

# The Personal MBA

Mastering Business Without Spending a Fortune



Business schools don't have a monopoly on worldly wisdom. If you care more about increasing your effectiveness at work than a diploma and a few lines on your resume, the Personal MBA is for you.

by Josh Kaufman

## WHAT IS THE PERSONAL MBA?

“You wasted \$150,000 on an education you coulda got for a buck fifty in late charges at the public library.” — Will Hunting (played by Matt Damon), *Good Will Hunting*

The Personal MBA (PMBA) is an experiment in educational entrepreneurship. This manifesto will show you how to substantially increase your knowledge of business on your own time and with little cost, all without setting foot inside a classroom.

The PMBA is more flexible than a traditional MBA program, doesn't involve going into massive debt, and won't interrupt your income stream for two years. Just set aside some dedicated reading time, pick up a good book, learn as much as you can, and go out and make great things happen.

## IT'S ALL ABOUT THE BOOKS

“If I read a book that cost me \$20 and I get one good idea, I've gotten one of the greatest bargains of all time.” — Tom Peters

“The difference between where you are today and where you'll be five years from now will be found in the quality of books you've read.” — Jim Rohn

At the core of the PMBA is a list of 42 books and periodicals. By investing time and effort in using these resources, you will progressively develop a greater understanding of business and increase your effectiveness at work. Even if you only read a few, you'll get a substantial return on your investment.

## THOUGHTS ON TRADITIONAL MBA PROGRAMS

“Whatever be the qualifications of your tutors, your improvement must chiefly depend on yourselves. They cannot think or labor for you, they can only put you in the best way of thinking and laboring for yourselves. If therefore you get knowledge you must acquire it by your own industry. You must form all conclusions and all maxims for yourselves, from premises and data collected and considered by yourself. And it is the great object of [our educational institutions] to remove every bias the mind may be under, and to give the greatest scope for true freedom of thinking.”

— Joseph Priestly, Dedication of New College, London, 1794.

The debate concerning the value of traditional MBA programs is long and involved, and this manifesto won't close the issue.<sup>A</sup> For the sake of brevity, here's a short Q&A on the pros and cons of business school:

- **Can a traditional MBA program help you?** Yes. You'll meet a lot of great people and get acquainted with a few professors and corporate HR recruiters who can help you land a new job. You will also sink very deep into debt. If you decide to enroll in a full-time program, the opportunity cost of lost wages and future investable savings is huge.<sup>B</sup>
- **Will a traditional MBA teach you anything you can't learn by yourself?** Probably not. Classroom discussion can be beneficial, but there's nothing presented that you can't learn by studying a good book on the subject.
- **Is a traditional MBA worth the time and money?** Sorry — there's no universal answer. If you're looking to go into advanced corporate accounting, finance, quantitative analysis, commercial real estate, consulting, venture capital, or investment banking, an MBA or MS in a

business-related field may be expected or required. In those cases, *caveat emptor*: once you decide to attend, the only certainty is that your bank account will be significantly smaller.

If you decide not to go to business school, the Personal MBA is a low cost way to educate yourself about business. (Even business school graduates can benefit greatly from reading these books.) Before we get to the list, however, allow me to set a few reasonable expectations about the PMBA.

## THE PERSONAL MBA IS NOT:

- **A stand-alone venture.** You can't learn about business solely from books — you have to be willing to go out and learn by doing. Whether you're working full-time for a company or building your own business, a full 2/3 of your learning will be a direct result of your day-to-day work experiences, which provide the necessary context for understanding what you read.
- **A mindless replica of a traditional MBA program.** The PMBA was created to expose you to a core set of advanced business concepts quickly and effectively. By design, it does not include anything and everything you might come across in business school. If you're looking for a detailed analysis of the Black-Scholes option pricing model and its relationship to the volatility surfaces of certain financial derivatives, you're going to be very disappointed.
- **An impersonal curriculum.** You'll find more material about learning who you are, what you're good at, and how you can work more effectively with other people in the PMBA than you will in a standard business school curriculum. There's a reason why these topics are included here: they are skills that will really help you in your life and work.
- **An infallible educational revelation.** It's perfectly okay if you disagree with one of the selections or think that a critical book has been overlooked. Feel free to make substitutions as you

deem necessary. If you're skeptical about the value of a title you haven't read yet, I encourage you to borrow the book from your local library and give it a try. If you're of the same opinion after reading a few chapters, put it down and read something else! (Life is short.)

→ **Easy.** Working your way through this list will take time, energy, and persistence. There is no substitute for hard work and dedication.

## THE SELECTION CRITERIA

There is no shortage of good books about business, which made this list very difficult to compile. Here are the five criteria used to select the resources featured in this manifesto:

- ① **Valuable Content.** Does the book contain a lot of useful, practical information about how business works, how you can add value, and why the material in the book is important?
- ② **Acceptable Time Commitment.** Is the book a good educational value for the amount of time invested? Can you get the key points of each book in a few hours?
- ③ **Self-Learning Friendly.** Is this book designed to keep the reader's mind engaged? Does the author present the material effectively and make the learning process enjoyable?
- ④ **Reference Value.** Will this book be a valuable resource to turn to when you need information on a specific topic? How does the book re-read? Is it a book worth keeping for many years?
- ⑤ **Comprehensive Set of Resources.** Does this list cover a broad range of advanced business concepts effectively and efficiently? Is completing the list a realistic goal?

Each recommendation is based on my own reading, many hours of research and evaluation, and the suggestions and recommendations of a large group of volunteers.

## A QUICK NOTE ON ORGANIZATION

In this manifesto, books are grouped loosely by topic; they are not arranged in a specific reading order or category structure. I recommend starting with the books you find most interesting.

Let's begin!

## MASTER YOURSELF

### [Mastery](#) by George Leonard

*Mastery* is not a business book — it’s a book about the learning process and what you can expect from a project like the Personal MBA. Leonard explains that the mastery of any skill is a life-long process involving a series of plateaus, punctuated by short spurts of visible growth. True mastery is about embracing the plateau and learning to love practice for its own sake. It’s a short, inspiring read, and it’s the perfect book for starting down the path of becoming a self-taught “master of business.”

### [Now, Discover Your Strengths](#) by Marcus Buckingham & Donald O. Clifton

According to Buckingham and Clifton, you are at your most effective when you’re capitalizing on your strengths instead of spending time and effort trying to improve your weaknesses. *Now, Discover Your Strengths* is the summation of a wide body of research conducted by the Gallup Organization on the subject of human talent. Gallup has identified 34 statistically-significant areas where people naturally tend to exhibit consistent, near flawless performance. Each copy comes with an access code for Gallup’s StrengthsFinder assessment, an online tool that helps you identify and understand your own unique combination of strengths. (Be sure to get a new copy in order to get access to the assessment: used or library copies probably won’t work.)

In addition to explaining how we develop our individual talents, this book has a lot to say about diversity and why it is so important in business. Because everyone has a different combination of strengths, we all approach the world from a slightly different perspective. By working with people who possess a wide variety of skills and backgrounds, our chances of success increase.

## MANAGE YOUR LIFE AND WORK

### [Getting Things Done](#) by David Allen

Simply put, *Getting Things Done* is the best book on day-to-day, functional time management that has ever been written. (That is not an exaggeration.) Allen takes a “bottom up” approach to managing your life, focusing on helping you create a system of organization your mind learns to trust over time. By capturing everything floating around in your head, honing in on the physical actions you need to do, and creating a system where your next actions are easily stored and referenced, you’ll be free to focus on completing the tasks at hand and will experience less stress.

### [The 7 Habits of Highly Effective People](#) by Stephen Covey

In contrast to *Getting Things Done*, Covey’s *The 7 Habits of Highly Effective People* takes a “top down” approach to managing your life. What do you really want for yourself? What is important to you? When you have considered questions like these, you’ll have a better understanding of how to identify non-productive uses of time and create opportunities to accomplish the things that are really important to you.

Covey also discusses working with others productively. By learning simple principles like looking for win-win situations, seeking to fully understand the perspectives of the people with whom you’re working, and identifying new ways to cooperate, you’ll be better equipped to deal with the complexities of working with others.



## LEARN THE FUNDAMENTALS

Ram Charan is the patient coach of the business world, constantly reminding readers to learn the fundamentals of the profession.

 [What the CEO Wants You to Know](#) by Ram Charan

In *What the CEO Wants You to Know*, Charan explains how to understand companies through the simple, fundamental concepts that are at the core of every business: cash, margin, profit, return on assets, velocity, growth, valuation, customers, employees, and shareholders. Along the way, he explains how these concepts interact in both large and small companies, and how you can improve your business by understanding the basics and focusing on improving your execution of the fundamentals.

 [Profitable Growth Is Everyone's Business](#) by Ram Charan

*Profitable Growth Is Everyone's Business* is a deeper look at how businesses grow and how they can stumble if they attempt to grow in the wrong way. Healthy businesses grow organically by reinvesting profits, focusing on day-to-day execution, and improving the core of the business over time. All employees (at every level of the organization) need to understand how the business operates and what the company is working to achieve. By focusing on the things that make the business successful, Charan argues that companies can quickly adapt to changes in the market and pursue continual and sustainable growth for long periods of time.

## STRATEGIC THINKING

### [On Competition](#) by Michael Porter

Michael Porter has been a world-renowned expert on corporate strategy for decades, and his articles are assigned to students in business schools around the world. His “five forces” model of corporate competition provides an intuitive way to analyze the attractiveness of any industry. By paying particular attention to the power of suppliers and customers, the threats of new entry and substitutes, and the level of internal rivalry in the industry, it is possible to develop strategies that create a defensible competitive position for your firm. *On Competition* is a compilation of eleven of Porter’s Harvard Business Review articles, two previously unpublished papers on health care and capital investment, and a comprehensive introduction to his work.

### [Blue Ocean Strategy](#) by W. Chan Kim, Renee Mauborgne

The thesis of *Blue Ocean Strategy* is simple: why compete with other firms if you don’t have to?

In contrast to Porter’s work, W. Chan Kim and Renee Mauborgne advocate a different approach to strategy: try to create new industries that change the competitive landscape completely. By focusing your resources on creating uncontested market space (a “Blue Ocean”), you’re working to make your firm the industry leader while simultaneously making your current competition irrelevant. There’s no sense in operating in competitive war-zones (“Red Oceans”) if you have a choice.

## THE ONLY THING CONSTANT IS CHANGE

 [Seeing What's Next](#) by Clayton M. Christensen, Erik A. Roth, Scott D. Anthony

Clayton Christensen is famous for developing theories of why firms rise and fall in *The Innovator's Dilemma* and *The Innovator's Solution*. *Seeing What's Next* is a comprehensive introduction to the ideas presented in both books, with a smattering of business history thrown in for good measure.

This book attempts to answer the question: “How will innovation change an industry, and what impact will this have on the firms I care about?” By building on a framework of three core theories of innovation, the authors develop a three-part process of predicting industry change: (1) identifying signals of change; (2) analyzing competitive battles; and (3) understanding strategic choices. Predicting the future is notoriously difficult, but the authors provide an approachable model for making the best decisions you can with the information you have at your disposal.

 [Re-imagine!](#) by Tom Peters

Tom Peters is the rock star of business commentary for a reason: he's loud, opinionated, and more vocally passionate about business than anyone on Earth. The main idea of this book is written in big, bold, red letters across the back cover: “It is the foremost task — and responsibility — of our generation to re-imagine our enterprises and institutions, public and private.” You'll find thoughts and ideas on almost anything you can think of: leadership, management, human talent, design, corporate systems, innovation, technology, R&D, diversity, risk-taking, decision-making, and societal trends. Reading this book is an informative, inspirational invitation to go out and make great things happen.

## MASTERS OF MANAGEMENT

### [The Essential Drucker](#) by Peter Drucker

No advanced study of business would be complete without Peter Drucker, the undisputed father of modern management theory. *The Essential Drucker* is a compilation of twenty-six of Drucker's best articles, spanning six decades of observation and research. In this volume, Drucker discusses managing knowledge workers, making good decisions, hiring the right people, starting new ventures, building self-discipline, encouraging innovation, and predicting the future of work and society.

### [First, Break All the Rules](#) by Marcus Buckingham & Curt Coffman

Based on in-depth interviews of 80,000 managers in 400 companies by the Gallup Organization, Buckingham and Coffman argue that the world's best managers break virtually every conventional "rule" of management practice. They select employees for talent, not experience, intelligence, or determination. They define the right outcomes for people, not the right steps. They focus on developing employee strengths, not eradicating weaknesses. And they find the right fit for employees in the organization instead of relentlessly promoting people up to their level of incompetence. This book will help you examine what you believe about effective management and encourage you to think of ways to set people up for success in your organization from the beginning.

## THE FINEST MINDS IN BUSINESS

Warren Buffett, master investor and second-wealthiest person in the world, is a well-known figure. Far less is written about Buffett's long-time business partner, Charlie Munger. Both individuals are well worth studying — together, they manage Berkshire Hathaway, one of the most successful companies in the world.

### [The Essays of Warren Buffett](#) by Warren Buffett & Lawrence Cunningham

Buffett likes to acquire entire businesses with the intention of owning them indefinitely, so he has some very developed ideas about how businesses should be run. *The Essays of Warren Buffett* is a collection of Mr. Buffett's annual letters to Berkshire shareholders, in which he educates his partners about how the company operates, dissects his mistakes, and looks to the future. In this text, Buffett explains how to identify good businesses: what to look for, how to figure out how much a business is worth, how to set up effective corporate governance, how to keep management motivated, and how to be patient enough to reap the benefits of long-term partnership with quality people. His advice on personal investment is a valuable (and potentially lucrative) bonus.

### [Poor Charlie's Almanack](#) by Charlie Munger & Peter Kaufman

Charlie Munger is a self-taught master of critical thinking and a voracious reader. *Poor Charlie's Almanack* is part biography, part compilation of Munger's speeches on everything from corporate analysis to managing non-profit organizations. By teaching himself psychology and a wide variety of "mental models" from disciplines like biology and statistics, Munger has mastered the art of rational observation and decision-making. Two of his speeches, "A Lesson in Elementary, Worldly Wisdom" and "The Psychology of Human Misjudgment," are educational masterpieces.

## DOLLARS ON THE BOOKS

Every business professional needs a solid working knowledge of finance and accounting. These books are designed for self-study, and will give you a first-rate education without putting you to sleep.

 [The McGraw-Hill 36-Hour Course in Finance for Nonfinancial Managers](#), 2nd edition, by Robert A. Cooke

The thing that impresses me most about this book is how enjoyable it is to read. Drawing on over thirty years of experience as a CPA, Cooke knows how to explain financial concepts clearly using non-technical language. In addition, he happens to be a master storyteller. Instead of assaulting the reader with a never-ending stream of formulas, Cooke uses stories and humor to illustrate how corporate finance works and why it is important to learn. The book is set up as a collection of twelve units, making it ideal for self-study. The 2nd edition contains an additional chapter on the function and role of auditors, an important subject in the wake of corporate accounting scandals and the introduction of [Sarbanes-Oxley](#) in the U.S.

 [Essentials of Accounting](#), 8th edition, by Robert Newton Anthony and Leslie K. Pearlman

When I picked up *Essentials of Accounting*, I was confused. This set of two booklets is a little over one hundred pages combined — how could it possibly be a comprehensive accounting course? The secret is in the design of the booklets. The first contains samples of basic accounting statements: balance sheets, cash flow statements, journal entries, etc. The second contains a double-sided set of fill-in-the-blank worksheets that guide you through analysis of the statements in the first book. This text teaches you accounting by having you actually work through the process of creating and analyzing accounting statements, a simple and relatively enjoyable way to learn a sometimes confusing subject.

## NUMBERS AND NEGOTIATIONS

### [How to Read a Financial Report](#) by John A. Tracy

Since finance and accounting are such important and challenging parts of business, the better we understand them, the better off we'll be. *How to Read a Financial Report* is a concise, well-written guide to navigating the income statement, balance sheet, and cash flow statement. Tracy is careful to explain how each statement is developed, how the statements relate to each other, and what each report tells you about the health of the business in question. After reading this book, you'll be better equipped to understand the financial reports of any company, including your own.


### [Getting To Yes](#) by Roger Fisher, William Ury, and Bruce Patton

Negotiation is a part of everyday life. Considered a seminal text in “principled negotiation,” *Getting to Yes* focuses on teaching readers how to work with the people around them. Negotiation is all about creating solutions to problems that benefit everyone in some way, then convincing your negotiation partner to accept a proposed course of action. By separating the people from the problem, focusing on interests instead of positions, inventing options for mutual gain, insisting on using objective criteria, and identifying the best alternative to a negotiated agreement (BATNA), you'll be in a better position to get what you want while maintaining a positive relationship with your negotiation partner. Don't expect to learn much about Trump-style power negotiation, however — this text focuses on making everyone involved better off, not bullying your opponents into submission. (The authors include tips for fending off win-lose negotiators with bad haircuts as well.)

## OPERATIONAL EFFECTIVENESS

 [The Goal: A Process of Ongoing Improvement](#) by Eliyahu Goldratt & Jeff Cox

*The Goal* is not a traditional business book: it's a novel about a plant manager whose factory is on the brink of being closed. Through the character of Alex Rogo, Goldratt and Cox progressively teach you about operations management, systems design, critical thinking, managerial decision-making, and the inherently human nature of business. Best of all, the story is engaging and memorable, which helps to reinforce the lessons presented in the book. Who knew running a factory could be so captivating?

 [Lean Thinking](#) by James Womack & Daniel Jones

*Lean Thinking* is an in-depth look at the core principles behind the Toyota Production System, one of the most efficient manufacturing operations in the world. By understanding value from the customer's perspective, completing a "value stream" analysis of current operations, eliminating wasteful activities, building flexibility into the line, implementing just-in-time operations, and relentlessly pursuing operational perfection, the authors present a clear overview of one of the most successful manufacturing innovations in recent history.



## FORM AND FUNCTION

### [The Substance of Style](#) by Virginia Postrel

Ever wonder why people are willing to pay \$6.00 for a designer toilet brush when the plain old \$1.99 special accomplishes the same goal? Why Apple's iPod is so popular? Why some people are slaves to the fashion industry? It has to do with aesthetics: all things being equal, people will consistently choose products and services that please their individual sense of style.

Businesses all over the world are beginning to pay attention to design for a simple reason: good design has real economic value. In *The Substance of Style*, Postrel argues that aesthetic value is becoming an increasingly important differentiator in a world where product function and quality are consistently high.

### [The Design of Everyday Things](#) by Donald A. Norman

This book is a must-read for anyone involved in designing a product. *The Design of Everyday Things* describes how designers can successfully create products that really meet the needs of the end user, which is harder in practice than it sounds. Using a wide variety of real-world examples, Norman presents a broad introduction to the critical importance of design, how to notice good and bad design in the world around you, and how to use what you know about everyday life to create products and services people enjoy using.

## PROJECT MANAGEMENT AND MARKETING

These two books have something in common: each of the authors spent eight or more years working at Microsoft, and they have a great deal of first-hand experience to share.

### [The Art of Project Management](#) by Scott Berkun

Scott Berkun spent ten years working on complex projects like Internet Explorer, MSN, and Windows, and now does project management consulting full-time. Skipping the complicated jargon and convoluted methodologies that characterize most project management books, *The Art of Project Management* is full of practical guidelines and tips for keeping your projects moving forward and keeping yourself sane. Berkun has a knack for breaking complex subjects down to the critical essentials, which makes this book approachable and easy to understand. While the vast majority of examples come from the IT industry, the lessons presented in this book are universal to all projects and will be easily grasped by non-technical readers.

### [The Marketing Playbook](#) by John Zagula & Richard Tong

John Zagula and Richard Tong spent their time at Microsoft leading the marketing campaigns for Windows, Office, and BackOffice. According to the authors, every marketing campaign will come down to choosing one of five distinct strategies, regardless of what product or service you're offering or the size of your firm. Zagula and Tong teach you how to analyze your capabilities and your competition, develop a customized marketing playbook for your company, and then execute it effectively. If you're interested in marketing or developing business plans, *The Marketing Playbook* should be one of the first books you read.

## DO YOUR OWN THING

### [The Art of the Start](#) by Guy Kawasaki

Focusing primarily on the venture capital approach to entrepreneurship, Kawasaki's "time-tested, battle-hardened guide for anyone starting anything" is full of sound advice and useful tips for creating a startup. *The Art of the Start* covers topics like positioning your new company in the market, pitching to potential investors, writing business plans, bootstrapping, recruiting employees, raising capital, partnering with other firms, branding, and selling. Kawasaki is a strong advocate of the straightforward approach to business: keep it simple, keep it honest, and keep it short.

### [The Bootstrapper's Bible](#) by Seth Godin

*The Bootstrapper's Bible* was created for people interested in starting a business with little or no money. Covering everything from business models to simple planning and bookkeeping, Godin does a masterful job of explaining how entrepreneurs and freelancers can take advantage of their small size to accomplish big things.

## SPEAK YOUR MIND

### [On Writing Well](#) by William Zinsser

“Managers at every level are prisoners of the notion that a simple style reflects a simple mind. Actually, a simple style is the result of hard work and hard thinking; a muddled style reflects a muddled thinker or a person too arrogant, or too dumb, or too lazy to organize his thoughts. Remember that what you write is often the only chance you’ll get to present yourself to someone whose business or money or good will you need. If what you write is ornate, or pompous, or fuzzy, that’s how you’ll be perceived. The reader has no other choice.”

Good writing skills are essential. *On Writing Well* focuses on simplicity and clarity, the hallmarks of an effective writer. With a dedicated chapter on writing for business, you’ll quickly learn that big words, complicated sentences, and jargon decrease your ability to communicate your thoughts to the people reading your work.

### [Flawless Consulting](#) by Peter Block

*Flawless Consulting* will teach you how to get things done as an internal or external consultant. According to Block, “The task of the consultant is increasingly to build the capacity of clients to make their own assessments and answer their own questions.” With practical tips on everything from building authentic relationships to making recommendations, this book is referred to as “the consultant’s bible” for many good reasons.

## THE DELICATE ART OF HUMAN RELATIONS

### [How To Win Friends and Influence People](#) by Dale Carnegie

It has been said that Dale Carnegie knew more about human nature than anyone before or since. After reading this book, I'm inclined to agree.

Based on the core idea that people have a fundamental psychological need to feel important, Carnegie details “three fundamental techniques for handling people, six ways to make people like you, twelve ways to win people to your way of thinking, and nine ways to change people without arousing resentment.” Many of Carnegie’s tips on working with people seem to be common sense, but beneath all of the stories and anecdotes is a simple, valuable lesson: if you choose to be genuinely interested in the people you work with and you let them know it, they will always be happy to work with you.

### [Crucial Conversations](#)

by Kerry Patterson, Joseph Grenny, Ron McMillan, and Al Switzler

Life is full of difficult situations that require not-so-fun conversations with the people around us, both at home and at work. Avoiding the issue doesn't solve anything — you have to be courageous enough to have these “crucial conversations.” Major topics include: making the situation emotionally safe for both parties to speak, how to manage your emotions, how to discuss sensitive issues, how to persuade others without being abrasive or pushy, and how to work with people who are upset or angry.

## SELL, SELL, SELL!

### [The Little Red Book of Selling](#) by Jeffrey Gitomer

“People don’t like to be sold, but they love to buy. Your job as a master salesman is to create an atmosphere where people want to buy.” This book is the distilled essence of Gitomer’s many years of experience as a salesman. It’s written in a blunt, punchy, fun-to-read style, and is focused on teaching you basic sales principles that you can use immediately. Although the book is small, the content is deep and varied — this is a book you’ll want to return to many times.

### [Influence](#) by Robert B. Cialdini

As a social psychologist, Cialdini worked “undercover” in fields like sales, PR, advertising, and fund-raising to discover what makes people comply with the demands of others. Through his research, Cialdini identified six ways that people are unsuspectingly persuaded: reciprocity, scarcity, liking, authority, social proof, and commitment/consistency. Knowing these natural psychological tendencies will help you become more persuasive and protect you from being misled in the future.

As a side note, *Influence* is on the recommended reading list of Charlie Munger, who picked up some of his basic psychological models from this book. Munger was so impressed by Cialdini’s thorough explanation of how rational decision-making can break down that he gave Cialdini one Class A share of Berkshire Hathaway stock (now worth \$83,000) for his “contributions to humanity.” How’s that for a strong recommendation?

## ECONOMICS AND WORLDVIEWS

Business professionals can benefit from a strong understanding of how society works. These titles will give you a solid education in economics, politics, and international business.


 [Economics in One Lesson](#) by Henry Hazlitt

Economics is the science of examining the causes and effects of human actions, then studying the primary and secondary consequences of those actions. In *Economics in One Lesson*, Hazlitt delivers a comprehensive introduction to the basic concepts of free market economics, covering everything from widely held misconceptions like “the broken window fallacy” (the idea that destructive acts like war result in economic growth and progress) to the long-term consequences of economic policies like trade tariffs and government regulation.

 [The Economist](#)

*The Economist* rounds out the PMBA’s coverage of global studies and international business. Written from a clear political perspective (classical liberal), this weekly magazine covers news from around the world with a keen eye and a sharp wit, paying equal attention to business and political developments. Readers keeping a close eye on expenses should be able to find current issues at their local library or university. In addition, you can find full-text articles in the EBESCO Business Source Premier research database, which may be available via your local library’s website.

## BUSINESSES PAST AND PRESENT

-  [American Business, 1920-2000](#)  
by Thomas K. McCraw, John H. Franklin, and A. S. Eisenstadt

This book is a quick but thorough introduction to the history of 20th century business. The authors detail the growth of McDonald's, Procter & Gamble, Boeing, General Motors, and Ford, as well as the rise and fall of RCA. Additional attention is paid to women and African Americans in business, as well as three critical economic sectors: finance, chemicals and pharmaceuticals, and information technology.

-  [Brand New](#) by Nancy F. Koehn

*Brand New* tells the story of six entrepreneurs who changed the world of business: Josiah Wedgwood, Henry Heinz, Marshall Field, Estee Lauder, Howard Schultz, and Michael Dell. By examining the companies these innovators created alongside the business context they operated in, Nancy Koehn presents detailed, fascinating case studies of how these leaders developed brands and distribution systems that took full advantage of existing social trends. Comprehensive without being dry, this book is a very detailed look into the lives of people who saw an opportunity in the market and took full advantage of it.



## RULES AND MORALS

These two books examine the legal and moral aspects of living and working in a capitalistic system.

### [Law 101](#) by Jay M. Feinman

Covering every subject a student would expect to study in their first year at an American law school, *Law 101* is a comprehensive, easy to understand introduction to the American common law system. Subjects include constitutional law, constitutional rights, the civil litigation process, personal injury and tort law, business and contract law, private property, criminal law, and criminal procedure. Along the way, Feinman references famous cases and explains how legal principles are put into practice in daily life. American readers will gain a deeper understanding of how the legal system operates, while international readers will find the text a valuable point of reference and a source of comparison to their own legal systems.

### [A Primer on Business Ethics](#) by Tibor Machan & James Chesher

Written from a classical liberal / libertarian point-of-view, *A Primer on Business Ethics* is an introduction to the many sticky issues that plague the world of business. Machan and Chesher examine current moral and political theories and how they relate to the day-to-day decisions of business professionals.

I like this text for two reasons. First, it approaches business as a noble and honorable profession, not a necessary evil — more than can be said for most business ethics books I've reviewed. Second, the authors frame the issues in a way likely to inspire discussion, which is healthy for readers of all political persuasions.

## ANALYZE THIS

### [The 80/20 Principle](#) by Richard Koch

In this text, Koch thoroughly examines the “80/20” or “Pareto principle” — the idea that, in any given context, 20% of the causes produce 80% of the effects. This inherent nonlinearity is present in all aspects of life, and presents a great deal of opportunity for improvement in every field. By identifying the critical 20% of causes and focusing time and resources on optimizing them, it is possible to realize enormous gains in productivity in relatively short order. While the 80/20 principle is typically used for sales, customer, or inventory analysis, Koch examines personal management applications as well, including priority setting and work/life balance.

### [Principles of Statistics](#) by M.G. Bulmer

In *Principles of Statistics*, Bulmer blends theory with practical examples to introduce the reader to intermediate statistics. Subjects include the concept of probability, random variables, probability distributions, expected values, tests of significance, statistical inference, point estimation, regression, and correlation.

While researching this book on Amazon.com, I came across a particularly good review by Duwayne Anderson that summarizes why this book is part of the PMBA: “I have six books on statistics in my personal library. All of them are bigger than Bulmer’s book, but none of them have been read as many times, and none are as tattered, marked up, and cross-referenced. Simply put, Bulmer’s book is the most useful and complete book on basic statistics that I have. It’s a nice package in a reasonably sized book with all the most important stuff for dealing with basic statistical problems that many engineers are likely to encounter in a day’s work.”

## VOICES OF EXPERIENCE

### [The Little Book of Business Wisdom](#) by Peter Krass (Editor)

*The Little Book of Business Wisdom* is a gem of a book. Peter Krass has compiled 50 essays written by some of the best minds in business, past and present. Learn directly from professionals like Lee Iacocca, Bill Gates, Jack Welch, John D. Rockefeller, Andrew Carnegie, Henry Ford, Lillian Vernon, Charles Schwab, Mary Kay Ash, Sam Walton, B.C. Forbes, and Benjamin Franklin. Chances are you'll think about business a little differently after hearing from these legends in their own words.

### [Swanson's Unwritten Rules of Management](#) by Bill Swanson

Bill Swanson is the CEO of Raytheon, a major US aerospace contractor. Developed over the course of several decades, *Swanson's Unwritten Rules of Management* were first used in 2003 to pass along a little practical advice to 300 of Raytheon's senior managers. Over time, copies of the spiral-bound book traveled to managers in other industries, eventually reaching the hands of Warren Buffett. Buffett was so impressed that he sent copies to the managers of all of his businesses, calling it "one of the best books I've seen." You can read excerpts of *Swanson's Rules* in [this Business 2.0 article](#), or request a free copy by [visiting Raytheon's website](#).

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**THAT'S THE LIST:** 42 resources that will help you learn about business on your own time. I hope you find them informative, enlightening, and useful.

## JOIN THE CONVERSATION!

While reading books is a wonderful way to learn, there's no replacement for a good conversation with a diverse group of business-savvy people. Fortunately, you're not alone in this educational adventure: there are hundreds of people around the world reading and discussing these books right now, and you're invited to join the conversation.

[PersonalMBA.com](http://PersonalMBA.com) was created to give everyone involved in the PMBA an opportunity to meet each other and discuss what we're learning. As of the date of this publication, we have over 400 members in 22 countries<sup>C</sup> committed to reading and discussing these books together. We're the largest peer-produced business education project in the world, and our membership is growing rapidly.

We started our first reading selection (Scott Berkun's *The Art of Project Management*) in August 2005. Scott has been stopping by to answer our group's questions and help our members learn how to manage their projects more effectively. It's been a great learning experience, and we're actively inviting the authors of the other books on this list to join the fun.

In addition, businesses are beginning to use the PMBA as a way to educate employees without the huge cost of sending people off to school. [XO Communications](#) is the first corporation to discover the PMBA — they're integrating it into "GetSmart," XO's brand new company-wide learning program.

All in all, it's an exciting time to be an educational entrepreneur.

If you're interested in working through the PMBA with a group of smart, motivated people, check out [PersonalMBA.com](http://PersonalMBA.com). We'd be glad to have you involved!

## A BIG THANK YOU!

The Personal MBA is the product of the contributions of many people:

- [Seth Godin](#) for [prompting the idea](#).
- The members of [PersonalMBA.com](#), particularly our industrious administrators: [Rick Bennett](#), [Greg Flint](#), and [Chris Woodruff](#).
- [Brendon Connelly](#), [Tom Ehrenfeld](#), and [Bob Gilbreath](#) for their timely book recommendations and constructive comments.
- Sam Aquillano, Jeff Bates, Rick Bennett, Brendon Connelly, Kent Kingery, Kelsey McKelfresh, Michael Ramm, Bill Redd, and Chris Woodruff for reviewing the rough cut.
- [Todd Sattersten](#) and the staff of [800-CEO-READ](#) for bringing this manifesto to you.

To everyone who has been involved in this project, my heartfelt thanks.

Happy reading!

## ENDNOTES

- A** Business 2.0 published a [great article](#) about the many costs and benefits of MBA programs in 2002, and you can find any number of blogs that continue the discussion today. Christian Schraga, a 2002 graduate of Wharton's MBA program, has an excellent summary of the [truths and half-truths of getting an MBA](#):

In conclusion, my been-there-done-that experience has taught me that a top MBA program provides some benefits, but at a steep price. If you are currently considering attending a full-time program, please stop to ask yourself whether or not you are willing to take the risk. Business school is a big risk. Should you choose to enroll, the only certainty is that you will shell out about \$125,000. Such a figure correlates to a \$1,500/month non-deductible loan repayment and a ten-year period of time in which you will not be able to save a red cent. If you think that this payment is worth it to earn the pedigree, the fraternity, the two years off, and a shot at the big bucks, then the MBA is right for you. If not, please do something else.

- B** For the financially inclined, Christian Schraga estimates that the ten year NPV of a top MBA program is **(-\$53,000)**, assuming a base salary of \$85,185, post-MBA salary of \$115,000 (+35%), marginal tax rate increases (NYC), and a discount rate of 7%. Breakeven occurs in twelve years. You can see the full calculations [here](#).

Given the level of expenditure involved, a major but largely undiscussed portion of the opportunity cost of getting an MBA is not being able to save or invest your wages for a long period of time. \$1,500 per month invested at a compound annual growth rate of 7–10% for ten years ends up being a big chunk of money, even after applicable taxes and commissions.

- C** As of the date of this publication, PMBA members hail from Australia, Austria, Brazil, Bulgaria, Canada, China, Germany, India, Israel, Japan, Malaysia, New Zealand, Norway, Poland, Serbia and Montenegro, South Africa, Spain, Thailand, Tanzania, the US, the UK, and Uzbekistan.

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## ABOUT THE AUTHOR

Josh just graduated from the University of Cincinnati College of Business with concentrations in Business Information Systems, Real Estate, and Philosophy. He has worked at Procter & Gamble for three years as a part of UC's cooperative education program, and will be starting full-time at P&G this fall. He has no intention of getting an MBA any time soon, but he does have a lot of good books to read. You can find him discussing the Personal MBA at <http://www.personalmba.com>, or on his blog at <http://www.joshkaufman.net>.

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## NAVIGATION & USER TIPS

Move around this manifesto by using your keyboard arrow keys or click on the right arrow ( → ) for the next page and the left arrow ( ← ). To send this by email, just click on .

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First, make sure you have the latest version of Acrobat Reader 6 which you can download from <http://www.adobe.com/products/acrobat/readstep2.html>. If problems persist, it may be due to your Acrobat Reader settings. To correct the problem (for Windows), a reader, J. Hansen, suggests going to your Acrobat Reader Preferences > Options > Web browser Options. Check the “Display PDF in Browser” option. Then click on Save to Disk .

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Full screen/Normal screen view	[ CTL ] [ L ]	[ ⌘ ] [ L ]

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## BORN ON DATE

This document was created on 7 September 2005 and is based on the best information available at that time. To check for updates, please click here to visit <http://changethis.com/17.PersonalMBA>

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