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BOOK SUMMARY

THE COMPOUND EFFECT

JUMPSTART YOUR
INCOME, YOUR LIFE,
YOUR SUCCESS

ORIGINAL AUTHOR
DARREN HARDY

SUMMARIZED BY
DEAN BOKHARI

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About

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Book Summary

The Compound Effect

Jumpstart Your Income, Your Life, Your Success

Original author: Darren Hardy | Summarized by: [Dean Bokhari](#)

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[The Compound Effect](#) is about how small actions, executed consistently, can lead to hugely successful results, both in business and in life. The book was written by Darren Hardy, a guy who knows more than a thing or two about the topic of success, seeing as though he's spent the vast majority

of his career at the helm of SUCCESS Magazine. As the publisher and founding editor of SUCCESS, Darren's learned that the decisions we make on a daily basis have a direct impact on the direction and ultimate success (or lack thereof) that we experience in our lives. Enter: *The Compound Effect*, a book that gives you practical every day steps to create real change in your life. Darren wrote this book as a guide on how to take ownership of your own life through the small decisions you make on a daily basis.

Summary-in-a-sentence: Small steps and slight changes lead to major progress and massive results.

Here's what you'll learn about in this summary:

- What is the compound effect and how can you use it to gain success in any and every area of your life?
- How the choices and habits, you may not even know you are making, can either inhibit or accelerate your future.
- How to keep your momentum going.
- Why it is important to monitor the influences in your life and how to go about doing so.

Crucial quotes

"New or more information is *not* what you need—a new plan of *action* is. It's time to create new behaviors and habits that are oriented away from sabotage and toward success. It's that simple."
— Darren Hardy, [The Compound Effect](#)

BIG IDEAS

1. The Compound Effect in Action
2. Be Diligent + Consistent
3. Your Decisions Determine Your Destiny
4. Take Ownership of Your Life
5. Don't Let Your Habits Control You
6. Identify Your Why + Set Goals
7. Find Your Momentum
8. Control Your Influences
9. How to Accelerate the Compound Effect

1. The Compound Effect in Action

“The Compound Effect is the principle of reaping huge rewards from a series of small, smart choices.” — Darren Hardy, [The Compound Effect](#)

The idea behind The Compound Effect is that small consistent action over a long period of time has greater pay offs than intensely large but short changes.

In other words, the hare does not win the race, the tortoise does.

Here’s a simple formula Hardy includes in the book to explain how this is true:

SMALL, SMART CHOICES + CONSISTENCY + TIME = RADICAL DIFFERENCE

Here are a couple of examples to illustrate this idea:

A single penny that doubles every day for 31 days has a larger payoff than taking \$3 million in cash today.

Or take three friends who start off in relatively the same place—one makes

no changes (good or bad), one adds a weekly beer to his diet and watches TV on his downtime, another makes some small changes like eliminating 200 calories a day and reading 10 pages of a good book daily... Which of these three people do you think end up in a better place two years down the road?

Bottom line? The small choices we make everyday impact the results we experience in the future. At first, we won't see the difference, 5 months or even a year goes by and everything may look relatively the same. But give it two or three years and the differences can blow you away.

Actionable insights

- What are some small choices you could be making on a daily basis, that could compound into positive changes for you in the future? Write them down, and get committed.

2. Be Diligent + Consistent

“The most challenging aspect of the Compound Effect is that we have to keep working away for a while, consistently and efficiently, before we can begin to see the payoff.” — Darren Hardy, [The Compound Effect](#)

Repeating simple daily disciplines has big payoffs while repeating simple errors in judgement creates problems and leads you away from success. To find radical change in every area of your life, you only need to take a series of tiny steps, but you need to do so consistently over a long period of time to improve your life.

You won't find success sitting on your couch wishing for it. You've got to do the hard work and stay consistent at it even when you aren't seeing results.

Here's another important thing to keep in mind: It can get easy to take success for granted and start slacking off once you start seeing positive results... Don't do this! You will take major steps backwards in doing so that will be difficult to regain. Instead of slacking off when you start seeing positive results, take it as a sign that you're moving in the right direction, and then, put things in high gear and keep up the momentum!

Let go of the need for instant results. Success is not fast. Change is hard, be patient with yourself.

Actionable insight(s):

Grab a pen and pad and write down your answers to the following questions:

- What are some excuses you currently hold on to that you know aren't contributing to your growth and success? Commit to overcoming them through hard work and personal development.
- What are some small steps you can start taking everyday to shift your life in a better direction?
- What are some small things you can stop doing that might be hindering your success?

3. Your Decisions Determine Your Destiny

“Choices are at the root of every one of your results. Each choice starts a behavior that over time becomes a habit.” — Darren Hardy, [The Compound Effect](#)

You must begin by becoming aware of the choices you are making and how those choices impact your future. Things don't just happen to you in life, they happen because somewhere along the line you made a choice that led to that moment.

Our biggest challenge isn't that we make bad choices willingly but that we make choices based on habits we've created.

We “sleepwalk” through choices unaware that we even make them. Just as The Compound Effect can work for you as you increase small, smart choices it can work against you (and probably has been) in the very same small, seemingly insignificant choices you make on a daily basis.

One important choice that MUST be incorporated in a steady diet is the choice to be grateful. [Choosing gratitude](#) influences other areas of our lives and makes us better people, better at relationships, more pleasant to be around, and generally happier about life.

Actionable insights

- **Keep a gratitude journal.** Write down one thing daily you are grateful for.
- **Related reading:** [6 journaling ideas for self-development »](#)

4. Take Ownership of Your Life

“You alone are responsible for what you *do*, *don't do*, or how you *respond* to what's done to you.” — Darren Hardy, [The Compound Effect](#)

Life isn't about luck or circumstances. Life is about what you choose to do in the moment.

We all experience luck and opportunity in one way or another, the difference between successful people and unsuccessful people has little to do with luck, and a lot to do with how each individual responds to good (or lucky) opportunities as they come their way. You simply cannot see what you don't look for and you won't look for something you do not believe in.

Here is Hardy's formula for “Getting Lucky”:

PREPARATION (self-improvement) + ATTITUDE (mindset) +
OPPORTUNITY (recognizing a good thing when it comes your way) +
ACTION (doing something about it) = LUCK!

PREPARATION + ATTITUDE + OPPORTUNITY + ACTION = LUCK

If you've been looking for the secret sauce, now you know the recipe.

Here's the thing: In order to take control of your life and your future success you must choose to be 100% responsible for everything in your life, good and bad. You must become conscious of every decision you make. You only need to make small course corrections to see major improvement over time.

Remember that it is never too late to start, but that the earlier you begin the bigger and better your results will be—this is the beauty of The Compound Effect.

Actionable insights:

- **Identify the area in which you struggle** the most and start there.
- **To become aware of your actions/choices**, track each one that you make in the area you are looking to improve. If you're working on your diet, then keep a food journal; if you're working on your finances, write down every expense, etc. What gets measured gets managed.
- **Keep your changes simple** and easy to track. Don't overcomplicate.

5. Don't Let Your Habits Control You

"A daily routine built on good habits is the difference that separates the most successful amongst us from everyone else. And doesn't that make sense?" — Darren Hardy, [The Compound Effect](#)

The great thing about habits is that we can choose new ones. We can condition our automatic and unconscious responses to help us, rather than hurt us... But this takes time and consistent effort, especially if bad habits have already taken root. Behavior becomes automatic over time. But just as you learned your bad habits over time, you can unlearn them with time and patience as well.

Begin to let go of bad habits by not succumbing to the need for instant-gratification. Part of the problem is that bad habits are easy to acquire because the instant gratification feels better than the acknowledgement of (or the understanding of) the long-term consequence. Wake up to the reality of the long-term consequences and train your mind to see them rather than the immediate—and temporary—reward of instant-gratification.

Hardy identifies five strategies for eliminating bad habits:

- 1 Identify your triggers:** What is it that precedes your bad habits? Do you engage in them more with certain people or surrounding certain

events or at a certain time of day?

- 2 **Clean house:** Get rid of anything that enables you to continue the bad habit. Toss the junk food, the alcohol, the coffee maker if necessary.
- 3 **Swap it:** Replace your bad habits with healthy ones.
- 4 **Ease in:** Small, consistent steps will get you there.
- 5 **Or jump in:** Some people operate differently and need an all-or-nothing approach. Know which works best for you.

And six techniques for creating good habits:

- 1 **Set yourself up for success:** Make it work within your lifestyle. Use your calendar, write down the actions associated with whichever habit you've decided to work on first.
- 2 **Think addition, not subtraction:** Don't focus on what you *can't* do or what you *can't* have. Focus instead on what you *can* do and what you *can* have and what you will gain as a result of adopting this growth-oriented mindset.
- 3 **Public display of accountability:** Let the world know what you are up to and allow the people in your life to hold you accountable for it. Many of us will work harder to avoid letting *other* people down than we would for ourselves.

- 4 **Find a success buddy:** Have one dedicated person you can check in with regularly to hold you accountable and be vulnerable with.
- 5 **Competition and camaraderie:** Competition is a great motivator to success. We all want to win!
- 6 **Celebrate:** Enjoy the results along the way and acknowledge your victories.

Actionable insights

- **Run a vice check.** If you balk at the idea of giving something up in life, chances are that something is a vice and it would be better to eliminate it altogether. If you're not sure if something is a vice for you, test yourself by giving that thing up for a predetermined period of time. For example: see if you can give up coffee for 30 days. If you can't, then you've become overly dependent and coffee would go under your list of personal vices.
- **Identify bad habits that lead you away from your goals.** Then think of new small, sustainable habits you can create to replace them.
- **Related reading:** [The 4 Laws of Behavior Change »](#)

6. Identify Your Why + Set Goals

“Forget about willpower. It’s time for why-power.” — Darren Hardy, [The Compound Effect](#)

It’s crucial to clearly identify and clarify your personal Why.

Here’s *why* it’s important to know your *Why*: No matter what you’re after in life—no matter how big or small your goals are—the one thing you can be absolutely certain about is that you will be presented with unexpected obstacles of all shapes and sizes. You may even experience more obstacles than others, or you may not. That’s not very predictable. But here’s what is: If you rely purely on willpower to achieve your goals then you will fail. Period.

But, if you have a clear Why—a purpose, a mission, a cause or belief—to guide you, then your likelihood of achieving your goals will sky-rocket. Why? Because your Why springs from something deep and meaningful within you. It matters to you. When you have a strong Why, you’re more likely to do whatever it takes to succeed because you understand that your long-term results will outweigh whatever instant gratification you may experience from taking the easy route.

Your choices become more meaningful when they are connected to achieving your dreams in a way that’s in-line with your Why—your

purpose.

Darren also tells us that sometimes your Why can identify itself in what you stand against. Knowing your “enemy,” as he puts it, will provide great [motivation towards your goals](#) and determination to keep going. Do not allow hurtful situations to derail you but rather use them to fuel your motivation forward. Incorporate the haters, the naysayers, and your enemies into your Why to give you that extra “juice” you need to propel yourself forward.

So, how do you identify your Why? We’ll get into that, along with some of Darren’s ideas on goal-setting in the actionable insights below:

Actionable insights

- **Begin to define your Why by first identifying your core values.** Grab some paper and start writing down all the values that you hold near and dear to your heart. Some examples to get you going: Creativity, Growth, Inspiration, Independence, Bravery, Knowledge, Meaning, Power, Abundance. Write down every value that comes to mind, and make the list as long as you’d like.
- **Next, choose your top 3 values in life.** Once you’ve written down all of the values that describe the core of who you are, dwindle that list down to your top 3.
- **Finally, Create a Why-Statement.** Once you’ve identified your top 3 core values, create a Why-Statement to articulate these values in a way that makes them actionable.
 - For example, my Why is to “empower, educate, and entertain people everywhere so that they can improve their lives and achieve their goals.”

Did you catch my top 3 core values above? They were: *empowering, educating, and entertaining*. What are yours?

- If you want to drill down even deeper into the subject of how to find your Why, a great resource for doing so is the book [Find Your Why](#) by Simon Sinek ([book summary](#))
- **Write down your top 3 goals.** Once you understand your Why, it's time to begin setting some goals. Goals will help you look for and see the opportunities that come your way. So, choose your top three goals and commit them to writing. What are three of the most important goals you can think of? Do you know what habits are keeping you from achieving them? Write them all down. Once you know what you want, it'll be easier to take action + [make them happen](#).

7. Find Your Momentum

“You get started by taking one small step, one action at a time. Progress is slow, but once a newly formed habit has kicked in, Big Mo joins the party. Your success and results compound rapidly.” — Darren Hardy, [The Compound Effect](#)

Once you start making new choices based on your core values and goals, you'll need to start putting them to work consistently.

When you work on your goals consistently, they'll become habits. And habits help you get results and achieve your goals because they're behaviors that are done so often that they become automatic.

Just like waking up and brushing your teeth, your goal-oriented actions become habits when you no longer need to push yourself to do them; you just do them.

And once this happens, watch out—because now you're beginning to build momentum... And before you know it, you'll become absolutely unstoppable.

Habits/routines must become so well-rehearsed that they become instinct even in life and death scenarios (think of soldiers and their training that helps them remain calm in the midst of chaos and war).

One very important way to build and maintain this momentum is to “bookend” your days.

While you may not be able to control what happens *during* the day, you *can* control what happens within the first few minutes of waking up, and the final few minutes before you head to bed.

[Establish a daily routine](#) that focuses on gratitude, positivity, your goals, and creates healthy habits. Once momentum has begun, it is easier to keep it going than it is to stop and start it again. Be the tortoise not the hare. Positive habits and behaviors applied consistently will get you to your goal.

An example “bookend” routine might look something like this:

- AM Bookend: Write down your top 3 goals for the day the moment you wake up every morning.
- PM Bookend: Write down whether you achieved your top 3 goals today, and if not, what you can do differently in the future to ensure that you successfully achieve them.

Actionable insights

- **Design a program** that includes your own unique “bookends” and maintain this as a daily habit for life. But don’t overdo it in the beginning. Consider adding one thing in the morning, and one thing in the evening. Consistency is key.
- **Related:** If you need a proven system for building + maintain positive habits, check out the [Build Strong Habits course](#).

8. Control Your Influences

“Your mind is like an empty glass: it’ll hold anything you put into it. You put in sensational news, salacious headlines, talk-show rants, and you’re pouring dirty water into your glass. If you’ve got dark, dismal, worrisome water in your glass, everything you create will be filtered through that muddy mess, because that’s what you’ll be thinking about. Garbage in, garbage out.” — Darren Hardy, [The Compound Effect](#)

If you are constantly putting garbage into your life, your body, and your head then that’s exactly what you’ll get back out in your life. It’s important to control what your brain consumes, just like you’d control the food you consume in your diet.

Ruthlessly and diligently avoid the tabloids, sensational media, marketing, and doomsday messages that are poured into your life on a day-to-day, minute-to-minute, second-to-second basis.

And be picky when it comes to your sphere of influence, too. Who have you surrounded yourself with and how are they influencing you? We tend to become more and more like the people we are around. Surround yourself with people who challenge you, avoid the complainers and those who enable your bad choices. The influence of those around you is subtle and can have negative or positive effects. Choose wisely.

Guard yourself from negative influences in the same way you’d guard your children from negative influences. Be aware of who and what you surround

yourself with. Put yourself around those who will [inspire and motivate you](#). Be vulnerable. Find people who care enough to be brutally honest and ask them how you can improve.

Your dream might be bigger than the environment you are currently in. If this is the case, change your environment. [Find what motivates you](#) and seek it out regularly.

At the end of the day, you get what you tolerate, so stop tolerating less than what you're aiming for in life.

The best way to control how people treat you is to control who you allow into your life.

Actionable insights

- **Set aside 30 minutes** at the beginning of every day to read something inspirational and uplifting to start your day in a success-oriented way.
- **Go on a media diet.** Instead of listening to the news on the way to work listen to podcasts or audiobooks that are relevant to your goals.
- **Find a mentor.** Join organizations, businesses, health clubs, etc. where people you admire and who have already accomplished the goals you are seeking gather. Make friends with them.

9. How to Accelerate the Compound Effect

“When you’ve prepared, practiced, studied, and consistently put in the required effort, sooner or later you’ll be presented with your own moment of truth. In that moment, you will define who you are and who you are becoming.” — Darren Hardy, [*The Compound Effect*](#)

Every person, at some point or another, will hit a wall when striving toward their goals. These are the moments that we discover how badly we want something and how hard we’re willing to push to get it.

It’s the extra effort that makes all the difference. When conditions are great, things are easy. But when conditions change and things get hard—*that’s* when you get to prove whether or not you’re worthy of the results you desire.

When others fall back, do you push forward? *That’s* the difference between the truly successful—the difference between the best and the rest.

To accelerate The Compound Effect, you push past what is expected and give more effort. It only takes a small amount of extra effort at this point to make a much larger impact. You need to do more than expected, and you need to do the unexpected to stand out.

Actionable insights

- Identify and write down three areas of your life (personal or professional) in which you can go the extra mile and beat expectations. Commit to [taking consistent action](#) and pushing past your best in each of these areas—no matter what.

Closing Notes

Key takeaway:

- By implementing small, sustainable goal-oriented changes to your life and consistently enacting them over a long period of time you will find the success you are seeking. The Compound Effect is about consistency, conscious choices, and healthy habits that lead to your desired results.

Actionable insights:

- Identify the habits and actions that are holding you back.
- Create small changes that will lead to healthier, more goal-oriented habits.
- Be diligent about becoming the best version of yourself.
- Don't give up, results will happen over time.

Closing quote

Let's close out this book summary with one last crucial quote from the author himself:

"No matter where you are, or what year it is when you find this book ... if I could, I'd ask you these simple questions: Look back on your life five years ago... Are you now where you thought you would be

five years later? Have you kicked the bad habits you had vowed to kick? Are you in the shape you wanted to be? Do you have the income, lifestyle and personal freedom you expected? Do you have the vibrant health, abundant loving relationships, and the world class skills you'd intended to have by this point in your life? If not, why? Simple — choices. It's time to make a new choice — choose to not let the next five years be a continuum of the last. Choose to change your life, once and for all. Let's make the next five years of your life fantastically different from the last five!"

About the Authors

Darren Hardy is most known for his long-held position as the publisher and founding editor of SUCCESS Magazine. Outside of SUCCESS Magazine, he's also led three television networks highlighting inspiring ideas and people from the domains of personal-development and high-performance. In addition to *The Compound Effect*, Hardy is also the NY Times bestselling author of *Living Your Best Year Ever*. Learn more + connect: DarrenDaily.com.



Dean Bokhari is a best-selling author, entrepreneur, motivational speaker, and host of the self-improvement podcast [Dean Bokhari's Meaningful Show](#). Over 1 million people subscribe to his popular [personal development website](#) + newsletter. Connect with Dean on **X**: [@deanbokhari](#)



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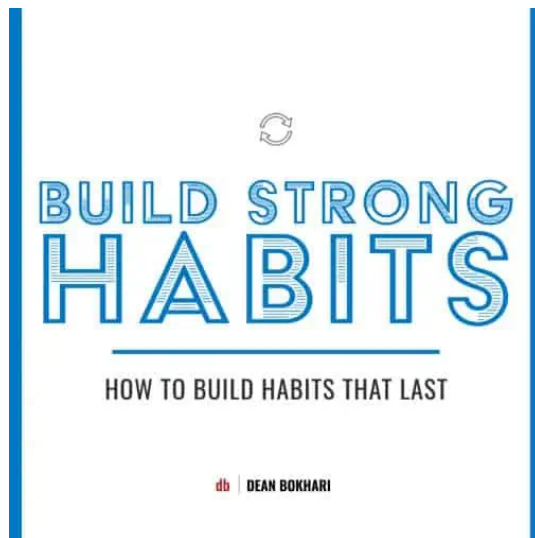


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