to cut 125 calories from his diet every day. No big deal. He’s also started walking a couple of thousand extra steps per day (less than a mile). No grand acts of bravery or effort. Stuff anyone could do. But Scott is determined to stick with these choices, knowing that even though they’re simple, he could also easily be tempted to abandon them.

Brad makes a few poor choices. He recently bought a new big-screen TV so he can watch more of his favorite programs. He’s been trying out the recipes he’s seen on the Food Channel—the cheesy casseroles and desserts are his favorites. Oh, and he installed a bar in his family room and added one alcoholic drink per week to his diet. Nothing crazy. Brad just wants to have a little more fun.

At the end of five months, no perceivable differences exist among Larry, Scott or Brad. Even though each man has his own pattern of behavior, five months isn’t long enough to see any real decline or improvement in their situations. In fact, if you charted the three men’s weights, you’d see a rounding error of zero. They’d look exactly equal.

At the end of 15 months, we still can’t see noticeable changes in any of their lives. At about month 25, we start seeing really measurable, visible differences. At month 27, we see an expansive difference. And, by month 31, the change is startling. Brad is now fat while Scott is trim. By simply cutting 125 calories a day, in 31 months, Scott has lost 33 pounds!

<b>31 months</b>	<b>= 940 days</b>
<b>940 days x 125 calories/day</b>	<b>= 117,500 calories saved</b>
<b>117,500 calories saved x 1 pound/3,500 calories</b>	<b>= 33.5 pounds!</b>

Brad ate only 125 more calories more a day in that same time frame, and gained 33.5 pounds. Now he weighs 67 pounds more than Scott! But the differences are more significant than weight.

Scott’s invested almost 1,000 hours reading good books and listening to self-improvement audios; by putting his newly gained knowledge into practice, he’s earned a promotion and a raise. Best of all, his marriage is thriving. Brad? He’s unhappy at work, and his marriage is on the rocks. And Larry? Larry is pretty much exactly where he was two and half years ago, except now he’s a little more bitter about it.

**It’s Simple, Be Consistent**

The phenomenal power of the Compound Effect is that simple. The difference between people who employ the Compound Effect for their benefit compared to their peers who allow the same effect to work against them is almost inconceivable. It looks miraculous! Like magic or quantum leaps. After 31 months (or 31 years), the person who uses the positive nature of the Compound Effect appears to be an “overnight success.” In reality, his or her profound success was the result of small, smart choices, completed consistently over time.



The most challenging aspect of the Compound Effect is that we have to keep working away for a while, consistently and efficiently, before we begin to see the payoff. When you understand how the Compound Effect works, you won't pine for quick fixes or silver bullets. Don't try to fool yourself into believing that a mega-successful athlete didn't live through regular bone-crushing drills and thousands of hours of practice. He got up early to practice—and kept practicing long after all others had stopped. He faced the sheer agony and frustration of the failure, loneliness, hard work and disappointment it took to become No. 1.

Your only path to success is through a continuum of mundane, unsexy, unexciting, and sometimes difficult daily disciplines compounded over time. The results, the life and the lifestyle of your dreams can be yours when you put the Compound Effect to work for you. If you use the principles outlined in *The Compound Effect*, you will create your fairy tale ending! **S**

Adapted from Darren Hardy's latest book, *The Compound Effect* (SUCCESS Books, 2010). © 2001 by Darren Hardy. For more on the Compound Effect and other success principles, visit Darren's blog at [DARRENHARDY.SUCCESS.com](http://DARRENHARDY.SUCCESS.com).

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