1

The 10 Core Principles

The ten business rules explored in this chapter are the foundation of my business philosophy. They are the keys to success, and I review them here in order of importance. I urge you to read these rules in sequence, from the beginning.

01 All concepts are relative

Never believe in the absolute.

No one way of thinking is perfect. Nothing in this world is absolute. Say you turn on a light bulb in a dark room. It feels bright. But step inside a room lit by a single bulb after being outside in the midday sun, and it will seem dark. Everything is relative.

Nothing in human thought is absolutely right. So you shouldn't put your faith in dubious expressions such as, "It's just common sense."

This is my basic philosophy. In fact, common sense itself is often completely arbitrary.

Here's an example: Some 20 years ago, I began my business—an online shopping marketplace. I was not the first to try this. Several other companies including famous leaders such as IBM had tried this, and failed. Because they had failed, many told me I was foolish to try it myself. Online shopping malls won't work, they told me. It's just common sense.

Obviously, that turned out not to be true. It was not "common sense" that blocked online marketplaces from thriving. Online marketplaces were a good idea, waiting for good execution to attract customers. When the right online marketplaces were launched, customers flocked to them. So much for the "common sense" that said it would never work.

Business books repeat *ad nauseam* that you shouldn't fall into the trap of common sense. So why do people continue to do so? We need to seriously consider the reasons for this.

All ways of thinking have strengths and weaknesses. That's why—despite many thousands of years having passed since people started to form societies—humankind still hasn't discovered how to organize a perfect society. Perhaps it never will.

Philosophies, ideas, and ideologies continually evolve and change with surprising fluidity. This is the nature of human society. Nothing is certain. It doesn't follow, however, that nothing has any value.

What's important is to keep moving forward, even if you're unsteady. Children who have just started to walk fall over all the time. You *have* to lose your balance in order to walk. The very act of taking a step forward means being off balance. You lose your balance, then regain it. Repeat this action, and you move forward.

Civilizations and societies seem to progress in essentially the same way. This loss of balance is at the heart of evolution.

I'm not talking in the abstract. Awareness of this idea plays a vital role in all aspects of daily life. And naturally, that includes business.

Don't be afraid of losing your balance and falling over. After all, children learn how to walk by falling. After only six months of practice, they'll rarely stumble.

There's no such thing as a way of thinking that's correct all of the time. That's ultimately why I think "common sense" should be viewed skeptically. Ideas evolve and can be refined when they are thrown off balance.

Be suspicious of common sense. Don't be afraid of defying it. Follow the path you believe in.

02 Believe in the power of the moonshot

Aim high—higher than you think is possible.

Both individuals and businesses have to experience breakthroughs to grow significantly. NASA made it to the moon because the moon was the goal. It wasn't simply the result of gradual technical improvements. The stretch goal itself had power.

Achieving a breakthrough means going beyond limits. Only after breaking through barriers that weren't meant to be broken and going beyond your own limits will you be able to see through to the next stage.

The problem is, the barriers themselves can be hard to see. Athletes aside, most of us don't think about the pursuit of our fullest potential and where our limits may be.

What is it that allows you to see your limits clearly? Goals.

On May 25, 1961, John F. Kennedy announced that the United States would land a man on the moon by the end of the 1960s. This was a response to the *Sputnik* crisis. *Sputnik* was the world's first artificial satellite, and it had been launched successfully by the Soviet Union. The United States had been outpaced. The thought that the Soviet Union, the hypothetical enemy, had overtaken the United States was a huge blow to American confidence. And just a month before Kennedy's address, the USSR had successfully launched a *manned* satellite into space. Yuri Gagarin became the first human being to look down on the Earth with his own eyes.

President Kennedy announced the plan to send a man to the moon to counter the widespread shock felt in the United States. His speech galvanized the American people. And the genius of it was that Kennedy set a time frame of nine years, telling the public that the United States would achieve the goal not "someday," but "before this decade is out" (for more information, see https://er.jsc.nasa.gov/seh/ricetalk.htm).

The United States committed itself to sending a man to a heavenly body some 240,000 miles away when it was having trouble even launching satellites into orbit around Earth. And it was going to get that done in just nine years.

Common sense would say that it was impossible.

But that near impossibility instead made it a noble, heroic target.

Obviously, President Kennedy couldn't have been certain the goal would be achieved. But he probably thought he could prove it wasn't impossible.

Hearing of this seemingly impossible goal must have helped to make crystal clear the barriers blocking the way of the people working on the space program. I don't know if they faced dozens or hundreds of barriers, but I can say for certain that they overcame every one of them. They achieved dozens, perhaps hundreds, of breakthroughs, and on July 20, 1969, at 4:17 p.m. Eastern Daylight Time, *Apollo 11* landed on the moon.

Nothing is impossible. Inevitably, the impossible will become a possibility.

Humankind's future depends on how many people believe this, and the *Apollo 11* moon landing definitely created some believers.

It was achieved because President Kennedy set a clear, specific time frame of nine years, not simply because advances in aviation technology suddenly meant humankind could reach the moon.

This principle applies to all kinds of business, too. There is no such thing as aimless growth. There is no way that people or companies can truly grow if they simply plod along aimlessly doing routine work. Setting clear, specific goals and doing everything in your power to achieve them is essential for growth.

Set big goals. Set clear and specific goals with deadlines, and commit to achieving them. It's those goals that will generate transformational growth for you and for your company.

03 Learn the difference between a group and a team

You'll do your best work—by far—when you think of yourself as part of a team.

A group of thousands who merely carry out their assigned tasks is nothing more than a mob. It doesn't deserve to be called an organization. An organization must always strive to be more than just a random group completing predefined tasks. It must aim to be a team where members transcend individual roles and their efforts complement each other.

For practical reasons, roles and responsibilities have to be distributed when organizations become large. However, this often goes too far, especially in big organizations. Employees come to believe that their job is to simply fulfill the role they've been given. They even start to think that it's wrong for them to do anything that doesn't match their job description. This way of thinking is a destructive sickness.

Every business is at war in the effort to excel.

Since it's a competition, it's meaningless unless you win. To be certain of achieving victory, every member of your organization must work as though they themselves bear full responsibility for accomplishing the goals of the team. That is the moment at which a group evolves and can truly be called a team.

Here's one way I work to make that happen. At Rakuten, all employees clean their workplaces on Monday mornings. This has been the practice since the company had just a handful of employees.

It doesn't matter whether you are a new hire fresh out of college or a senior executive. We all clean our workplaces thoroughly. We all get down on our knees and polish our chair legs. We do this to remind ourselves that there's no aspect of the company's business that doesn't concern us.

The company's business is our business. From where you sit, do you believe this with all your heart? Those who don't will never succeed.

If you are a supervisor or a manager, you should never forget that winning hinges on whether you can bring together the people who work with you—to form that kind of team. If you are an employee, winning hinges on whether you can work as a member of your team, without ever losing focus. This is extremely important—important enough to transform your life.

If you think it's enough just to do the work you're paid for, and that doing any more is a waste of time, you're throwing your life down the drain. Working in this way is simply selling off chunks of your life—and our lives are not long enough for that. If you sell your life bit by bit, 30 to 40 years will go by before you know it.

New hires and junior employees should approach their work with the belief that they are key players who will take the company to new heights. An organization starts to realize its true potential when all team members share this belief. And when that happens, your own individual abilities will start to shine.

Even the best racecar driver won't win with an underperforming car. The relationship between individuals and a team is no different. You must not see yourself as alone, but as a part of a larger project. The key to realizing your full potential is working not in just any ordinary group but as part of an outstanding team.

04 Think about your mindset, skills, and knowledge

If you just daydream about success, you'll never actually be successful. Success doesn't depend on luck. You have to grab it with your own two hands.

There are only two types of people in this world: successful people and unsuccessful people. By definition, successful people succeed, while unsuccessful people never do. Successful people have three characteristics in common: mindset, skills, and knowledge.

When I say *mindset,* I mean your passion for work. Your mindset is the root of your motivation in the workplace. It could be the desire to succeed or to become rich, or a passion to satisfy your customers. Skills refers to your abilities. Communication and computer skills are useful in business. The ability to self-manage is also a skill. Then there's knowledge. It goes without saying that knowledge is useful in business. Truly capable people possess all three of these qualities.

However, few start out with a good balance of the three. Some might have a wealth of knowledge but lack the right mindset, for example. Or they might have the mindset but lack the skills. You need to objectively analyze yourself and figure out your areas of weakness. When you identify your weaknesses, you will also see ways to overcome them. If you overcome them, you are far more likely to succeed in business.

One word of caution for highly talented people: Talents are to a large extent innate. Outstanding communication abilities, for example, are often something you were born with. A person with that natural talent might become a salesperson—as an example—and achieve outstanding results right off the bat, without any special effort. You might say that individual has found his or her true calling, but actually there's a catch.

The catch is that it's difficult to achieve true success using only the talents you were born with. Without continuing to work to improve yourself, you cannot achieve true success.

Many who are blessed with natural talents don't study or make any extra effort, instead relying on those talents to get by. For whatever reason, people often quit studying the minute they enter the workforce—even though learning is so important, especially when you start out at work. If you don't have a wide array of natural talents, you can make up for most of that by studying and learning each day. There are plenty of outstanding salespeople, for example, who are not particularly talented conversationalists. In fact, it's not unusual to hear about outstanding, recognized salespeople who once struggled with their communication skills. They studied, practiced, and overcame their initial disadvantage.

I recall a colleague who took this approach. Early in the creation of Rakuten it became necessary for our company to work in a particular computer language, SQL. First, he acquired a beginner's book on SQL. Then, he hired a tutor. He was no longer in school, but he didn't let that stop him from learning. He sought the additional education he needed to acquire the necessary skill.

Certainly, this was also true for many Rakuten employees who worked here when I announced my plan to make English our company language. I called the process *Englishnization* and we set goals for every employee to meet. While many may have studied English in school, to pass a test and achieve the language levels we had set for employees, more study was necessary. Throughout Rakuten, employees formed study groups and conversation groups. Some used their vacation time to attend English language boot camps. It was a company-wide exercise in the value of additional study.

All these examples remind us that in business, you can overcome skill barriers through hard work and careful planning. You must keep accumulating knowledge and strive to improve yourself. Do not rely solely on your talents. New business ideas come out of analytical thinking and good judgment. While these are often considered inherent "talents," they can also be developed through daily training.

If you are conscious of this need to constantly grow and improve, you'll soon notice that even the newspapers and magazines you read every day are full of great ideas. Even something as simple as observing young people walking around town will give you new business ideas. I recall a time when I was on a business trip in Spain. I took a walk out to the local marketplace (mostly to try and counteract my bad case of jet lag). But as I strolled through the stalls, I was struck by the vivid colors and the impact these visual elements had on the shoppers around me. I came back from my trip with new ideas on how we could improve our website. Walking around had become part of my process for a successful redesign of our web page. With mindset, skills, and knowledge, the world presents unlimited possibilities for success.

05 Question yourself

Be humble, especially when you're successful.

Everything that exists will eventually cease to exist. Nothing is unchanging or permanent. Everything is transitory, including you and me.

In business, you should always bear this in mind, especially when work is going smoothly and you're feeling successful.

Individuals always grow confident when things go well. They start to think that they achieved success because they are special, because their way of doing things is the right way.

Obviously, there's nothing wrong with having confidence. But the time to leverage that confidence is when your work *isn't* going well. When you're surrounded by stiff competition and success seems out of reach, *that* is the time when you should be confident and walk with your head held high.

But when you actually achieve success, that's the time to shrug off your confidence.

Be humble enough to consider that you got lucky, that you happened to be in the right place at the right time. If circumstances change, you could be in trouble.

I'm not saying success is wholly due to luck. It might be 99 percent hard work. But if the remaining 1 percent doesn't go your way, things might end in disaster. And, in any case, you could still fail tomorrow.

That might make you feel extremely uncomfortable. But this is the kind of dynamic tension that drives people to work hard.

I feel much more uncomfortable when I notice people sitting back and basking in the glow of their own self-confidence.

No matter how solid your business model may seem, if you look 10 or 20 years ahead, you may find it's a house built on sand. Or worse, a house *made* of sand.

All business is just that fragile.

Society is like a river—it never stops flowing, even for a moment. The business climate continuously changes.

Businesses that are currently successful will inevitably fail. You must always prepare for the worst, based on this assumption.

Courage to question yourself is essential. Questioning yourself means examining *everything* about yourself, including the way you think, work, and live. It means questioning everything you have believed in until this moment.

I understand that this is really hard to do. But if you don't, you won't be able to create anything new. As long as you continue to cling to past success, you will never be able to achieve success in the future.

You must doubt yourself most when you are successful. You must accept that the way you do things is not the only way. You must have the courage, if a better way appears, to start from scratch.

Here's an example from my own experience. I founded Rakuten with the goal of being the world's No. 1 internet service company. That was the plan. That was our mantra for many years. As we grew, I saw that taking shape. We grew to be a leader in e-commerce, in fintech, in virtual communications, and entertainment. We were becoming everything we set out to be.

Then I began to think: Is that really our best ultimate goal? Or is that just an interim step for what Rakuten could ultimately become?

I did this thinking at a time when Rakuten was quite clearly successful. But it was in that success that I began to question myself. Was there a better way? A bigger goal? A new mantra?

I decided to make a shift. I created a new goal for Rakuten. The internet had become a given in our everyday lives, and I wanted us to think bigger than just internet services and think in broader terms. Our new vision was set for Rakuten to be a global innovation company. It's a shift in mindset and one that doesn't allow us to rest on our success in the internet services space. It pushes us all to think big and push ourselves to be true innovators in everything we do. In this context, we have explored new services and industries such as drone deliveries and cancer research, and we have reconfigured our thinking to focus not just on success in one industry but on innovation in everything we touch.

It was not easy to make that shift. I had more than one employee stand up during our weekly company meetings and question me. "I joined this company because the goal was to be the number one internet services company. What does this new goal mean?" I understood the sense of disruption and resistance to change. But I also knew that questioning our position, right at the moment of success, was a process that would push us into even greater opportunities.

Always keep your mind open to fresh possibilities and never stop looking for new directions and even better ways of doing things. That's the secret to sustainable growth.

06 A brand is a flag

When you run a company, you are doing more than just making money. You are assuming a role of leadership. When you are running a big company, you're doing this on a global scale.

Companies have started to resemble nations.

What is the essence of a nation? It's not its territory or currency. It's not even its people. Although these things determined national identity until the twentieth century, the advent of the internet means we must radically change how we think about countries, as any kind of information can now easily cross country borders and move freely from place to place.

Those who underestimate the power of the internet may say it's just a collection of data. And it's true that data are not physical entities but a product of our brains. However, by the same token, you could also say that currency, borders, and citizenship are just concepts thought up by humans. Everything that makes up the essence of a nation is information. And being information, it's affected by the internet. Building high walls at national borders might temporarily stop the flow of people and goods. But as long as the internet exists, it will be impossible to completely shut down the flow of information. Just as the Berlin Wall between East and West Germany was destroyed by their own citizens, borders will continue to be made obsolete by the flow of information.

It will be the same with currencies. The internet will make the concept of nations and their currencies ever weaker and more ambiguous, while corporations will become increasingly important. Consider the impact of companies such as Facebook and Google. These are companies with tremendous sway all over the world. Their users don't just treat them as services companies. In many ways, these companies are ecosystems informing societies within which their users live—much as individuals might once have thought of national borders. Customers of these global companies rely on them and integrate them into their daily lives. How companies of this stature behave has as much impact on users as the policies of their government.

As the presence of corporations in society becomes even more influential, the social responsibilities they assume will also grow. The pure pursuit of profit will not be enough to allow these companies to fulfill those weighty responsibilities.

It will be crucial for corporations of the future to commit to clearly setting out their ideals and ideologies—and to communicate a vision for the society that they are working toward. Whether or not a corporation can spell out that vision will determine its scope for growth.

In that sense, I believe your brand is as powerful as any national flag.

Rakuten flies a flag that represents empowerment of individuals, business, and society via the internet. We strongly believe that supporting the talents and efforts of individuals and groups using the internet to realize their dreams is at the heart of our mission. That empowerment allows all of us to push the boundaries of our individual and corporate identities and will lead to a happier, more prosperous society.

If you're working for a company, do you know what your company flag embodies in spirit? If you do, and if you believe in the ideals it represents, you should give it your all to uphold them. If what the flag represents is unclear, then you should create a new one. It doesn't have to be created by management. If management won't clarify the company's principles, flying a flag based on a consensus among its employees will do. The time has passed when individuals offered their whole lives to companies without giving deeper thought to the firm's ideals or convictions.

Branded products will come to represent their owners' ideals rather than their wealth or social status. Individuals will "vote" through their consumption activity: companies that win the support of large numbers of people will grow significantly and their ideals will change society. Companies must therefore take great care of those brands that carry as much pride as any nation's flag at the Olympics.

07 The internet transformation continues

Think boldly about the future. In the age of the internet, change is a given.

It's true that no one knows what will happen tomorrow. However, we'll never be able to shape the future if we don't try to see what it looks like through the haze of uncertainty.

When I established Rakuten Ichiba in 1997, I drew up four hypotheses about the internet:

1. It will become simpler and more convenient.
2. It will spread like wildfire.
3. Consumers in Japan and beyond will buy things by using it.
4. It will change the retail industry.

All four are now true.

Some self-proclaimed experts might say that all four of these were obvious from the time the internet started, that they don't even deserve the name *hypotheses* because anyone with even a little knowledge of the internet could have seen they were bound to come true.

But if it was all so obvious, why didn't they do the same thing I did?

I'm not boasting about my foresight. I'm trying to say that only a few dare to think boldly about the future.

Many can come up with explanations for things that have already happened, but they do not even try to focus their attention on the future. Many around us like to say you can't even know what will happen tomorrow. I don't think they're being circumspect. I believe they're being lazy. Rather than trying to analyze the secret of Rakuten's growth over the past 20 years, you should apply those powers of analysis to the next 10. If you do this, you'll realize there is one thing that we can say for certain about the future: although the internet has radically changed society, the changes so far have been nothing compared to the ones that lie ahead. The internet will continue to transform the world. Those engaged in business should constantly bear this in mind.

What kind of society will human beings create through this revolution? I believe business holds the key. People once created new orders via politics and war. That era is passing. Fueled by the transformative powers of the internet, business will challenge national and government hegemony. Business creativity—the economic activity generated by the actions of everyone alive on the earth today—will create the new order.

08 The internet will curate the world's knowledge and data, but the human touch will still be key

No matter how far technology advances, people will be attracted to services that have a human touch.

The internet's essential function is to connect all of humanity's knowledge and information.

Obviously, human beings had tools to do this before the internet was invented, notably speech and writing. Through the tool of language, human beings have shared knowledge and information.

It is thanks to this ability that human beings, relatively weak animals, have overpowered other creatures, and now reign over the Earth. From letters and books to telecommunications, language has made it possible to share knowledge and information widely and precisely.

The internet is merely an extension of this.

However, as a "technology" for sharing knowledge and information, the invention of the internet reaches a whole different dimension because, at least in theory, it can connect all of our knowledge and information, unhindered by spatial limitations.

This is awesome. It sounds like science fiction—by connecting to the internet, a single individual can access the collective intelligence of the entire human race. This is leading us into a period of tremendous innovation. From drones to cars to IBM's super computer Watson, collective intelligence is guiding us forward in new ways.

That said, simply bringing together vast amounts of information is meaningless.

If the information isn't organized and indexed, it has no more meaning than a mountain of trash. Without the technology to instantly find a single needle among haystacks upon haystacks of data, the internet would be far less useful. In this sense, Google has played a huge role. With apologies to developers of competing search engines, I'd say the internet would never have become as important as it is today if it weren't for Google.

Looking further ahead, though, search engines will become obsolete. No matter how advanced the search engine, as long as it is an automated system, it will eventually become a common, everyday product we take for granted, like a telephone or a washing machine. The praise that has been heaped on Google is similar to the way previous generations talked about the makers of the first cars. The company is held in such high regard because no other current "automobile" is as advanced as Google's. As soon as another with the same performance comes along, Google's relative advantage in the market will decline. This is a limitation of the tech industry: the more useful a tool, the faster it will be copied, and the faster people will strive to better it.

Tapping into human desires will be crucial to the continued success of the internet businesses. We tend to forget this because of our focus on rapidly advancing technology. But it's precisely because we live in such a technological age that you can't stand out or beat the competition with technology alone.

We've seen that in our own business. With products like Viber, a voice and messaging mobile app, and Viki, an entertainment platform, it has not been as much about inventing new technology tools, but about offering emotional satisfaction. Viki does not just host entertainment. Our product managers strive to create communities for fans and to connect fans around the world—using entertainment to build connections and friendships across borders. In that way, Viki is not just a tech tool; it is a human connection machine.

Rakuten Ichiba is built on a myriad of human stories. We started out with the concept that merchants who freely created their own original content and succeeded in delivering a message with emotional resonance would have the opportunity to reach their customers in a way that more streamlined, standardized e-commerce models never would. We often compared our marketplace to that of an outdoor market, where you can enjoy browsing and interacting with the stallholders, while our competitors are more likely to be pursuing a vending machine model, where customers hit a standard-size button and receive the product as depicted on its glass front.

Times may change, but you will never be successful in business without touching people's hearts.

09 Taking action leads to deeper thinking

In business, rather than spending time thinking about this and that, you have to do something. Nothing will ever happen if all you do is think about things.

Of course you can't help having some thoughts about things before you act. I'm not saying don't think at all. Actually, nothing is more important than thinking. It's impossible to achieve business success without thinking, and it goes without saying that in business the better thinkers succeed.

What I'm trying to say is that in order to really think, you have to take action.

If you are only taking action after thinking, you are on the wrong track. You should be taking action in order to think things through. That's the right perspective.

Reality as you perceive it only starts to mean something when there is feedback *from* that reality. In other words, thoughts only start to mean something as a result of action. It is a virtuous cycle that can lead to great results.

For example, trying to teach a person who's never held a racket to play tennis using words alone is ridiculous. It makes no intuitive sense. You should hand them the racquet and the ball, have them watch others, then let them hit the ball themselves. Teaching someone to play tennis after they have tried is a far more efficient method of teaching.

It's exactly the same in business.

Despite this, many people spend all their time thinking about things and theorizing, without actually taking any actions. Sometimes I wonder if these people are using "thinking" as an excuse not to do anything.

It goes without saying that in the world of business, action carries various kinds of risk. It's natural to hesitate before acting. But this is precisely why you should act to think.

I don't mean big actions, necessarily. Just big enough to get you thinking. For example, say you come up with a business model. First develop it on a small scale, and base your thinking on the results. This kind of small experiment is crucial to success in business. A single experiment is far more valuable as a point of reference than a mass of information, no matter how hard it was to acquire.

It's fine to start small, but first you must act. Then think. Then take the next step, then think again, then act again.

Businesses are built on this step-by-step process.

Suppose you throw a ball against a wall and want to know how it will bounce back. You could predict the ball's trajectory using equations of motion, but real walls are uneven. They have pits and bumps. In the real world, balls don't always bounce back as theory predicts.

Of course you could factor in the unevenness, the pits, and the bumps, but rather than spending all that time on such a complex calculation, why not just throw the ball at the wall? You would learn much more that way—and have a lot more fun!

I'll tell you another secret.

When you throw the ball at the wall, don't be afraid that it might bounce back in an unexpected direction. More often than not, an unexpected bounce reveals an opportunity to improve yourself or your process. I had that experience when I tried to purchase TBS, a Japanese television network, long before the entertainment industry began its shift online. I was certain that the rise of the internet would revolutionize entertainment, and that Rakuten and TBS would form a formidable partnership when that time came. But the ball bounced back to me in an unexpected way when the leadership of TBS did not share my vision of the future of the internet. They saw the event as a hostile takeover. They fought the change and in the end, I was unable to convince them that my offer would be beneficial to all. I lost money and was roundly criticized by media at the time.

How can that bad bounce be an opportunity? It has served to remind me ever since that no matter how good a deal looks "by the numbers," there will always be a human element that must be considered. That bad bounce helped me to craft better business plans. I was always mindful after that experience that the emotional reaction of the company leadership will be a factor that I must consider going into any business deal.

Here is another example: I had—and missed—the opportunity to invest early on in Uber. I was not convinced initially of the investment's possibilities. As Uber stock took off, it was clear that my outlook had been overly pessimistic. But that bounce ultimately paid off for me. Because it focused my attention on the true potential of ridesharing, and when another investment opportunity came along, I was ready. At a Silicon Valley office, I met with some members of my team and the founders of Lyft, a new ridesharing firm. When the meeting was over, I turned to my Rakuten team members right in that moment and told them I was a yes. The unexpected bounce on Uber had revealed to me the potential of the expanding *sharing economy*. When the next opportunity arose, I did not hesitate.

Thinking is good. But it's action that will stimulate your thinking.

10 Continuously improve by a fraction. It's the key to what others call "good luck"

You can make your own luck.

When someone is successful, people often envy their "good luck." I understand this feeling, but people who think that success depends on luck will never be successful themselves. When a big opportunity presents itself, you won't be able to seize it unless you are ready for it. In fact, you probably won't even recognize it.

A person who has never learned to surf won't be able to ride a wave, whatever its size. While it may be true that Rakuten rode the dot-com bubble to success, those who were unprepared for it saw it as an unmitigated disaster. Riding great waves of opportunity requires careful preparation.

The problem, then, is what kind of preparation is needed. I believe it's simply a matter of small, everyday improvements.

It's not enough to just work diligently every day. You have to make progress, any progress at all. Be a little better today than yesterday, a little better tomorrow than today. However high the mountain, the climber must start by putting one foot in front of the other. In business, you must improve the quality of your work every day, even if by only 0.1 percent. If you improve by just 0.1 percent per day, after a year you will be 44 percent better at what you do. This accumulation of improvement will lead to success. Only those who maintain this kind of effort can ride the waves of opportunity.

So first, get into the habit of looking at your own work from another person's perspective. It's easy to find faults in other people's work, because you can look at it objectively. Turn that objective eye on yourself. You'll probably find many things that should be improved.

Obviously, there's a reason for each fault. Maybe you didn't have enough time, or enough help, or it was just too much work. When you see these faults in others' work, you think they should be able to fix them easily. But it doesn't seem so easy when you look at your own problems, does it? Sadly, everyone feels like this.

Nevertheless, a little effort can make a big difference. If you feel you don't have any time, get up earlier and get to your desk even just 10 minutes earlier than the day before. That's one example of a 0.1 percent improvement.

The crucial thing is to keep making 0.1 percent improvements every day. Don't just do them when you think of them. Create a *shikumi*—a system that allows you to build on each day's efforts.

Specifically, keep a record so that you can look at your work objectively on the shortest possible timescale. I recommend keeping a daily record. We do this at Rakuten. In the early years of my company, every day I received a three-ringed binder holding printouts of all the Rakuten businesses and their results for that day. Now, of course, we collect that data and deliver it digitally. I see the way our businesses are functioning in real time. I'm able to see the raw data and look for trends or problems. You can do this in your own work. A short timescale means it doesn't take long to fill in. You can see at a glance whether you have continued to accumulate these daily 0.1 percent improvements.

It may seem like a mundane task, but if you do it every day, this mundane task will lead to great results.

Improving productivity by fractions is an essential secret to riding big waves of opportunity, and becoming a "lucky" person.