



The Zappos Experience

5 Principles to Inspire, Engage and WOW

THE SUMMARY IN BRIEF

Zappos. The name has come to stand for a new standard of customer service, an amazing online shopping experience, a great place to work and the most impressive transformational business success story of our time. Simply put, Zappos is revolutionizing business and changing lives.

Now, Joseph Michelli, author of the internationally best-selling business books *Prescription for Excellence* and *The Starbucks Experience*, explains how Zappos does it — and how you can do it in your industry.

The Zappos Experience takes you through — and beyond — the playful, offbeat company culture Zappos has become famous for. Michelli reveals what occurs behind the scenes at Zappos, showing how employees at all levels operate on a day-to-day basis while providing the “big picture” leadership methods that have earned the company \$1 billion in annual gross sales during the last 10 years — with almost no advertising.

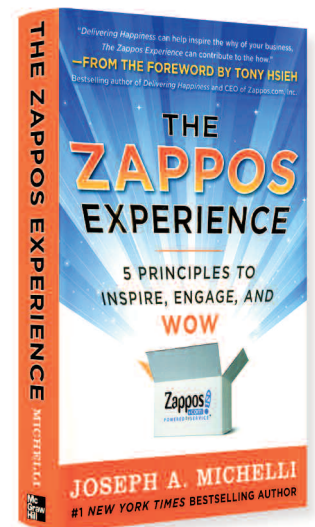
Michelli breaks the approach down into five key elements: Serve a perfect fit, make it effortlessly swift, step into the personal, S T R E T C H and play to win.

Zappos has woven these five key components into a seamless strategy that’s the envy of business leaders. Now that strategy is yours.

With *The Zappos Experience*, Michelli delivers a package for instant success right to your doorstep. All you have to do is open and use it.

IN THIS SUMMARY, YOU WILL LEARN:

- How to increase employee engagement.
- How to connect with customers authentically.
- How to create an energetic culture.
- How to grow your people and products.



by Joseph A. Michelli

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THE COMPLETE SUMMARY: THE ZAPPOS EXPERIENCE

by Joseph A. Michelli

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Zappos? What Is Zappos?

Zappos lessons are applicable not only to every business sector, but also to the personal and professional development of people at every level of an organization.

While the media image of Zappos often portrays an over-the-top playful culture that might not seem applicable in your industry or workplace, I challenge you to temporarily suspend your cynicism and explore the possibility that Zappos is neither too casual nor too weird. In fact, employees at Zappos demonstrate a commitment to hard work and excellence that the best companies in the most conservative of industries would envy. Style differences may exist; however, the underlying principles that drive success at Zappos will improve both your company and you.

From its inception in 1999 at the height of the dot-com boom, Zappos had a significant early history of being on the brink of extinction. Out of necessity, the company's staff members and leaders had to revolutionize a business model, craft an engaging culture and develop unique operational features. To place the evolution of Zappos in perspective, I will highlight three critical, not necessarily linear, components of the Zappos survival journey. These three targeted historical pivot points offer insights regarding leadership decisions and staff efforts that kept the orders rolling in and the bankers, employees and customers happy. Each of these pivotal transitions solidified the current Zappos culture.

1. Forging a team with diverse strengths. Before Venture Frogs would agree to invest money in Nick Swinmurn's concept of an Internet shoe store, Tony Hsieh and Alfred Lin required Nick to partner with someone with expertise in the shoe business. Nick

approached Fred Mossler (now known at Zappos as "just Fred"), asking him to leave a high-paying and stable job at Nordstrom. Fred recounts the unconventional way he was recruited to join the Zappos team: "Nick initially called me posing as a recruiter. He said he had something commerce-related and was looking for someone with a footwear background. I agreed to meet him at a little bar near the Nordstrom store after work one night. I went in with my suit and tie and looked around for a similarly clad person, and instead, this kid in Boardshorts and a T-shirt ran up to me, saying, 'Hi, I'm Nick. I'm not a recruiter. I've actually just got this idea.'"

Nick introduced Fred to Tony and Alfred, who had capitalized Venture Frogs through a \$265 million sale of their prior business, LinkExchange, to Microsoft. Fred indicates that Tony and Alfred's prior success "gave me a little more comfort and confidence that there would be some teeth in this business." For weeks, Fred couldn't decide if he wanted to leave Nordstrom to join Zappos, but a major shoe show was about to start, and the Zappos team would need to have a presence at the show to sign up vendors if they wanted to kick off their business and move forward. Fred recounts, "About a week before the shoe show, Nick called and said, 'Listen, if you're not going to join us, let me know now. Otherwise, I need you to take that leap of faith.' At that point, I said, 'All right. Let's do it.'"

2. The courage to try to do what you think is "right." A great advantage for many Internet retailers is the low overhead they can enjoy relative to brick-and-mortar operations. By relying on their vendors to drop-ship products (send the product out directly from the vendor's warehouse), Internet retailers can focus their resources on marketing and creating easy user experi-



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ences that make their websites more attractive to customers. In this model, however, the Internet retailer loses control of service, as order fulfillment depends upon the vendors' processes.

Early on, leaders at Zappos realized that buying shoes online created considerable risk and anxiety for consumers and that this anxiety would be worsened if online shoppers had to depend upon the varied delivery practices of the company's vendors. As a result, the executive team at Zappos made the bold move to do what they felt customers needed. They leased a warehouse close to a United Parcel Service (UPS) shipping hub near Louisville, Ky., bought inventory from vendors and committed to consistent and quick delivery to online purchasers. When efforts to have a third-party vendor oversee the warehouse operation faltered, Zappos took over the Fulfillment Center and, in typical Zappos fashion, used a trial-and-error approach to improve processes and maximize customer service.

3. Passion, determination and humility. During the most arduous and desperate times in the early evolution of Zappos, Tony Hsieh became increasingly more involved with and committed to the company. From what started as a fairly hands-off approach to Zappos operations, Tony became more instrumental in the daily affairs of the business. Through his passionate increase in effort, and ever-dwindling financial resources, the brand averted one near-death experience after another.

Whether it was moving a fledgling Zappos into the Venture Frogs office space or extending extra personal money so that Zappos could make payroll, Tony led by example. ●

PRINCIPLE 1: SERVE A PERFECT FIT

It All Comes Back to Culture

While the Zappos culture is enviably strong today, the journey to its well-defined values was not exactly linear. The way the leaders at Zappos delivered their culture and defined their values should offer hope, insight and encouragement to those who lack a written set of values or feel there is a gap between their purported corporate values and the actual culture of their business.

Most businesses already have a set of written values that sound as if they could apply at any and every business. In many cases, employees are not able to recite those values, let alone act in accordance with them, and have no idea where the guiding principles came from.

Staff members may not see the values as being relevant to their day-to-day lives and may even view them as being out of step with current business conditions. And in cases where the corporate values do capture the core qualities of a business, the actions of employees may not demonstrate the values in a way that allows consumers to differentiate the business from its competition.

Ultimately, many company leaders just don't know what makes them different from rival businesses or what is at the core of their identity. They are "doing" business, but internal guiding or defining principles do not drive them.

Some Values Are Known at the Start; Others Are Discovered on the Journey

While positive corporate culture was always on the radar of the leaders at Zappos (given their prior experiences in less-than-positive work environments), as in so many other startups, these leaders did not *explicitly* define their core values when they launched their business. However, even without writing their values down, the Zappos leaders *implicitly* demonstrated what they believed by the actions they took in establishing the business. For example, from the beginning, the Zappos leadership aspired to create a work environment that was fun and communal. These leaders understood that people who play together stay together and that a team and family spirit was essential for their brand's survival. To give their company the best chance of success with the limited human and early financial capital they had at their disposal, the Zappos leadership believed members of their small team would be heavily reliant on one another and would be spending an inordinate number of hours together. If the work wasn't fun and the team wasn't tightly connected, the heavy lifting required at start-up would not have been possible. ●

Culture Should Be a Verb

Many great and talented people seek employment at Zappos, but few are selected. Christa Foley, Zappos recruiting manager, reports that the actual applicant-to-job ratio for positions in Nevada hovers at around 30,000 applications annually for about 450 filed positions. In essence, 1.5 percent of all applicants make it through the rigorous cultural and technical hurdles. At many businesses, applicants have to conclude that they weren't selected simply because the "offer letter" never arrives in their mailbox. However, consistent with the Zappos values, leadership makes a point of letting unsuccessful applicants know the results of the application

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process. This may seem like a small courtesy, but it speaks to the company's willingness to act in a way that is consistent with values such as "build open and honest relationships with communication" and "deliver wow through service."

Andrew Kovacs, sourcing specialist, shares, "We aren't just here to serve customers who are in a transaction buying our products. We serve all stakeholders, including all applicants, some of whom may even be our actual customers. Communicating with applicants to let them know their status is simply a way of being respectful and serving them. Therefore, we provide applicants an automatic reply that we received their résumé, and we follow up again to let them know whether or not we are moving forward with their application. That takes time. But, come on; we're Zappos."

For Zappos leaders, it's critical that values be adhered to in both pleasant and less-than-pleasant business circumstances, including the way Zappos handles unsuccessful applicants. ●

PRINCIPLE 2: MAKE IT EFFORTLESSLY SWIFT

Less Effort, More Customers

I've never encountered a business owner or leader who said, "I wish fewer of my customers were raving fans." We all want to maximize that special group of high-value customers who not only support our business through steady repeat purchases, but also eagerly refer new customers to us. While a great deal is known about the factors that drive customers away from a business, the attributes that lead to customer evangelism are the subject of considerable debate. That exact debate played out very clearly in two vastly different articles in a single issue of the *Harvard Business Review*. The titles of the two articles were "Stop Trying to Delight Your Customers" and "How I Did It: Zappos' CEO on Going to Extreme for Customers."

The authors of "Stop Trying to Delight Your Customers," Matthew Dixon, Karen Freeman and Nicholas Toman, reported, "Conventional wisdom holds that to increase loyalty, companies must 'delight' customers by exceeding service expectations. A large-scale study of contact-center and self-service interactions, however, finds that what customers really want (but rarely get) is just a satisfactory solution to their service issue." "How I Did It: Zappos' CEO on Going to Extremes for Customers," written by Zappos CEO

Tony Hsieh, suggested that service excellence requires dedicated commitment to such Zappos service values as "deliver wow through service."

So when it comes to customer loyalty, which is it — to wow or not to wow? The answer is actually simple. It's *both!*

Consistent with Tony Hsieh's perspective, "wow" is an important dimension of customer loyalty and should be pursued. The first step in that pursuit is achieved by making sure you are simply "getting it right" (delivering exactly what customers want the first time you serve them) and "making it easy" (reducing the overall effort required for customers to get their needs met). Once accurate and easy service delivery occurs consistently, customers can be "wowed" if the business exceeds their expectations and/or offers personalized care. The importance of accurate and easy service delivery is well demonstrated by Dixon, Freeman and Toman's research, which, in a nutshell, shows the following:

- Delighting customers should not be the first priority in building customer loyalty.
- Reducing your customers' effort to get their problems solved is the low-hanging fruit in the loyalty journey.
- Acting to reduce your customers' effort can actually reduce your service costs. ●

The Ticket to the Big Service Dance: Velocity, Knowledge, Recovery and Surprise

According to international studies like those done by Convergys, when a company masters ease and accuracy, its customers are looking for expedited service, knowledgeable staff and other aspects of the experience that add value. Zappos adds value through service by:

1. Emphasizing velocity. Employees notice when leaders make choices on behalf of service velocity, and so do customers. Rapid order fulfillment is one of the most commonly mentioned aspects of Zappos service excellence, according to online reviews.

While most of us notice slow-loading web pages or long delivery times, can you imagine your customers consciously clocking your service velocity, assessing your server page load speed, or shopping you and your competitors simultaneously? As business leaders, we would be wise to assume that service velocity is something our customers are always either consciously or unconsciously assessing.

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2. Increasing staff members' knowledge of products and service delivery. Studies of customer dissatisfaction consistently show how important it is to have employees who can address the customer's need during the customer's first contact. That research also suggests that the prime reason customers stop dealing with a business is poor service interactions, not faulty products.

3. Elevating service recovery. In the course of millions of site visits and tens of thousands of calls and purchases each day, Zappos makes mistakes. But Zappos doesn't categorize those errors as failures; instead, each of those mistakes serves as an outstanding opportunity for both its business and its customers.

Companies like Zappos act swiftly, take responsibility (often even when the fault is beyond their control), enable staff discretion to fix problems, compensate fairly, do a little something extra to acknowledge inconveniences and follow up until the issue is brought to satisfactory closure.

4. Delivering surprise beyond the predicted and normative. Zappos diligently looks for effective ways to improve its operational excellence, increase personal service delivery and go beyond the predictability challenge to exceed expectations and surprise customers. ●

Ease of Service

Rafael Mojica, senior user experience architect at Zappos, explains how he and other members of the user experience team view their jobs. "It is an obsession to make our website — and ultimately all Zappos touch points — more user-friendly. We spend the bulk of our time focused on our website's ease of navigation. Although our customers are very satisfied with our navigation, we will never be content. We want to think through everything that the customers might want and how they can get their needs met with the least effort. The design and development process is not as intuitive as you might think because it's not simply about providing information. Too much information can be overwhelming. Our goal is to provide what customers need exactly when they need it."

At the heart of all well-designed customer experiences is a dedicated commitment to understanding the customer's wants and desires. With that understanding, processes are crafted to ensure that the customers get what they want, when they want it, with the least effort possible.

PRINCIPLE 3: STEP INTO THE PERSONAL

More Than a Wallet With Legs

Customers today are tired of being treated like "wallets with legs." Zappos gets what this means.

The leadership at Zappos understands that business can be about more than discrete transactions or money/product exchanges. Business can be, and increasingly must be, about the development of personal relationships that span a customer's lifetime. While average managers might think a company can thrive simply by selling goods or services to customers, true leaders understand that all business is personal. In the end, business success relies on one group of people caring for or profiting another. Ordinary brands often take a "one size fits all" approach to service, but legendary companies like Zappos find ways to create individualized experiences that extend beyond their solid service platform.

People who genuinely believe that if they "serve well, sales will take care of themselves," tend to build legendary brands. Aaron Magness, senior director of brand marketing & business development at Zappos, remarks, "It's sad how a little bit of genuine care can make the difference between horrible service and amazing service. If companies thought more about interaction and less about transaction, people would flock to them."

It is this attention to interaction at Zappos that propels people to connect further with the company. ●

Connections at All Levels

It's easy for leaders to encourage staff members to create personal, emotional connections with customers. However, it is quite another thing to help them continually grow in service excellence. At Zappos, the process of growing talent in personalized service is tireless and comprehensive.

In the Zappos call center, for example, a Customer Loyalty Team (CLT) trainee is evaluated on all aspects of service delivery. Through a call review form, a new employee will routinely be rated (with a 1, 2 or 3) on a wide range of quality dimensions, including the degree to which the trainee forms a personal, emotional connection with the customer. In the past, the same rating system was used to evaluate the service quality of every CLT staff member. That process of quality measurement, however, was changed in response to staff feedback solicited in an e-mail survey.

According to Zapponian Tami Lemke, "One of the things we want to do is deliver happiness inside and out-

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side of Zappos, and the quality assurance program was creating a little fear in our people and leaving them feeling like they weren't in control. Having a sense of control is linked to happiness, and we wanted to promote growth and not fear, so we made a few changes. To reduce anxiety, we went from performance metrics to pure feedback. We completely did away with scores for full-fledged CLT staff. Supervisors and staff members now just talk about the things the CLTs liked about identified calls and the things they could've done better. Essentially, we are discussing how we can continue to elevate the Zappos Experience while helping CLTs attain their service goals." Tami also notes that in order for employees to have greater control, "We implemented several methods to include the CLTs in picking which of their calls would be reviewed. For example, in our self-assessment process, which we do at least once a month, a CLT lead will pull up a huge list of recent calls. The team member looks at this list and chooses a call, and both the lead and the team member listen to a recording of the phone call. We review that call against key elements of the Zappos Experience, including the strength of the personal connection achieved." ●

PRINCIPLE 4: S T R E T C H

Zappos University

As good as Zappos is at present, staff members and leaders will always tell you that they need to be better. Rebecca Henry Ratner, HR director at Zappos, captures the company's constant sense of striving and restlessness when she says, "Zappos is a place where every day is a stretch. I never know what's coming, but I know I'm going to like it. I'm constantly challenged and placed in situations where I have to live outside my comfort zone. In fact, outside my comfort zone is starting to become my comfort zone. Fortunately, Zappos understands that a key to retaining great people is to keep them challenged and learning, and that's where our Pipeline team comes in."

And the Destination Is?

Educator Lawrence J. Peter once said, "If you don't know where you are going, you will probably end up somewhere else." A large part of a Zapponian's ability to achieve strong and personal connections with customers is the clarity with which the entire organization understands and moves in the direction of a shared service destination.

There isn't really a university at Zappos. Or is there? While technically the answer would be no, functionally the answer would be yes. Zappos does not have a university per se, but its Pipeline team framework resembles a university more closely than it resembles a traditional corporate training department. Rather than Zapponians having to face mandatory, often boring, typically predictable and marginally relevant seminar offerings, the Pipeline team has created a vast catalog of dynamic, interactive courses. This curriculum was developed at Zappos to address two overarching business questions:

1. What are the knowledge sets and behaviors needed to produce strong departments and leaders at Zappos?
2. What should be offered to grow the culture and increase the happiness of Zapponians?

In essence, the Zappos Pipeline serves to facilitate personal, team, leadership and business growth. ●

Beyond Shoes

Brand positioning experts understand that consumers give companies "permission" as to how far they can stretch their product and service offerings. For example, in the 1990s, Clorox considered extending its well-established bleach brand in the direction of laundry detergent, dishwashing soap and other household cleaning applications. Consumer research, however, showed that Clorox was synonymous with bleach in the minds of the buying public and that consumers would be hesitant to purchase any Clorox product that would touch their hands or their dishes. As a result, Clorox focused its brand extension in the direction of toilet bowl cleaners, tub and tile products, and drain openers.

Like that of Clorox, the early brand positioning of Zappos put it at risk of being denied permission to grow outside of a shoebox. However, a broad vision of the future, careful listening for customer requests and an increasing level of consumer trust has allowed the Zappos brand wide opportunities to S T R E T C H.

If you type "www.shoesite.com" into your browser, the Zappos website will appear. Nick Swinmurn secured the address shoesite.com for his online shoe store in 1999, but later that year, the name was changed to Zappos. The company's leaders understood that a made-up name like Zappos would provide a unique, searchable Internet identity and would allow the company to broaden its product offerings if brand extension was ever deemed appropriate. Consistent with the leaders' wisdom in deciding to rebrand the startup, the Zappos name has allowed the company to stretch outside of its original mission of "becoming the première destination for online shoes" and venture into a broader world of merchandise and services. ●

PRINCIPLE 5: PLAY TO WIN

Play Well

Play and fun have served Zappos well. Undoubtedly, fun holds the rich and highly collaborative Zappos culture together. But let's face it, if Zappos were dedicated only to fun, the company would not be thriving today. The genius of Zappos leaders is the way they blend the fun into the work. The visionary leadership at Zappos understands that work made fun gets done. Moreover, work made fun creates energized, happy and cohesive teams.

Generally speaking the overarching benefits for Zappos from creating a culture of play and family connectedness are very consistent with the positive correlations researchers have found. For example, management professor Dr. David Abramis of Cal State Long Beach, among others, has shown that high levels of workplace fun are consistently associated with increased creativity and productivity. Employees who find playful enjoyment in their workplace have more positive relationships with their peers, make better decisions, are tardy or absent less often and use fewer sick days than employees who aren't having fun. In essence, fun is serious business at Zappos, and in turn, that fun produces serious business results.

Fun at work is not something that can be left to chance or an optional initiative that disappears when things get difficult. Leaders at Zappos have never wavered in their support for a playful culture. The benefits of that approach are supported by research from Hewitt and Associates that shows it pays to invest in a positive work culture, especially during times of business uncertainty. Ted Marusarz, the leader of global engagement and culture at Hewitt, notes, "The extra effort companies put forth in difficult times makes a difference in how successful they are at boosting morale and retaining top talent in a strong economy." ●

R.O.F.L.

As an Internet acronym, R.O.F.L. stands for "rolling on the floor laughing." Zappos may be the best example of an often-underappreciated truth: A small investment in workplace fun will produce tangible and profound benefits for your staff members, your customers and your brand's equity. As proof, let's look at how the nominal but consistent investment in workplace fun produces lasting returns for Zappos as it relates to:

- **Improvement in the quality of life of Zappos employees.** The approach taken by Zappos leaders on behalf of employee happiness essentially mitigates the toxicity of the psychosocial work environment, removes emotional hazards, modulates the pace and intensity of work, establishes a sense of "justice" and increases employees' sense of control.

- **Extra-mile effort by staff members.** The extraordinary business growth at Zappos is probably, in part, a result of employees feeling that they are being treated so well that they can't let Zappos down.

- **Exceptional outcomes on key performance goals.** Key revenue growth markers show Zappos as having virtually no sales in 1999 and topping the \$1 billion gross sales mark by 2008, with consistent break-through numbers thereafter.

- **Impassioned employee and customer evangelism.** To get customers to refer you to their friends, you need to have employees who are deeply loyal and who themselves are evangelists for your brand. ●

Conclusion: Endings, Beginnings and You

In the span of a decade, Zappos leadership has taken a fledgling idea and parlayed it into a billion-dollar business known for service, culture and delivering happiness. While this rapid success is noteworthy, in the overall context of business longevity, the company is relatively youthful. When I think about the accomplishments of Zappos, the words of Winston Churchill come to mind, as he suggested that failure is not fatal or success final. The leaders at Zappos have managed small failures well, but many questions remain on how well they will manage their runaway success.

Tony Hsieh, Zappos CEO, notes, "We have been fortunate enough to make a number of sound choices on behalf of our staff, our customers and our overall business, but we have a lot more to learn." Much of the immediate "learning" at Zappos is likely to be from reciprocal opportunities that will occur as a result of its relationship with Amazon. While each company is likely to learn from the other, both Amazon and Zappos will also have to maintain their uniquely different, albeit aligned, cultures. In fact, Amazon CEO Jeff Bezos notes, "The culture and the Zappos brand are such assets. ... There is a lot of growth ahead of us with Zappos, and I am totally excited about what can be accomplished over time."

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Maybe the greatest challenge Zappos leaders face is the adjustment required when going from a charming business outlier to an expanding, mature business benchmark. While many people root for you in your startup phase, some will become tired of hearing about your thought leadership, or they will become suspicious, critical and envious as you gain size and prowess. Moreover, as leaders and staff members take pride in the very successes that lead to business growth, everyone can be lulled into a false sense of security.

The Biggest Hurdles for Tomorrow's Accomplishments

In his book *How the Mighty Fall*, bestselling author and business consultant Jim Collins outlines his research on the stages of business meltdown. The first of Jim's stages, "Hubris Born of Success," focuses on corporate pride, which often emerges before a fall. Jim suggests that yesterday's success, in many ways, can be one of the biggest hurdles for tomorrow's accomplishments.

While Zappos is certainly not immune to failure, the company is well positioned to circumvent significant pitfalls simply by adhering to one of its most crucial and unusual values: "Be humble." Jennifer Van Orman, Zappos software engineer, reflects, "My favorite value is 'be humble.' I have never worked in a department with so many geniuses. Really smart people surround me and none of them are divas. No one is ever too busy to help anyone else out. There are no egos around here. That's refreshing."

Unlike other successful businesses, where pomposity and vanity have been an Achilles heel, Zappos is likely to sustain its success as long as people like Tony Hsieh continue to demonstrate the curiosity, humility and service described by a Zappos senior user experience architect: "I was working in Kansas City for another company, and I met Tony Hsieh following his presentation at a conference I was attending. The day after Tony spoke, the conference was coming to an end. As I looked out the window getting ready to leave the conference venue, I noticed that it was raining and resigned myself to getting wet. To my surprise, at the door of the conference center was Tony Hsieh, the CEO of Zappos, giving out ponchos. As he handed one to me, I thought, 'Wow — they anticipated the weather and my need.' That's something I have never seen from senior leaders at any other business, and I wanted to work for and be a customer of Zappos."

Allow me to offer overall guidance about benefiting from the Zappos lessons:

1. Refine it to meet your need. Anything from Zappos that you might wish to incorporate into your business must be filtered through the lens of what will make it work for you.

2. Think about the unconventional. *The Zappos Experience* is a story of leaders who did not set out to follow a cookie-cutter template on how other online retailers were achieving short-term success. Instead, it is a lesson about leaders who passionately pursued goals that had a long-term timeline and resulted in a transformational legacy.

What's Your Leadership Legacy?

Zappos is no longer in the shoe business; it is in the happiness business! Its leaders became passionate about a goal that transcended products or processes. Those leaders shifted their attention from business success to transformative objectives and, in the end, elevated their significance and their legacy. Columnist and author Irving Kristol once suggested that leaders need to define that "one big thing and stick with it. Leaders who had one very big idea and one big commitment are the ones who leave a legacy."

I am an advocate of taking the time to think of that "one big thing" that you want to accomplish as a leader and forging your own "leadership legacy statement." Leadership guru John Maxwell suggests, "People will summarize your life in one sentence. Pick it now."

When asked about a Zappos legacy statement, Tony Hsieh said, "I hope that Zappos can inspire other businesses to adopt happiness as a business model — letting happy customers and happy employees drive long-term profits and growth. Ultimately, it's all about delivering happiness."

So what's your leadership legacy statement? Write it down — but, more important, live it! If you do, you truly will understand the transformational power of the Zappos experience. ●

RECOMMENDED READING LIST

If you liked *The Zappos Experience* you'll also like:

1. ***The Orange Code* by Arkadi Kuhlmann and Bruce Philp.** The story of ING Direct, the successful Internet-based direct bank and the philosophy of its founder Arkadi Kuhlmann and his partner Bruce Philp, the branding consultant who helped make ING Direct a cause to its own people.
2. ***Driving Change* by Mike Brewster and Frederick Dalzell.** UPS handles 14 million parcels daily. To most people, UPS is a reliable fact of life. But to well-informed businesspeople, Big Brown is a company to emulate.
3. ***Firms of Endearment* by Rajendra Sisodia, Jagdish N. Sheth, David Wolfe.** From Costco to Wegmans, they're becoming the ultimate value creators, generating every form of value that matters: emotional, experiential, social and financial.