



p-TIPS

Amazing Amazon.com's Bezos (His no-bozo management secrets)

Amazon.com founder and CEO Jeff Bezos was cited as "one of the great CEOs of his generation" in the 26 May 2003 issue of *Fortune*. There are good reasons: revenues, at US\$4 billion, are growing by more than 20% per year; share prices are at a two-and-a-half year high; employee numbers have increased from a handful to nearly 8,000; and the online retailer continues to add new lines of merchandise (kitchenware, apparel, and electronics along with books, compact discs, and DVDs) to its virtual store. Amazon projects a fun and friendly image, but the company needed a visionary to guide it to the top of the Internet-based retailing heap. Bezos relies on data and technology. The six computerized Amazon warehouses are high-tech models of productivity, thanks to a huge initial investment in software. When Bezos visits a warehouse or holds a meeting, he wants precise data and does not stop asking questions until he gets answers. "Math-based decisions always trump opinion and judgment," says Bezos. Other tenets of the "Amazon way" are:

1. **Hire smart.** Bezos believes that in any job, smart people are the best innovators. He also fears that mediocrity has multiplier effects.

2. **Depend on data.** Doing the math takes the guesswork out of opinions and judgments.

3. **Make employees owners.** Allow them to buy restricted stock instead of offering stock options.

4. **"Blunt" the boss.** Amazon employees who do something that will help the company without asking permission from their supervisors may win the in-house "Just Do It" award.

5. **Bet on tech.** Technology is becoming less expensive, allowing a company to do more with less. "The three most important things for us are technology, technology, technology," stated Bezos.

6. **Think long term.** The Amazon founder ignored critics and lack of profits early on and kept working to make his concept a reality.