



## The Zappos Family Mission :: To Live and Deliver WOW

As our companies grow, it has become more and more important to explicitly define the Zappos Family (“Zappos”) core values from which we develop our culture, our brand, and our business strategies. With so many new employees joining Zappos as we grow, we want to make sure that everyone is on the same page and acting consistently with what we want our companies to be all about.

Over time, we will be restructuring performance evaluations so that a big part of every employee’s performance evaluation is based on how well he/she represents and makes decisions based on the Zappos core values.

While there are many subcomponents to each value, we’ve distilled the most important themes into the following 10 core values.

- ::1 Deliver WOW Through Service**
- ::2 Embrace and Drive Change**
- ::3 Create Fun and A Little Weirdness**
- ::4 Be Adventurous, Creative, and Open-Minded**
- ::5 Pursue Growth and Learning**
- ::6 Build Open and Honest Relationships With Communication**
- ::7 Build a Positive Team and Family Spirit**
- ::8 Do More With Less**
- ::9 Be Passionate and Determined**
- ::10 Be Humble**

Ideally, we want all 10 core values to be reflected in everything we do, including how we interact with each other, how we interact with our customers, and how we interact with our vendors and business partners.

There is a lot of work that lies ahead, and it will be quite some time before our 10 core values are truly reflected in how we think, act, and communicate.

As we grow, our processes and strategies may change, but we want our values to always remain the same. Our core values should always be the framework from which we make all of our decisions. Because this is our first time publishing our core values, there may be some additions or changes made over the next year, but our goal is to ultimately decide on a final list of core values to serve as the framework for how we run and grow our companies.

I encourage everyone to re-examine everything that is being done at Zappos and ask yourself what changes can be made to better reflect our core values. For example, our employee handbook could be improved so it sounds more like Zappos and less like an employee handbook that you might find at another company. The forms and tools that we use in our every day our jobs can all be improved to feel more like

Zappos and better reflect our core values.

So the challenge to everyone is this: make at least one improvement every week that makes Zappos better reflect our core values.

The improvements don’t have to be dramatic— it can be as simple as adding in an extra sentence or two to a form to make it more fun, for example. But if every employee made just one small improvement every week to better reflect our core values, then by the end of this year we will have over 50,000 small changes that collectively will be a very dramatic improvement compared to where we are today.

## :: 1 DELIVER WOW THROUGH SERVICE

At Zappos, anything worth doing is worth doing with WOW.

WOW is such a short and simple word, but it really encompasses a lot of things. To WOW, you must differentiate yourself, which means do something a little unconventional and innovative. You must do something that's above and beyond what's expected. And whatever you do must have an emotional impact on the receiver. We are not average companies, our service is not average, and we don't want our people to be average. We expect every employee to deliver WOW.

Whether internally with co-workers or externally with our customers and partners, delivering WOW results in word of mouth. Our philosophy at Zappos is to WOW with service and experience, not with anything that relates directly to monetary compensation (for example, we don't offer blanket discounts or promotions to customers).

We seek to WOW our customers, our co-workers, our vendors, our partners, and in the long run, our investors.

### :: Ask yourself

*What are things you can improve upon in your work or attitude to WOW more people?  
Have you WOWed at least one person today?*

## :: 2 EMBRACE AND DRIVE CHANGE

Part of being in a growing company is that change is constant.

For some people, especially those that come from bigger companies, the constant change can be somewhat unsettling at first. If you are not prepared to deal with constant change, then you probably are not a good fit for Zappos. We must all learn not only to not fear change, but to embrace it enthusiastically, and perhaps even more importantly, to encourage and drive it. We must always plan for and be prepared for constant change. Although change can and will come from all directions, it's important that most of the changes in Zappos are driven from the bottom up: from the people that are on the front lines that are closest to the customers and/or issues.

Never accept or be too comfortable with the status quo, because historically, the companies that get into trouble are the ones that aren't able to respond quickly enough and adapt to change. We are ever evolving. If we want to continue to stay ahead of our competition, we must continually change and keep them guessing. They can copy our ideas, but they cannot copy our people, our culture, or our service. And they will not be able to evolve as fast as we can as long as embracing constant change is a part of our culture.

### :: Ask yourself

*How do you plan and prepare for change?  
Do you view new challenges optimistically? Do you encourage and drive change?  
How do you encourage more change to be driven from the bottom up?  
Are you empowering your direct reports to drive change?*

## :: 3 CREATE FUN AND A LITTLE WEIRDNESS

At Zappos, we encourage you to be fun and be a little unconventional

One of the things that makes Zappos different from a lot of other companies is that we value being fun and being a little weird. We don't want to become one of those big companies that feels corporate and boring. We want to be able to laugh at ourselves. We look for both fun and humor in our daily work.

This means that many things we do might be a little unconventional, or else it wouldn't be a little weird. We're not looking for crazy or extreme weirdness though. We want just a touch of weirdness to make life more interesting and fun for everyone. We want our companies to have a unique and memorable personality.

Our company culture is what makes us successful, and in our culture we celebrate and embrace our diversity and each person's individuality. We want people to express their personality in their work. To outsiders, that might come across as inconsistent or weird. But the consistency is in our belief that we function best when we can be ourselves. We want the weirdness in each of us to be expressed in our interactions with each other and in our work.

One of the side effects of encouraging weirdness is that it encourages people to think outside the box and be more innovative. When you combine a little weirdness with making sure everyone is also having fun at work, it ends up being a win-win for everyone; employees are more engaged in the work that they do, and Zappos as a whole becomes more innovative.

### :: Ask yourself

*What can we do to be a little weird and differentiate ourselves from everyone else?*

*What can we do that's both fun and a little weird? How much fun do you have in your job, and what can you do to make it more fun? What do you do to make your co-workers' jobs fun as well?*

## :: 4 BE ADVENTUROUS, CREATIVE, AND OPEN-MINDED

We encourage you to take risks

At Zappos, we think it's important for people and Zappos as a whole to be bold and daring (but not reckless). We want everyone to not be afraid to take risks and to not be afraid to make mistakes, because if people aren't making mistakes then that means they're not taking enough risks. Over time, we want everyone to develop his/her gut about business decisions. We want people to develop and improve their decision-making skills. We encourage people to make mistakes as long as they learn from them.

We never want to become complacent and accept the status quo just because that's the way things have always been done. We should always be seeking adventure and having fun exploring new possibilities.

By having the freedom to be creative in our solutions, we end up making our own luck. We approach situations and challenges with an open mind.

Sometimes our sense of adventure and creativity causes us to be unconventional in our solutions (because we have the freedom to think outside the box), but that's what allows us to rise above and stay ahead of the competition.

### :: Ask yourself

*Are you taking enough risks? Are you afraid of making mistakes?*

*Do you push yourself outside of your comfort zone? Is there a sense of adventure and creativity in the work that you do? What are some creative things that you can contribute to Zappos? Do you approach situations and challenges with an open mind?*

## :: 5 PURSUE GROWTH AND LEARNING

At Zappos, it's important to constantly challenge and stretch yourself.

At Zappos, we think it's important for employees to grow both personally and professionally. It's important to constantly challenge and stretch yourself, and not be stuck in a job where you don't feel like you are growing or learning.

We believe that inside every employee is more potential than even the employee himself/herself realizes. Our goal is to help employees unlock that potential. But it has to be a joint effort; you have to want to challenge and stretch yourself in order for it to happen.

If you've been at Zappos for more than a few months, one thing is clear: Zappos is growing. We grow because we take on new challenges, and we face even more new challenges because we're growing. It's an endless cycle, and it's a good thing; it's the only way for a company to survive. But it can also at times feel risky, stressful, and confusing.

Sometimes it may seem that new problems crop up as fast as we solve the old ones (sometimes faster!), but that just means that we're moving; that we're getting better and stronger. Anyone who wants to compete with us has to learn the same things, so problems are just mile markers. Each one we pass means we've gotten better. Yet no matter how much better we get, we'll always have hard work to do, we'll never be done, and we'll never "get it right."

That may seem negative, but it's not; we'll do our best to "get it right," and then do it again when we find out that things have changed. That is the cycle of growth, and like it or not, that cycle won't stop. It's hard. But if we weren't doing something hard, then we'd have no business. The only reason we aren't swamped by our competition is because what we do is hard, and we do it better than anyone else. If it ever gets too easy, start looking for a tidal wave of competition to wash us away. It may seem sometimes like we don't know what we're doing. And it's true! We don't. That's a bit scary, but you can take comfort in knowing that nobody else knows how to do what we're doing either. Sure, people have done parts of what we're doing before, but what we've learned over the years at Zappos is that the devil is in the details. And that's where we're breaking new ground.

So there are no experts in what we're doing. Except for us; we are becoming experts as we do this. And for anyone we bring on board, the best expertise they can bring is expertise at learning, adapting, and figuring new things out; this helps the companies to grow, and in the process they will also be growing themselves.

### :: Ask yourself

*How do you grow personally? How do you grow professionally?*

*Are you a better person today than you were yesterday? How do you get your co-workers and direct reports to grow personally? How do you get your co-workers and direct reports to grow professionally?*

*How do you challenge and stretch yourself? Are you learning something everyday?*

*What is your vision for where you want to go? How do you get Zappos as a whole to grow? Are you doing everything you can to promote company growth, and at the same time are you helping others understand the growth? Do you understand Zappos vision?*

## :: 6 BUILD OPEN AND HONEST RELATIONSHIPS WITH COMMUNICATION

At Zappos, be a good listener as well as a good communicator.

Fundamentally, we believe that openness and honesty make for the best relationships because that leads to trust and faith. We value strong relationships in all areas: with managers, direct reports, customers (internal and external), vendors, business partners, team members, and co-workers.

Strong and positive relationships that are open and honest are a big part of what differentiates Zappos companies from most other companies. Strong relationships allow us to accomplish much more than we would be able to otherwise.

A key ingredient in strong relationships is to develop emotional connections. It's important to always act with integrity in your relationships, to be compassionate, friendly, loyal; to make sure that you do the right thing and treat your relationships well. The hardest thing to do is to build trust, but if the trust exists, you can accomplish so much more.

In any relationship, it's important to be a good listener as well as a good communicator. Open and honest communication is the best foundation for any relationship. But remember, at the end of the day, it's not what you say or what you do, it's how you make people feel that matters the most. In order for someone to feel good about a relationship, he/she must know that the other person truly cares about them, both personally and professionally.

At Zappos, we embrace diversity in thoughts, opinions, and backgrounds. The more widespread and diverse your relationships are, the bigger the positive impact you can make on your company, and the more valuable you will be to your company. It is critical for relationship-building to have effective, open, and honest communication.

As our companies grow, communication becomes more and more important. Everyone needs to understand how his/her team connects to the big picture of what we're trying to accomplish. No matter how good the communication is, it's still one of the weakest spots in any organization. We want everyone to always try to go the extra mile in encouraging thorough, complete, and effective communication.

### :: Ask yourself

*How much do people enjoy working with you? How can you improve those relationships? What new relationships can you build throughout your company beyond just the co-workers that you work with on a daily basis? How do you WOW the people that you have relationships with? How can you make your relationships more open and honest? How can you do a better job of communicating with everyone?*

## :: 7 BUILD A POSITIVE TEAM AND FAMILY SPIRIT

We are more than just a team though -- we are a family

At Zappos, we place a lot of emphasis on our culture because we are both a team and a family. We want to create an environment that is friendly, warm, and exciting. We encourage diversity in ideas, opinions, and points of view.

The best leaders are those that lead by example and are both team followers as well as team leaders. We believe that, in general, the best ideas and decisions are made from the bottom up; they're influenced by those on the front lines who are closest to the issues and/or the customers. The role of a manager is to remove obstacles and enable his/her direct reports to succeed. This means the best leaders are servant-leaders; they serve those they lead.

The best team members take initiative when they notice issues so the team and Zappos can succeed. The best team members take ownership of issues and collaborate with other team members whenever challenges arise.

The best team members have a positive influence on one another and everyone they encounter, they strive to eliminate any kind of cynicism and negative interactions; they focus, instead, on creating harmony with each other and whoever else they interact with.

We believe that the best teams are those that not only work with each other, but also interact with each other outside the office environment. Many of the best ideas have been the direct result of informal interactions outside of the office. For example, the idea for our culture book came about from a casual discussion outside the office.

We want to be more than just a team though; we want to be family. We want to watch out for each other, care for each other, and go above and beyond for each other because we believe in each other and we trust each other. To create this, we work together but we also play together. Our bonds go far beyond the typical "co-worker" relationships found at most other companies.

### :: Ask yourself

*How do you encourage more teamwork? How do you encourage more people to take initiative? How do you encourage more people to take ownership? What can you do with your team members so that you feel both like a family and a team? How can you build stronger relationships with your team members both inside and outside the office? Do you instill a sense of team and family not just within your department, but across Zappos? Do you exemplify a positive team spirit?*

## :: 8 DO MORE WITH LESS

There is always room for improvement in everything we do.

Zappos has always been about being able to do more with less. While we may be casual in our interactions with each other, we are also focused and serious about the operations of our business. We believe in hard work and putting in the extra effort to get things done. We believe in operational excellence, and realize that there is always room for improvement in everything we do. This means that our work is never done. In order to stay ahead of the competition (or would-be competition), we need to continuously innovate as well as make incremental improvements to our operations: always striving to make ourselves more efficient, and figuring out how to do anything better. We understand mistakes as learning opportunities.

We must never lose our sense of urgency in making improvements. We must never settle for “good enough,” because good is the enemy of great; and our goal is to not only become a great family of companies, but to become the greatest family of service companies in the world. We set and exceed our own high standards, constantly raising the bar for competitors and for ourselves.

### :: Ask yourself

*Ask yourself: How can you do what you're doing more efficiently?  
How can your department become more efficient? How can Zappos  
as a whole become more efficient? How can you personally  
help Zappos become more efficient?*

## :: 9 BE PASSIONATE AND DETERMINED

We value passion, determination, perseverance, and the sense of urgency.

Passion is the fuel that drives ourselves and our companies forward. We value passion, determination, perseverance, and the sense of urgency.

We are inspired because we believe in what we are doing and where we are going. We don't take “no” or “that'll never work” for an answer, because if we had, Zappos would never have started in the first place.

Passion and determination are contagious. We believe in having a positive and optimistic (but realistic) attitude about everything we do, because we realize that this inspires others to have the same attitude.

There is excitement in knowing that everyone you work with has a tremendous impact on a larger dream and vision, and you can see that impact day in and day out.

### :: Ask yourself

*Are you passionate about Zappos? Are you passionate about your work? Do you love what you do and who you work with? Are you happy here? Are you inspired? Do you believe in what we are doing and where we are going? Is this the place for you?*

## :: 10 BE HUMBLE

Humility is the quality of being humble: modest, not proud, doing something out of the goodness of your heart, not for yourself.

While we have grown quickly in the past, we recognize that there are always challenges ahead to tackle. We believe that no matter what happens, we should always be respectful of everyone. While we celebrate our individual and team successes, we are not arrogant nor do we treat others differently from how we would want to be treated. Instead, we carry ourselves with a quiet confidence, because we believe that in the long run our character will speak for itself.

### :: Ask yourself

*Are you humble when talking about your accomplishments? Are you humble when talking about Zappos' accomplishments? Do you treat both large and small vendors with the same amount of respect that they treat you?*

## :: The following are books that Zappos recommends.

They are available to all employees and guests for free in the Zappos Family library, located next to the front desk area in the Las Vegas office. If you are an employee, you may also order them for yourself from Amazon and submit an expense report to have the cost reimbursed.

### Deliver WOW Through Service

- :: "The Fred Factor" by Mark Sanborn
- :: "Purple Cow" by Seth Godin
- :: "Raving Fans" by Ken Blanchard
- :: "Lovemarks" by Kevin Roberts
- :: "Branded Customer Service" by Janelle Barlow

### Embrace and Drive Change

- :: "Who Moved My Cheese?" by Spencer Johnson

### Create Fun and A Little Weirdness

- :: "Lovemarks" by Kevin Roberts

### Be Adventurous, Creative, and Open-Minded

- :: "Re-imagine!" by Tom Peters
- :: "The Tipping Point" by Malcolm Gladwell

### Pursue Growth and Learning

- :: "Self-Help Stuff That Works" by Adam Khan
- :: "Blink" by Malcolm Gladwell

### Build Open and Honest Relationships With Communication

### Build a Positive Team and Family Spirit

- :: "Fish!" by Stephen C. Lundin

### Do More With Less

- :: "212" by S.L. Parker
- :: "The Tipping Point" by Malcolm Gladwell

### Be Passionate and Determined

- :: "212" by S.L. Parker
- :: "Good to Great" by Jim Collins

### Be Humble

- :: "Good to Great" by Jim Collins

## The Zappos' Vision

- :: One day, 30% of all retail transactions in the United States will be online.
- :: Consumers will buy from the company with the best service and the best selection.
- :: Zappos.com will be that online store.