

THE BIG IDEAS

Magic Pennies

And the Compound Effect.

Mundane, Unsexy

Unexciting daily disciplines = great.

Start Tracking!

If you want to change behaviors.

Behave Yourself

To change yourself.

Hello, Mr. Mo!

Momentum here I come!

Bookend Your Days

For awesomeness.

The Next Five Years

Shall be amazing.



The Compound Effect

Jumpstart Your Income, Your Life, Your Success

BY DARREN HARDY · VANGUARD PRESS © 2012 · 192 PAGES

“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. ...

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*.”

~ Darren Hardy from *The Compound Effect*

The Compound Effect.

Darren Hardy, the publisher of *SUCCESS* magazine, tells us that the formula is simple:

—> **“Small, Smart Choices + Consistency + Time = RADICAL DIFFERENCE.”**

Small, smart choices, consistently applied over an extended period of time = HUGE results = The Compound Effect.

Got it. And love it.

This book is a quick-reading, get-you-thinking + changing your behaviors manifesto of awesomeness. If you’re into creating more success in your life, I think you’ll dig it. (Get it [here](#).)

And, of course, if you aren’t familiar with Darren’s great magazine, *SUCCESS*, check it out [here](#). Plus, learn more about all the other great stuff he’s up to at [DarrenHardy.com](#).

For now? Let’s jump in and explore some of my favorite Big Ideas!

THE COMPOUND EFFECT + MAGIC PENNIES

“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?”

“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.”

~ Darren Hardy

Most people get tripped up by the simplicity of the Compound Effect. ... What they don't realize is that these small, seemingly insignificant steps completed consistently over time will create a radical difference."

"But as Jim Rohn would say, "What's simple to do is also simple not to do."

The magic is not in the complexity of the task; the magic is in the doing of simple things repeatedly and long enough to ignite the miracle of the Compound Effect."

~ Darren Hardy

The Compound Effect. It's huge.

Darren gives us a few examples of the Compound Effect in action.

First, the magic penny. You may have heard the story before but it's truly remarkable and Darren describes it brilliantly.

Two choices: I'll give you \$3 million in cash today (bam!) or, I'll give you a penny and double it every day for 31 days. Which would you prefer?

Let's say you take the \$3 million now and your friend opts for the doubling penny.

If you take that \$3 million today, you look pretty smart on Day 1 when your friend gets a penny. You also look pretty smart on Day 5 when your friend gets 16 cents. And on Day 10 when he gets \$5.12. (He may be feeling a little lame at that point wondering what he did.) 20 days later and your friend is only up to \$5,243. You're feeling pretty good.

Then the magic of the compound effect kicks in. Fast forward to Day 31. Your friend gets \$10,737,418.24 to your \$3 million.

As Darren says, "Very few things are as amazingly impressive as the "magic" of compounding pennies. Amazingly, this "force" is equally powerful in every area of your life."

We can apply this principle to any aspect of our lives.

Darren walks us thru the example of three friends who are pretty much identical in every way. One is kinda sorta happy with his life, complains a bit but keeps on doing the same thing. Another decides he needs to enjoy life a little more and gets a new big screen TV, adds a bar to his house and indulges in an extra fancy drink each week while cooking some rich meals he sees on the Food Channel. No big deal. Just a few little tweaks. The third decides he's going to take a tiny little baby step to improve his life and just cut out 125 calories per day and walk an extra couple thousand steps per day (< 1 mile). Again, nothing dramatic. Small choices.

They all look pretty much the same after five months. But fast forward 31 months and those tiny changes have made a significant difference.

Friend 1 is the same. Friend 2 weighs 30+ pounds more than he did at Day 1. (125 extra calories per day add up!) Friend 3 *lost* 30+ pounds. (125 less calories per day add up!) So, friends 2 and 3 look COMPLETELY different—friend 2 weighs *60 pounds* more than friend 3!

Oh, and the ripple effect of those changes cascade. Their entire lives are different.

When the healthy friend took the baby step to eat a tad less and walk a little more, he felt pretty good and decided to add reading a little bit as well. That got him feeling even better and he found himself stepping up his game at work a bit and spending more quality time with his family. That all compounded and now he's making more money, happier at home, etc. etc. etc.

The opposite occurred with the less healthy friend. His rich meals and late night TV viewing left him feeling a little more lethargic and he had negative ripples cascade out in his life.

Small choices. Consistently applied over time. Radical differences.

The Compound Effect.

THE MUNDANE, UNSEXY, UNEXCITING DAILY DISCIPLINES

"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

"Jim Rohn taught that we become the combined average of the five people we hang around the most."

~ Darren Hardy

*"The greater the challenge,
the more rigorous our
routines need to be."*

~ Darren Hardy

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 *The Compound Effect*, you will create your fairy-tale ending."

Fairy-tale endings are awesome.

And...

They arrive as the result of a "continuum of mundane, unsexy, unexciting, and sometimes difficult daily disciplines compounded over time."

Is it particularly sexy to go to bed early so you can get up early to meditate/exercise/read/whatever you've decided is important? Not really. (Much easier/more fun to watch our favorite TV shows. Yay!)

Is it particularly awesome to push through your fears creatively day in and day out? Not really. (Much easier to chill out in our comfort zones just getting by and dreaming of the day you'll go for it.)

Is it particularly fun to do that every.single.day whether you feel like it or not? Laughing. Not really.

And... That's the wonderfully unglamorous stuff that fairy-tale ending success is made of.

So let's rock it!

(P.S. After a while, those unsexy, mundane, unexciting things actually become pretty awesome. As Seneca advises: "How much better to pursue a straight course and eventually reach that destination where the things that are pleasant and the things that are honorable finally become, for you, the same.")

START TRACKING!

*"You will never change
your life until you change
something you do daily. The
secret to your success is
found in your daily routine."*

~ John C. Maxwell

"Right this moment: Pick an area of your life where you most want to be successful. Do you want more money in the bank? A trimmer waistline? The strength to compete in an Iron Man event? A better relationship with your spouse or kids? Picture where you are in that area, right now. Now picture where you want to be: richer, thinner, happier, you name it. The first step toward change is awareness. If you want to get from where you are to where you want to be, you have to start by becoming aware of the choices that lead you away from your desired destination. Become very conscious of every choice you make today so you can begin to make smarter choices moving forward."

—> "The first step toward change is awareness."

That's really good.

We can't change behaviors we're not aware of, eh?

Darren's advice? "Track every action that relates to the area of your life you want to improve."

You want to get out of debt? Bring more awareness to it. How? Track every penny you spend. You want to lose weight? Track everything you eat.

Bring AWARENESS to your behaviors.

And one of the best ways to do that is to track *everything* (!) related to that behavior. It's impossible to not dial that area of your life in when you bring that much attention to it.

I chose to track how I spend my time. I literally just started yesterday and it's already nuts awesome. (Now to apply the small choices consistently over time...)

What would you like to improve? Now a good time to start tracking it?

"If you want to sail your life in a new direction, you have to first pick up the anchors of bad habits that have been weighing you down. The key is to make your why-power so strong that it overwhelms your urges for instant gratification."

~ Darren Hardy

BEHAVE YOURSELF

"Alright, let's map out your process for achieving the goals you've decided upon. This is the *doing* process—or, in some cases, the *STOP-doing* process.

What stands between you and your goal is your behavior. Do you need to stop doing anything so the Compound Effect isn't taking you into a downward spiral? Similarly, what do you need to start doing to change your trajectory so that it's headed in the most beneficial direction? In other words, what habits and behaviors do you need to subtract from and add to your life?

Your life comes down to this formula:

YOU → CHOICE + BEHAVIOR + HABIT + COMPOUNDED = GOALS
(decision) (action) (repeated action) (time)

That's why it's imperative to figure out which behaviors are blocking the path that leads to your goal, and which behaviors help you accomplish your goal."

I love that equation and I love the simple, powerful wisdom of that whole passage.

What do you do that GETS IN THE WAY of you achieving success in your life? Let's take a moment to reflect on that. (This is big.)

These things get in the way of me achieving success: _____

Alright. Good to know.

Now, what behaviors HELP you achieve success?

These things help me achieve success: _____

Fantastic.

Now: Quit doing the stuff that's hurting you and do more of the stuff that's helping you.

Hah. Seriously. :)

Remember:

YOU → CHOICE + BEHAVIOR + HABIT + COMPOUNDED = GOALS
(decision) (action) (repeated action) (time)

(Let's do this!)

HELLO, MR. MO!

"It's not easy to build momentum but once you do, look out!"

~ Darren Hardy

"The same thing happens when a rocket ship launches. The space shuttle uses more fuel during the first few minutes of its flight than it does the rest of the entire trip. Why? Because it has to break free from the pull of gravity. Once it does, it can glide in orbit. The hard part? Getting off the ground. Your old ways and your old conditioning are just like the inertia of the merry-go-round or the pull of gravity. Everything just wants to stay at rest. You'll need a lot of energy to break your inertia and get your new enterprise under way. But once you get momentum, you will be hard to stop—virtually unbeatable—even though you're now putting out considerably less effort while receiving greater results."

Big ol' Mr. Mo.

As Darren tells us, he's a dear friend of all high achievers.

*"The key is to start NOW.
Every great act, every
fantastic adventure, starts
with small steps. The first
step always looks harder
than it actually is."*

~ Darren Hardy

Newton's First Law tells us that objects at rest tend to stay at rest unless acted upon. Objects in motion tend to stay in motion unless acted upon.

Same with us.

If we're currently couch potatoes in some (or many!) aspects of our lives, we'll stay that way unless we exert a certain amount of force to change that behavior. Just like the space shuttle launch, we're going to need to use more fuel to kickstart the whole process than any other time in the journey.

How do we rock it?

Darren tells us: "How do you get Big Mo to pay you a visit? You build up to it. You get into the groove, the 'zone,' by doing the things we've covered so far:

- 1) Making new choices based on your goals and core values
- 2) Putting these choices to work through new positive behaviors
- 3) Repeating those healthy actions long enough to establish new habits
- 4) Building routines and rhythms into your daily disciplines
- 5) Staying consistent over a long enough period of time

Then, BANG! Big Mo knocks in your door (that's a good thing!) And you're virtually unstoppable."

I like that plan. You?

BOOKEND YOUR DAYS

"The key to becoming world-class in your endeavors is to build your performance around world-class routines. It can be difficult, even futile, to predict or control what will show up in the middle of your workday. But you can almost always control how your day starts and ends. I have routines for both."

This. Is. HUGE. (Seriously. Huge. (!!!))

We need to "bookend our days" with awesomeness. I've never seen anyone articulate this as well as Darren does in the book where he walks us through what he does in the morning and night. Super inspiring stuff.

I call my bookends "AM Rituals" and "PM Rituals."

In reality, the PM Rituals drive the AM so we'll start there. First, Alexandra and I practice what we call "digital sunset"—all electronics go off when the sun goes down, along with bright lights. We eat an early dinner, go on our family walk (we've missed maybe 5 nights in the last 2+ years) and get ready for bed right after putting the little man to bed. As I've mentioned, I like to make going to bed early a sport. Why? Because going to bed super early let's me *easily* get up super early and get more done before the family gets up than I used to do in a pretty good day.

That's the PM Ritual side of things. Again, not checking out ESPN.com (or whatever) at night on my iPhone is one of *the* key reasons I get up feeling so great.

AM Rituals: I get up early without an alarm. This AM was a little nutty early: 3:30 am. (But I went to bed at 7:00 pm so it wasn't a big deal.) I meditated for 20 minutes. Did yoga for 5. And immediately started working on this Note—which I had decided end of day yesterday would be my #1 for today. It's 5:45, I've been cranking on it since 4:23 and making great progress.

(Sidenote: I found that it's UNBELIEVABLY easier to write/think/etc. first thing in the (super early) morning when everything is quiet and I just meditated—I can crank out stuff in a fraction of the time vs. later in the day when my mind is full/distracted. Highly recommend it.)

It's *really* hard to have a bad day with those bookends. And, stated positively, it feels REALLY

good to just crush it and get the most important things done first. We'll have fun going off on this more. For now, how can you bookend *your* days to create even more awesomeness?! Get on that!

THE NEXT FIVE YEARS!

"Your life is the product of your moment-to-moment choices."

~ Darren Hardy

"No matter where you are, or what year it is when you find this book, if I could, I'd ask you these simple questions: "Look back on your life five years ago. Are you now where you'd thought you'd be five years later? Have you kicked the bad habits you had vowed to kick? Are you in the shape you wanted to be? Do you have the cushy income, the enviable lifestyle, and the personal freedom you expected? Do you have the vibrant health, abundant loving relationships, and the world-class skills you'd intended to have by this point in your life?" If not, why? Simple—choices. It's time to make a new choice—choose to not let the next five years be a continuum of the last. Choose to change your life, once and for all.

Let's make the next five years of your life fantastically different from the last five!"

That's a powerful set of questions, eh?!

How's your life today vis-a-vis how you imagined it would be five years ago?

If you're like me (and nearly everyone! :), there are some aspects that are really lining up to your ideal vision and some that aren't rockin' quite the way you'd hoped.

Awesome. Now's the time to make new, small choices, apply those new behaviors consistently over time, welcome Mr. Mo to the party and watch the Compound Effect catalyze you to a new wonderful way of being.

Here's to making the next five years ridiculously great,

B

Brian Johnson,
Chief Philosopher

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you'll probably like...

The Success Principles
Superhuman by Habit
The Willpower Instinct
Mastery

About the Author of "The Compound Effect"

DARREN HARDY



Darren Hardy is the visionary force behind *SUCCESS* magazine as its Publisher and Founding Editor. As a business leader in the success industry for two decades, Darren has had unique and unfettered access to the most successful people on the planet, including Richard Branson, Steve Jobs, Warren Buffet, Donald Trump, Howard Schultz, Charles Schwab, Jeff Bezos and many more. He has uncovered the secrets to their success and now reveals them to over 2 million people each month through the pages of *SUCCESS*, his blog, Twitter, Facebook, and before live audiences of entrepreneurs across the country. Learn more about Darren: www.darrenhardy.com

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Brian Johnson loves helping people optimize their lives as he studies, embodies and teaches the fundamentals of optimal living—integrating ancient wisdom + modern science + common sense + virtue + mastery + fun. Learn more and optimize your life at brianjohnson.me.