THE
COMPOUND EFFECT

MULTIPLYING YOUR SUCCESS. ONE SIMPLE STEP AT A TIME.

DARREN HARDY
— Publisher of SUCCESS magazine
About the Author

The chair once occupied by Orison Swett Marden, W. Clement Stone, Napoleon Hill, and Og Mandino is where SUCCESS publisher and editorial director Darren Hardy now sits. Darren has been a leader in the personal-development industry for sixteen years, having led two personal-development-based television networks—The People’s Network (TPN), and The Success Training Network (TSTN)—producing and launching more than a thousand TV shows, live events, and products and programs with many of the world’s top experts.

Darren is a product of the principles he reveals in The Compound Effect. As an entrepreneur, Darren was earning a six-figure income by age eighteen, more than a million dollars a year by age twenty-four, and he owned a company producing $50 million a year in revenue by age twenty-seven. He has mentored thousands of entrepreneurs, advised many large corporations, and serves on the board of several companies and nonprofit organizations.

As publisher and editorial director of SUCCESS magazine, Darren is in a unique position to interview leading experts on human performance and achievement, as well as many of today’s top CEOs, revolutionary entrepreneurs, superstar athletes, entertainers, and Olympic champions, to uncover and share the success secrets behind their extraordinary success.

Each month in the pages of SUCCESS magazine, on his blog (http://DarrenHardy.SUCCESS.com), on Twitter (@DarrenHardy), Facebook (DarrenHardyFan), and before live audiences of entrepreneurs across the country, Darren distills the best of the best information and strategies available, mixing in his own street-tested principles of success. Darren’s passion for personal development is at the core of his business and life philosophy. He is committed to helping others achieve their potential in order to live richer, more fulfilling lives.

Darren is a popular keynote speaker and appears regularly on national radio and TV shows for CNBC, MSNBC, CBS, ABC, and FOX.

Do you want success?

More success than you have now?

And even more success than you ever imagined possible?

That is what this book is about.

Achieving it.

No gimmicks. No hyperbole. Finally, just the truth on what it takes to earn success.

As publisher of SUCCESS magazine, author Darren Hardy has heard it all, seen it all, and tried most of it. This book reveals the core principles that drive success. The Compound Effect contains the essence of what every superachiever needs to know, practice, and master to obtain extraordinary success. Inside you will find strategies on:

• How to win—every time! The No. 1 strategy to achieve any goal and triumph over any competitor, even if they’re smarter, more talented or more experienced.

• Eradicating your bad habits (some you might be unaware of!) that are derailing your progress.

• Painlessly installing the few key disciplines required for major breakthroughs.

• The real, lasting keys to motivation—how to get yourself to do things you don’t feel like doing.

• Capturing the elusive, awesome force of momentum. Catch this, and you’ll be unstoppable.

• The acceleration secrets of superachievers. Do they have an unfair advantage? Yes they do, and now you can too!

If you’re serious about living an extraordinary life, use the power of The Compound Effect to create the success you desire. Begin your journey today!
THE COMPOUND EFFECT

MULTIPLYING YOUR SUCCESS. ONE SIMPLE STEP AT A TIME.

This book is being given to

____________________________________

because I care about you and your greater success,

____________________________________
Also by Darren Hardy

*Design Your Best Year Ever: A Proven Formula for Achieving BIG GOALS*

If you’d like to purchase a printed version of *The Compound Effect* for your library or the enhanced audio book, click here: www.TheCompoundEffect.com/buy
Praise for The Compound Effect

“This powerful, practical book, based on years of proven and profitable experience, shows you how to leverage your special talents to maximize the opportunities surrounding you. The Compound Effect is a treasure chest of ideas for achieving greater success than you ever thought possible!”

—Brian Tracy, speaker and author of The Way to Wealth

“A brilliant formula for living an extraordinary life. Read it, and most important, take action upon it!”

—Jack Canfield, co-author of The Success Principles: How to Get from Where You Are to Where You Want to Be

“Darren Hardy has written a new bible for the self-improvement space. If you are looking for the real deal—a real program, with real tools that can change your life and make your dreams a reality—The Compound Effect is it! I plan to use this book to go back and look at what I need to again work on in my own life! Buy ten copies, one for yourself and nine more for those you love, and pass them out now—those who get it will thank you!


“This book will enable you to climb the ladder of success two steps at a time. Buy it, read it, and bank it.”

—Jeffrey Gitomer, author of The Sales Bible and The Little Red Book of Selling

“Darren Hardy is in a unique position to aggregate the brainpower of the most successful people in the world and boil it down to what really matters. Simple, direct, and to the point—these are the principles that have guided my life and every top business leader I know. This book will show you the way to your own greater success, happiness, and fulfillment.”

—Donny Deutsch, television host and chairman of Deutsch, Inc.

“The Compound Effect is a brilliant formula for achieving the life of your dreams. Step by step, let it be your guide. Read and study it, but most important, put it into action!”

—Chris Widener, speaker and author of The Art of Influence: Persuading Others Begins with You and The Twelve Pillars
“Darren Hardy proves with The Compound Effect that common sense—when applied—yields amazingly uncommon results. Follow these simple steps and become who you were meant to be!”

—Denis Waitley, speaker and author of The Psychology of Winning

“The Compound Effect will help you beat the competition, rise above your challenges, and create the life you deserve!”

—T. Harv Eker, author of the No. 1 New York Times best-seller Secrets of the Millionaire Mind

“Einstein said, ‘Compounding is the eighth wonder of the world.’ To compound your successes, read, apprehend, comprehend, and fully use my friend Darren Hardy’s brilliance to realize all your dreams, hopes, and desires.”

—Mark Victor Hansen, co-creator of the No. 1 New York Times best-selling series Chicken Soup for the Soul and co-author of The One Minute Millionaire

“People who talk about ‘success’ but don’t find ways to translate it into their personal lives—into their relationships and their marriages and their families—do not win my respect or my admiration. In fact, their words ring hollow. As long as we have known Darren Hardy, we have never had a conversation where we have not talked about our kids, about our wives, and about how our families are doing. We think Darren knows a lot about achieving success, and even more important, he wants people to achieve it for the right reasons!”

—Richard and Linda Eyre, authors of the New York Times No. 1 best-selling Teaching Your Children Values

“Darren Hardy’s The Compound Effect is a culmination of success principles that is relevant to anyone who needs it! As a thought leader, he is making a significant contribution to our industry. A wonderful book!”

—Stedman Graham, author, speaker, entrepreneur

“From time to time, you get the opportunity to make the leap from where you now are to where you’ve always wanted to be. This book is that opportunity. And now is your time. A superb work from a leading light.”

—Robin Sharma, author of the No. 1 best-sellers The Monk Who Sold His Ferrari and The Leader Who Had No Title
This book is dedicated to:

Jerry Hardy, my best man, my dad: the man who taught me the principles of the Compound Effect through his example.

And, to Jim Rohn, my mentor: the man who taught me, amongst many things, to talk about things that matter to people who care.
“I have spent a lifetime helping people get to the bottom line so that they can be successful and achieve instant results, which is why I absolutely love this book and recommend it to all of my clients. Darren has an amazing gift for sharing powerful techniques and telling it like it is so that you can save valuable time and get right to work putting his formula for success into action immediately.”

—Connie Podesta, keynote speaker, author and executive coach

“If anyone knows the fundamentals of success, it’s Darren Hardy, publisher and editorial director of SUCCESS magazine! This book is about a return and focus on the basics, what it really takes to earn success. Make The Compound Effect your operations manual for life—one simple step at a time!”

—Dr. Tony Alessandra, author of The Platinum Rule and Charisma

“With The Compound Effect, Darren Hardy has joined the ranks of the great self-improvement authors! If you are serious about success and living your true potential, reading this book is a must. It will serve as your operations manual for success.”

—Vic Conant, chairman of Nightingale-Conant

“Life is fast with lots of distractions. If you want to advance effectively, don’t just read this book—study it with a highlighter.”

—Tony Jeary, coach to the world’s top CEOs and high-achievers

“SUCCESS magazine has been a fountain of powerful ideas since the day it was launched over a century ago. Now, Darren Hardy, the journal’s 21st-century steward, has distilled the essential fundamentals you’ll need to create the life you’ve always imagined. You shouldn’t read this book—you should devour it from cover to cover.”

—Steve Farber, author of the best-sellers The Radical Leap and Greater Than Yourself

“This is a must-read book for success seekers. You want to know what it takes? You want to know what to do? It’s all here. This is your operation manual for success.


“Fundamentals never change! Darren Hardy powerfully and persuasively shows you how you can have both success and significance if you’ll follow the clear and concise ideas in this book. You’ll love this work. Hardy is a genius for pulling it all together.”

—Dr. Nido R. Qubein, president of High Point University and chairman of Great Harvest Bread Co.
“The Compound Effect is a powerful, comprehensive guide to success. It gives a complete strategy to get you from where you are to where you want to be. The name Darren Hardy means success! My advice is read the book, do the work, and achieve success.”

—Jeffrey Hayzlett, author of The Mirror Test and CMO of Kodak

“You can take the rest of your life and try to figure out how to achieve success, or you can follow the proven and tested principals and methods found in this book. It’s your choice, do it the hard way… or do it the smart way!”

—John Assaraf, author of The Answer and Having It All

“Finally! Darren Hardy has done it with this book. It’s a terrific distillation of the essential fundamentals needed to achieve the life you’ve always imagined. Master these basics, and you will be the master of your future!”

—Don Hutson, speaker, co-author of the No. 1 New York Times bestselling The One Minute Entrepreneur, and CEO of U.S. Learning

“Your life will be the net result of each step you take. Let this powerful guide show you how to make better choices, develop better habits, and think better thoughts. Your success is truly in your hands... in this book.”

—Jim Cathcart, speaker and author of The Acorn Principle

“At Zappos, one of our core values is to Pursue Growth and Learning. In the lobby of our headquarters, we have a giving library where we give away books to employees and visitors that we think will help with their growth, both personally and professionally. I can’t wait to add The Compound Effect to our library.”

—Tony Hsieh, author of Delivering Happiness and CEO of Zappos

“If there were ever a person who has his finger on the pulse of success, it’s Darren Hardy, publisher and editorial director of SUCCESS magazine. I always look forward to reading what he has to say. He is a great synthesizer of great ideas.”

—Larry Benet, chairman of the Speakers and Authors Networking Group

“A brilliant formula for living an extraordinary life. Read it, and most important, take action upon it!”

—Roger Dawson, author of Secrets of Power Negotiating
THE COMPOUND EFFECT

MULTIPLYING YOUR SUCCESS. ONE SIMPLE STEP AT A TIME.

DARREN HARDY
— Publisher SUCCESS magazine

SUCCESS | BOOKS
WARNING! These chapter headings look simple. Success strategies are no longer a secret, but most people ignore them. You think you already know the secret to success? So does everyone else. But the six strategies within this book, when applied in sequence, will launch your income, your life—your success—like nothing before.

As the publisher of SUCCESS magazine, I’ve seen it all. Nothing works like the power of the Compound Effect of simple actions done right over time.

This is it, the real deal on what it takes to achieve massive success in your life. Whatever your dream, desire, or goal in life, the plan to achieve it all is found in the book you’re holding. Read on, and let it rock your world.
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I extend my appreciation and thanks to my team at SUCCESS Media and SUCCESS magazine, who have supported me through this labor of blood, sweat, and almost tears, particularly my good friends and colleagues Reed Bilbray and Stuart Johnson…

To my writing muse and collaborator, Linda Sivertsen, who helped pull out the stories and references from my past and give my process order and coherence…

To the editing wizardry of Erin Casey, the always-genius touch of our SUCCESS magazine editor Lisa Ocker, and to our editor in chief, Deborah Heisz…

To the many brilliant personal-development experts I have worked with and learned from over the past two decades—all the CEOs, revolutionary entrepreneurs, and extraordinary achievers I have had the chance to interview and glean new insights, ideas, and wisdom from…

To all the readers of SUCCESS magazine, my blog, and my other works, and whose enthusiastic and appreciative feedback inspires me to want to continue to pursue the zenith of my potential, so I can better assist others to find theirs…

And finally, and most important, to my beautiful and wonderful wife, Georgia, who sacrificed many late nights and weekends without me while I worked to complete this manuscript.
No matter what you learn, what strategy or tactic you employ, success comes as the result of the Compound Effect.
SPECIAL MESSAGE FROM ANTHONY ROBBINS

During the past three decades, I’ve had the privilege of helping more than 4 million people create breakthroughs in their lives. I’ve worked with an immensely diverse group of people—from presidents of countries to prisoners, Olympic athletes, and Oscar-winning entertainers, from billionaire entrepreneurs to those just struggling to start their own business. Whether working with a couple fighting to keep their family together or a person in prison searching for a way to change their life from the inside out, my focus has always been on helping people achieve real and sustainable results. You can’t do that through a magic pill or secret formula, but only through understanding the real tools, strategies, and science behind what it takes to break through the patterns that defeat so many and achieve a meaningful life.

Darren and I both made the decision to take control of our lives at an early age. We searched for answers by seeking out people who were living the kind of life we wanted to live. Then we applied what we learned. It’s not really all that surprising that
we both cite Jim Rohn as a mentor. Jim was a master at helping people understand the truths, the laws, and the practices that lead to real, lasting success. Jim taught us that achievement is not about luck; it’s really a science. Sure, everyone is different, but the same laws of success always apply. You reap what you sow; you can’t get out of life what you’re not willing to put into it. If you want more love, give more love. If you want greater success, help others achieve more. And when you study and master the science of achievement, you will find the success you desire.

Darren Hardy is living proof of this philosophy. He walks the talk. What he shares in his book is based on what has worked in his life—and mine as well.

This is a guy who has taken simple but profound fundamentals of what it takes to be successful and used them to earn more than a million dollars a year by age twenty-four, and build a company to more than $50 million by age twenty-seven. For the past twenty years, his life has been a personal laboratory of study and research on the topic of success. He’s used himself as a guinea pig, testing thousands of different ideas, resources, and tools, and through his failings and his triumphs, he’s figured out which ideas and strategies have merit, and which ones are just plain BS.

For sixteen years, I have crossed paths with Darren, who as a leader in the personal-development industry, has worked closely with hundreds of top writers, speakers, and thought leaders. He has trained tens of thousands of entrepreneurs, advised many large companies, and personally mentored dozens of top CEOs and high-performance achievers, extracting from them what really matters and really works, and what doesn’t. In his role as publisher of SUCCESS magazine, Darren sits at the center
of the personal development industry. He’s interviewed top leaders, from Richard Branson to General Colin Powell to Lance Armstrong, on a multitude of success topics, and drilled down to their best ideas, compiling them all—even a few of mine. He is an all-consuming, sorting, filtering, digesting, analyzing, summarizing, categorizing, itemizing, personal-achievement encyclopedia of information. He has culled the clutter, and focused on the core fundamentals that matter—fundamentals that you can immediately implement in your life to produce measurable and sustainable results.

*The Compound Effect* is the operator’s manual that teaches you how to own the system, how to control it, master it, and shape it to your needs and desires. Once you do, there is nothing you can’t obtain or achieve.

*The Compound Effect* is based on a principle I’ve used in my own life and training; that is, your decisions shape your destiny. The future is what you make of it. Little, everyday decisions will either take you to the life you desire or to disaster by default. In fact, it’s the littlest decisions that shape our lives. Stray off course by just two millimeters, and your trajectory changes; what seemed like a tiny, inconsequential decision then can become a mammoth miscalculation now. From what to eat and where to work, to the people you spend your time with, to how you spend your afternoon, every choice shapes how you live today, but more important, how you live the rest of your life. But the good news is, change is within you. In the same way a two-millimeter miscalculation can send you veering wildly off your life’s course, a mere two-millimeter readjustment can also bring you right back home. The trick is finding the plan, the guide, the map that shows you where that home is. How you get there. How you stay on the path.
This book is that detailed, tangible plan of action. Let it shake up your expectations, eliminate your assumptions, ignite your curiosity, and bring value to your life—starting right now. Take advantage of this tool. Use it as a guide to create the life and the success you want. If you do this, and if you do all the other right things—and keep doing them day in and day out—I know you will experience the best life has to offer.

Live with passion!

Anthony Robbins

*Entrepreneur, author and peak-performance strategist*
This book is about success and what it really takes to earn it. It’s time someone told it to you straight. You’ve been bamboozled for too long. There is no magic bullet, secret formula, or quick fix. You don’t make $200,000 a year spending two hours a day on the Internet, lose 30 pounds in a week, rub 20 years off your face with a cream, fix your love life with a pill, or find lasting success with any other scheme that is too good to be true. It would be great if you could buy your success, fame, self-esteem, good relationships, and health and well-being in a nicely clam-shelled package at the local Walmart. But, that’s not how it works.

We are constantly bombarded with increasingly sensational claims to get rich, get fit, get younger, get sexier… all overnight with little effort for only three easy payments of $39.95. These repetitive marketing messages have distorted our sense of what it really takes to succeed. We’ve lost sight of the simple but profound fundamentals of what it takes to be successful.

I’m tired of it. I won’t sit back and watch these reckless messages derail people any longer. I wrote this book to take
you back to basics. I’m going to help you clear the clutter and bring focus to the core fundamentals that matter. You can immediately implement in your life the exercises and time-tested success principles this book contains to produce measurable and sustainable results. I’m going to teach you to harness the power of the Compound Effect, the operating system that has been running your life, for better or worse. Use this system to your advantage and you truly can revolutionize your life. You have heard you can achieve anything you set your mind to, right? Well, only if you know how. The Compound Effect is the operator’s manual that teaches you how to master the system. When you do, there is nothing you can’t obtain or achieve.

How do I know that the Compound Effect is the only process you need for ultimate success? Firstly, I have applied these principles to my own life. Now I hate it when authors beat their chests about their fame and fortune, but it’s important you know I speak from personal experience—I’m offering you living proof, not regurgitated theory. As Anthony Robbins mentioned, I’ve enjoyed significant success in my business endeavors because I’ve made it a point to live by the principles you’ll read in this book. For the past twenty years I’ve been intensely studying success and human achievement. I have spent hundreds of thousands of dollars testing thousands of different ideas, resources, and philosophies. My personal experience has proven that, no matter what you learn or what strategy or tactic you employ, success comes as the result of the operating system of the Compound Effect.

Secondly, for the past sixteen years I have been a leader in the personal-development industry. I’ve worked with respected thought leaders, speakers and authors. As a speaker and
consultant, I’ve trained tens of thousands of entrepreneurs. I’ve mentored business leaders, corporate executives and countless high-achievers. From thousands of case studies I have extracted what works—and what doesn’t.

Thirdly, as publisher of SUCCESS magazine, I sift through thousands of article submissions and books, help choose the experts we feature in the magazine, and review all of their material. Each month I interview a half-dozen top experts on a multitude of success topics and drill down to their best ideas. All day, every day, I am consuming, sorting, filtering, and wading through an ocean of personal-achievement information.

Here’s my point. When you have such an exhaustive view of this industry, and wisdom gained through studying the teachings and best practices of some the world’s most successful people, an amazing clarity emerges—the underlying fundamental truths become crystal clear. Having seen it, read it, and heard most all of it, I can no longer be fooled by the latest gambit or self-proclaimed prophet with the newest “scientific breakthrough.” Nobody can sell me on gimmicks. I have too many reference points. I’ve gone down too many roads and learned the truth the hard way. As my mentor, the great business philosopher Jim Rohn, said, “There are no new fundamentals. Truth is not new; it’s old. You’ve got to be a little suspicious of the guy who says, ‘Come over here, I want to show you my manufactured antiques!’ No, you can’t manufacture antiques.”

What this book is about, with all the unnecessary noise, fat, and fluff removed, is what really matters. What really works? What half-dozen basics, when focused on and mastered, constitute the operating system that can take you to any goal you desire and help you live the life you were meant to live? This book contains
those half-dozen fundamentals; they comprise the operating system called the Compound Effect.

Before we dig in, I have one warning: Earning success is hard. The process is laborious, tedious, sometimes even boring. Becoming wealthy, influential, and world-class in your field is slow and arduous. Don’t get me wrong; you’ll see results in your life from following these steps almost immediately. But if you have an aversion to work, discipline, and commitment, you’re welcome to turn the TV back on and put your hope in the next infomercial—the one touting promises of overnight success, if you have access to a major credit card.

Here’s the bottom line: You already know all that you need to succeed. You don’t need to learn anything more. If all we needed was more information, everyone with an Internet connection would live in a mansion, have abs of steel, and be blissfully happy. New or more information is not what you need—a new plan of action is. It’s time to create new behaviors and habits that are oriented away from sabotage and toward success. It’s that simple.

You’re about to discover a detailed, tangible plan of action. Let it shake up your expectations, eliminate your assumptions, ignite your curiosity, and bring value to your life—starting right now. Throughout the book I mention resources I’ve made available at TheCompoundEffect.com. Please, go there! Use them! This book and the tools I’ve provided to support you offer the best of everything I’ve heard, seen, studied, and tried. It’s the best of what we bring you every month in SUCCESS magazine, all in one life-changing little book. And it is simple!

Let’s get started!
Tired of reading this on your computer? Get the complete printed book and feel the difference. Order it today at www.TheCompoundEffect.com/buy. Or... keep reading! There’s more great information waiting for you on the next page.
CHAPTER 1
THE COMPOUND EFFECT IN ACTION

You know that expression, “Slow and steady wins the race”? Ever heard the story of the tortoise and the hare? 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 the world’s biggest believer in consistency. I’m living proof that it’s 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.

My parents divorced when I was eighteen months old, and my dad raised me as a single father. He wasn’t exactly the soft,
nurturing type. He was a former university football coach, and he hard-wired me for achievement.

Thanks to Dad, wake-up calls were at six o’clock every morning. Not by a loving tap on the shoulder or even the sound of a radio alarm. No, I was awakened each morning by the repetitious pile-driving sound of iron pounding on the concrete floor of our garage, situated next to my bedroom. It was like waking up twelve feet from a construction zone. He’d painted a huge “No pain, no gain” sign on the wall of the garage, which he stared at while he did countless old-school strongman dead lifts, power cleans, lunges, and squats. Rain, sleet, or shine, Dad was out there in his shorts and tattered sweatshirt. He never missed a day. You could set your watch by his routine.

I had more chores than a housekeeper and gardener put together. Upon returning from school, there was always a list of instructions to greet me: pull weeds, rake leaves, sweep the garage, dust, vacuum, do the dishes—you name it. And getting behind in school wasn’t tolerated. That’s just the way it was.

Dad was the original “no excuses” guy. We weren’t ever allowed to stay home from school sick, unless we were actually puking, bleeding, or “showing bone.” The term “showing bone” came from his coaching days; his players knew they weren’t allowed to come out of the game unless they were seriously injured. One time his quarterback asked to be pulled out of the game. Dad said, “Not unless you’re showing bone.” The quarterback pulled back his shoulder pads, and sure enough, his collarbone was showing. Only then was he allowed to come off the field.
One of Dad’s core philosophies was, “It doesn’t matter how smart you are or aren’t, you need to make up in hard work what you lack in experience, skill, intelligence, or innate ability. If your competitor is smarter, more talented, or experienced, you just need to work three or four times as hard. You can still beat them!” No matter what the challenge, he taught me to make up in hard work for wherever I might be disadvantaged. Miss free throws at the game? Do one thousand free throws every day for a month. Not good at dribbling with your left hand? Tie your right hand behind your back and dribble three hours a day. Behind in your math? Hunker down, hire a tutor, and work like hell all summer until you get it. No excuses. 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.

But I wasn’t given loads of instruction. From the beginning, Dad let us figure it out. He was all about taking personal responsibility. He didn’t hammer on us every night about homework; we just had to show up with the results. And, when you did, you were celebrated. If we got good grades, Dad took us to Prings, an ice cream parlor where you could get these king banana splits—six scoops of ice cream and all the fixings! Many times my siblings didn’t fare as well in school, so they didn’t get to go. Getting to go was a big deal, so you worked your butt off to win the trip.

Dad’s discipline served as an example for me. Dad was my idol, and I wanted him to be proud of me. I also lived in fear of disappointing him. One of his philosophies is, “Be the guy who says ‘no.’ It’s no great achievement to go along with the
crowd. Be the unusual guy, the extraordinary guy.” That’s why I never did drugs—he never harped on me about it, but I didn’t want to be that guy who just went along because everyone else was doing it. And I didn’t want to let Dad down.

Thanks to Dad, by age 12, I’d mastered a schedule worthy of the most efficient CEO. Sometimes I griped and moaned (I was a kid!), but even then I secretly liked knowing that I had an edge over my classmates. Dad gave me a serious head start on the discipline and mentality it takes to be dedicated and responsible, to achieve whatever I set out to achieve. (It’s no accident that the tagline of SUCCESS magazine is “What Achievers Read.”)

Today Dad and I joke about what an addictive overachiever he trained me to be. At eighteen, I was making a six-figure income in my own business. By age twenty, I owned my own home in an upscale neighborhood. By age twenty-four, my income grew to more than $1 million a year, and by age twenty-seven, 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 forty, but I have enough money and assets to last my family the rest of my life.

“There are lots of ways to screw up a kid,” Dad says. “At least my way was a pretty good one! You seemed to have done pretty well.”

So, while I admit that I’ve had to practice sitting on my hands and being present in the moment, or chilling out peacefully in a beach chair from time to time (without taking a pile of business books or self-improvement CDs with me), I’m grateful for the success skills I learned from my dad, and my other mentors along the way.

The Compound Effect reveals the “secret” behind my success. I’m a true believer in the Compound Effect because Dad made
sure that I lived it, each and every day, until I couldn’t live any other way if I tried.

But if you’re like most people, you’re not a true believer. There are lots of perfectly understandable reasons why. You haven’t had the same coaching and example showing you what to do. You haven’t experienced the payoff of the Compound Effect. As a society, we have been deceived. We’ve been hypnotized by commercial marketing, which convinces you of problems you don’t have and sells you on the idea of insta-fixes to “cure” them. We’ve been socialized to believe in the fairy-tale endings found in movies and novels. We’ve lost sight of the good, old-fashioned value of hard and consistent work.

Let’s examine these hurdles one by one.

You Haven’t Experienced the Payoff of the Compound Effect

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. Let me give you a few detailed examples.

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

### The Magic Penny

If you were given a choice between taking $3 million in cash this very instant and a single penny that doubles in value every day for 31 days, which would you choose? If you’ve heard this before, you know the penny gambit is the choice you should make—you know it’s the course that will lead to greater wealth. Yet why is it so hard to believe choosing the penny will result in more money in the end? Because it takes so much longer to see the payoff. Let’s take a closer look.

Let’s say you take the cold, hard cash and your friend goes the penny route. On Day Five, your friend has sixteen cents. You, however, have $3 million. On Day Ten, it’s $5.12 versus your big bucks. How do you think your friend is feeling about her decision? You’re spending your millions, enjoying the heck out of it, and loving your choice.

After 20 full days, with only 11 days left, Penny Lane has only $5,243. How is she feeling about herself at this point? For all her sacrifice and positive behavior, she has barely more than
THE COMPOUND EFFECT IN ACTION

$5,000. You, however, have $3 million. Then the invisible magic of the Compound Effect starts to become visible. The same small mathematical growth improvement each day makes the compounded penny worth $10,737,418.24 on Day Thirty-one, more than three times your $3 million.

In this example we see why consistency over time is so important. On Day Twenty-nine, you’ve got your $3 million; Penny Lane has around $2.7 million. It isn’t until Day Thirty of this 31-day race that she pulls ahead, with $5.3 million. And it isn’t until the very last day of this monthlong ultramarathon that your friend blows you out of the water; she ends up with $10,737,418.24 to your $3 million.

Very few things are as impressive as the “magic” of compounding pennies. Amazingly, this “force” is equally powerful in every area of your life.

Here’s another example...

Three Friends

Let’s take three buddies who all grew up together. They live in the same neighborhood, with very similar sensibilities. Each makes 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.”

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

Friend number two, Scott, starts making some small, seemingly inconsequential, positive changes. He begins reading 10 pages of a good book per day and listening to...
30 minutes of something instructional or inspirational on his commute to work. Scott wants to see changes in his life, but doesn’t want to make a fuss over it. He recently read an interview with Dr. Mehmet Oz in SUCCESS magazine 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. We’re talking maybe a cup of cereal less, trading that can of soda for a bottle of seltzer, switching from mayo to mustard on his sandwich. Doable. He’s also started walking a couple 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.

Friend number three, 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. Scott continues to read a little bit every night and listen to audios during his commute; Brad is “enjoying” life and doing less. Larry keeps doing as he always has. 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 ten months, we still can’t see noticeable changes in any of their lives. It’s not until we get to the end of the eighteenth month that the slightest differences are measurable in these three friends’ appearances.

But at about month twenty-five, we start seeing really measurable, visible differences. At month twenty-seven, we see an expansive difference. And, by month thirty-one, the change is startling. Brad is now fat while Scott is trim. By simply cutting 125 calories a day, in thirty-one months, Scott has lost thirty-three pounds!

\[
\text{31 months} = 940 \text{ days} \\
940 \text{ days} \times 125 \text{ calories/day} = 117,500 \text{ calories saved} \\
117,500 \text{ calories saved} \times 1 \text{ pound/3,500 calories} = 33.5 \text{ pounds!}
\]

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 one thousand 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.

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 thirty-one months (or thirty-one 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 Ripple Effect

The results in the above example seem dramatic, I know. But it goes even deeper than that. The reality is that even one small change can have a significant impact that causes an unexpected and unintended ripple effect. Let’s put one of Brad’s bad habits under the microscope—eating rich food more frequently—to better understand how the Compound Effect can also work in a negative way and can create a ripple effect that impacts your entire life.

Brad makes some muffins from a recipe he learned from the Food Channel. He’s proud and his family loves it, and it seems to add value all around. He starts making them (and other sweets) frequently. He loves his own cooking and eats more than his share—but not so much that anyone notices. However, the extra food makes Brad sluggish at night. He wakes up a little groggy, which makes him cranky. The crankiness and sleep-deprivation begin to impact his work performance. He’s less productive, and as a result, gets discouraging feedback from his boss. By the end of the day, he feel dissatisfied with his job and his energy level is
way down. The commute home seems longer and more stressful than ever. All of this makes him reach for more comfort food—stress has a way of doing that.

The overall lack of energy makes Brad less likely to take walks with his wife, like he used to. He just doesn’t feel like it. She misses their time together and takes his withdrawal personally. With fewer shared activities with his wife and an absence of fresh air and exercise, Brad’s not getting the endorphin release that had helped make him feel upbeat and enthusiastic. Because he’s not as happy, he starts finding fault with himself and others, and stops complimenting his wife. As his own body starts to feel flabby, he feels less self-confident, less attractive and becomes less romantic.

Brad doesn’t realize how his lack of energy and affection toward his wife affects her. He just knows that he feels funky. He starts losing himself in late-night TV because it’s easy and distracting. Feeling his distance, Brad’s wife starts to complain, then becomes needy. When that doesn’t work, she emotionally withdraws to protect herself. She’s lonely. She pours her energy into her work and spends more time with her girlfriends to fulfill her need for companionship. Men start flirting with her, which makes her feel desirable again. She would never cheat on Brad, but he has a feeling something’s wrong. Instead of seeing that his poor choices and behaviors are at the root of their problems, he finds fault with his wife.

Believing that the other person is wrong rather than looking inside and doing the work necessary to clean up your mess is basic Psychology 101 stuff. In Brad’s case, he doesn’t know to look inside—they don’t offer self-improvement or relationship advice on Top Chef or his favorite crime shows. However, the thought may
have occurred to him that, if he had read the personal-development books his buddy Scott read, he might have learned about ways to change negative habits. Unfortunately for Brad, the small choices he made on a daily basis created a ripple that wreaked havoc on every area of his life.

Of course, all that calorie-counting and intellectual stimulation has had the opposite effect with Scott, who’s now reaping the bounty of positive results. It’s that simple. With enough time and consistency, the outcomes become visible. Better yet, they’re totally predictable.

Fig. 1

The beauty of the Compound Effect is in its simplicity. Notice how, on the left side of the diagram, the results are intangible, but how powerfully they differ later on. The behaviors all along the way are exactly the same, but the magic of the Compound Effect eventually kicks in to bring massive differences in results.
If you’ve gotten this far, you can be assured you will love the rest of the book. Don’t delay any longer, order your copy (and some for your team members and loved ones!) now at www.TheCompoundEffect.com/buy.

Or... keep reading! There’s even more great information waiting for you on the next page.
The Compound Effect is predictable and measurable—that’s great news! Isn’t it comforting to know you only need to take a series of tiny steps, consistently, over time, to radically improve your life? Doesn’t that sound easier than mustering up some grand show of bravery and heroic strength, only to wear yourself out and have to drum up all that energy again at a later date for another try (which will likely be unsuccessful)? I’m exhausted just thinking about it. But that’s what people do. We’ve been conditioned by society to believe in the effectiveness of a great display of massive effort. Heck, it’s downright all-American! See Figure 1.

**Success, Old School**

The most challenging aspect of the Compound Effect is that we have to keep working away for a while, consistently and efficiently, before we can begin to see the payoff. Our grandparents knew this, though they didn’t spend their evenings glued to the TV watching infomercials about how to have thin thighs in thirty days or a real estate kingdom in six months. I bet your grandparents worked six days a week, from sunup to sundown, using the skills they learned in their youth and repeatedly throughout their entire life. They knew the secret was hard work, discipline, and good habits.

It’s interesting that wealth tends to skip a generation. Overwhelming abundance often leads to a lackadaisical mentality, which brings about a sedentary lifestyle. Children of the wealthy are especially susceptible. They weren’t the ones who developed the discipline and character to create the wealth in the first place, so it makes sense that they may not have the
same sense of value for wealth or understand what’s necessary to keep it. We frequently see this entitlement mentality in children of royalty, movie stars, and corporate executives—and to a lesser degree, in children and adults everywhere.

As a nation, our entire populace seems to have lost appreciation for the value of a strong work ethic. We’ve had two, if not three, generations of Americans who have known great prosperity, wealth, and ease. Our expectations of what it really takes to create lasting success—things like grit, hard work, and fortitude—aren’t alluring, and thus have been mostly forgotten. We’ve lost respect for the strife and struggle of our forefathers. The massive effort they put forth instilled discipline, chiseled their character, and stoked the spirit to brave new frontiers.

The truth is, complacency has impacted all great empires, including, but not limited to, the Egyptians, Greeks, Romans, Spanish, Portuguese, French, and English. Why? Because nothing fails like success. Once-dominant empires have failed for this very reason. People get to a certain level of success and get too comfortable.

Having experienced extended periods of prosperity, health, and wealth, we become complacent. We stop doing what we did to get us there. We become like the frog in the boiling water that doesn’t jump to his freedom because the warming is so incremental and insidious that he doesn’t notice he’s getting cooked!

If we want to succeed, we need to recover our grandparents’ work ethic.

It’s time to restore our character, if not for the sake of saving America, at least for your own greater success and achievement. Don’t buy into the genie in a lamp idea. You can sit on your couch waiting to attract checks in your mailbox, rub crystals together,
walk on fire, channel that 2,000-year-old guru, or chant affirmations if you want to, but much of that is hocus-pocus commercialism manipulating you by appealing to your weaknesses. Real and lasting success requires work—and lots of it!

I have a quick, real-time story to illustrate this nothing-fails-like success concept: A great new restaurant opened up close to my home on the beach in San Diego. In the beginning, the place was always immaculate, the hostess had a big, welcoming smile for everyone, the service was impeccable (the manager came over and assured it), and the food was sensational. Soon, people started lining up to eat there and would often wait more than an hour to be seated.

Then, unfortunately, the restaurant’s staff began to take its success for granted. The hostess became snooty, the service staff disheveled and curt, and the food quality hit-or-miss. The place was out of business within eighteen months. They failed because of their success. Or rather, because they stopped doing what made them successful to begin with. Their success clouded their perspective and they slacked off.

**Microwave Mentality**

Understanding the Compound Effect will rid you of “insta-results” expectation—the belief success should be as fast as your fast food, your one-hour glasses, your thirty-minute photo processing, your overnight mail, your microwave eggs, your instant hot water and text messaging. Enough, okay?

Promise yourself that you’re going to let go once and for all of your lottery-winner expectations because, let’s face it, you only hear stories about the one winner, not the millions of losers. That person you see
jumping up and down in front of the Vegas slot machine or at the Santa Anita horse track doesn’t reveal the hundreds of times that same person lost. If we go back to our mathematical chance of a positive result, again, we have a rounding error of zero—as in, you have about zero chance of winning. Harvard psychologist Daniel Gilbert, author of *Stumbling on Happiness*, says that if we gave lottery losers each thirty seconds on TV to announce not, “I won!” but “I lost,” it would take almost nine years to get through the losers of a single drawing!

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.

By the end of this book, or even before, I want you to know in your bones that your only path to success is through a continuum of mundane, unsexy, unexciting, and sometimes difficult daily disciplines compounded over time. Know, too, that 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! See Figure 2.

Have I made my point? Good. Join me in the next chapter, where we will focus on the one thing that controls your life. Every victory or defeat, triumph, or failure has started with this. Everything you have or don’t have in your life right now has been because of this. Learn to change this, and you can change your life. Let’s discover what this is…
The Compound Effect is always working. You can choose to make it work for you, or you can ignore it and experience the negative effects of this powerful principle. It doesn’t matter where you are on this graph. Starting today, you can decide to make simple, positive changes and allow the Compound Effect to take you where you want to go.
Put the Compound Effect to Work for You

Summary Action Steps

- Write out a few excuses you might be clinging to (e.g., not smart enough, no experience, wrong upbringing, don’t have the education, etc.). Decide to make up in hard work and personal development to outcompete anyone—including your old self.

- Be Scott—Write out the half-dozen small, seemingly inconsequential steps you can take every day that can take your life in a completely new and positive direction.

- Don’t be Brad—Write down the small, seemingly inconsequential actions you can stop doing that might be compounding your results downward.

- List a few areas, skills, or outcomes where you have been most successful in the past. Consider whether you could be taking those for granted and are not continuing to improve, and are therefore in jeopardy of having that complacency lead to future failure.

Okay, now is the time to take action! There are so many more great ideas and insights to gain! Just look at the Introduction, Contents page and all the endorsements from those who have already read the book.

CHAPTER 2

CHOICES

We hope you’ve enjoyed the preview of *The Compound Effect*. To read the rest of the book, or to download the enhanced audio, click here: [www.TheCompoundEffect.com/buy](http://www.TheCompoundEffect.com/buy)
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CONCLUSION

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ARE YOU THE TORTOISE OR THE HARE?

We’ve all heard Aesop’s fairy tale about the tortoise and the hare. The boastful hare brags about his speed and agility and teasingly challenges the slow tortoise to a race to prove his superiority. The tortoise, confident of his strategy, agrees to the race and, eventually, beats the hare at his own game.

*Igniting The Compound Effect* is a 12-week online training program specifically designed to help you learn and implement the success principles found in *The Compound Effect* that have been known since the time of Aesop. If you are tired of trying the latest program or the next big thing and want a proven time tested path to success, then this program is for you. In a society that is filled with gimmicks and marketing hype that claim the hare wins by taking shortcuts, *Igniting The Compound Effect* sheds light on real success principles that when applied consistently lead to real success. No gimmicks, no hype, just real principles gleaned from the most successful people in the world paired with knowledge on how to apply them.

For more information or to order, click here:
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- Goal Designing
- Habit Assessment
- Weekly Rhythm Register
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More Info on *The Compound Effect* and Darren Hardy
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More on Darren Hardy
To have Darren Hardy speak to your organization about the principles found in The Compound Effect or other success insights, e-mail speaker@SUCCESS.com.

For more information about Darren, visit: www.DarrenHardy.com. Connect with Darren and a community of like-minded, ambitious achievers online:
How to get the success you desire and the life you deserve.

“The Compound Effect is a must-read book for success seekers. You want to know what it takes? You want to know what to do? It’s all in these pages. The Compound Effect is a clear and concise success operation manual!”
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“Life doesn’t come with an instruction manual for success, so Darren Hardy has written one for you. The Compound Effect shows you how small, smart choices add up to transform your life.”
—Harvey Mackay, best-selling author of Swim with the Sharks Without Being Eaten Alive

“The principles in this book are as practical as they are deceptively powerful. I’ll be applying it to my fitness, my family, even my faith life.”
—Patrick Lencioni, president of The Table Group and author of The Five Dysfunctions of a Team

“Darren Hardy has a panoramic view of what it takes to be a success. He’s a bona fide expert who shares what he’s learned from firsthand experience to help you achieve greater success. This does more than get you pumped up—it gives you a plan. I recommend it!”
—Mark Sanborn, leadership expert and best-selling author of The Fred Factor

Darren Hardy, publisher of SUCCESS magazine, presents THE COMPOUND EFFECT, a distillation of the fundamental principles that have guided the most phenomenal achievements in business, relationships, and beyond. This easy-to-use, step-by-step operating system allows you to multiply your success, chart your progress, and achieve any desire.

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