The Zigzag Principle
The Goal-Setting Strategy That Will Revolutionize Your Business and Your Life
by Rich Christiansen

The Road to Success
How to Reach Your Destination by Taking Deliberate Detours

QUICK OVERVIEW
Entrepreneurs often fail more times than they succeed. Author Rich Christiansen says his businesses failed, on average, two times out of three. That is, until he carefully analyzed his successes.

In The Zigzag Principle, Christiansen draws upon his experiences and explains why deliberately altering your course at certain stages of growth actually enhances your chances of success in the long run. He provides readers with a step-by-step guide, replete with actual examples, to lead them through the principles he sets forth. He also candidly shares his mistakes and failures, alerting readers to pitfalls and obstacles that often appear along the road to success.

After consciously applying The Zigzag Principle, Christiansen’s own success rate has increased dramatically. Now, four out of five of his business ventures have developed into multimillion-dollar enterprises. The insights he shares can help other entrepreneurs increase their chances of success as well.

APPLY AND ACHIEVE
We are often inclined to charge straight toward our goals. In so doing, we may deplete our resources too rapidly as well as run roughshod over others. Our chances of crashing and burning are much greater, and we may lose the love and respect of those who mean the most to us.

Christiansen advocates putting your foundational elements in place before you begin your journey. Not only do they provide the footing for your success, but they also give intention to your zigs and zags. Then, as you reach various points in the development of your business, you alter your course accordingly. If you fail to make these necessary adjustments, it will be much more difficult, if not impossible, to take your business on to the next level.

Zigzagging is a deliberate and methodical process. It allows you to attain smaller goals first, and then periodically observe where you are so that you can make the

SUCCESS Points
In this book you’ll learn why:

- Directional changes are needed at various stages of your company’s growth, and how to make them
- Your values serve as your foundation for everything you do
- Your relationships are one of your most valuable resources
- Rewards play an important part in both your well-being and that of your company
needed corrections and modifications to your course. While the going is often slower, you are much more likely to successfully reach your goal.

Not long ago, I took my 14-year-old son skiing for only his third time. In getting off the lift, we accidentally took a wrong turn and ended up with nowhere to go but down a ridiculously steep, black diamond run. As we stood at the top of this cliff, this inexperienced skier looked down in sheer horror and exclaimed: “I am going to die!”

In an attempt to calm his understandable fears, I explained that he didn’t need to head straight down the mountainside, that even an expert skier would survey the drop and decide to zigzag down the steep slope. I instructed him not to look at the bottom of the run, but to focus on skiing to a point across the hill and, once there, to turn and ski back across the slope to another preselected point.

As a concerned father, I knew my son’s chances of getting to the bottom without breaking his leg or neck were far greater with this approach than if he had just barreled straight down the mountain. No question, it took us a while to make our way down, but as he stood at the bottom of the run and looked back up to where he had started, he realized the full import of what he had accomplished—and the lesson he had learned.

When I graduated some 20 years ago with my MBA, my mindset was the exact opposite of what I had shared with my son. I was certain I could excel in business by sheer force and determination. I truly believed that my success would come by setting my sights on a goal and then going straight for it. With that as my strategy, I plowed toward my goals no matter what was in my way. In fact, I plowed through things that had no business being plowed through.

While working in corporate America after graduating from business school, I experienced some significant successes. And, since striking out on my own, I have founded or co-founded 32 businesses. Of these ventures, 11 were ugly failures, 8 have enjoyed moderate success, 2 are in progress, and 11 have become multimillion-dollar wins. It took me a long time to be willing to pause at the bottom of the mountain, look back up to the top, and see the epiphany that had been eluding me. I saw that my most significant accomplishments—whether working for someone or for myself—did not come when I charged directly toward my goal. Rather, they came when I zigged and zagged my way to success.

I can honestly say that, in most instances, I failed because I tried to go straight for my goal and then ran out of gas before I hit profitability.

I realized that the diversions and detours I had often found so frustrating had actually created more stable and solid businesses. On the other hand—and without exception—each time I had raced directly at a target with high velocity, I had failed.

This realization came to me several years ago as a business partner, Ron Porter, and I were writing a book titled Bootstrap Business: A Step-by-Step Business Survival Guide. As we wrote this book, we decided to start a business in order to test, prove, and illustrate for our readers the principles we were writing about. We each anted up $2,500 for a staggering total of $5,000 in startup capital. We were out to prove that we could bootstrap a business and turn it into at least a million-dollar asset.

Originally, in keeping with the mindset I came out of business school with, we had outlined our starting point and our end goal. It was essentially a straight line. Somewhere along that line, however, we realized we needed a million to a million and a half dollars to hit our goal. Seeing that our original course was just not possible, we started drawing a sequential series of steps that needed to occur.

As we stepped back, we realized there was a big “Z” on the board. More specifically, there were three distinct targets we needed to hit in order to meet our first series of goals. First, we had to get to cash. Second, we had to add resources. And, third, we needed to scale our business. Each of these steps required an entirely different mindset from the one before. This was my moment of full clarity as I realized that—just like skiing down a ski slope—getting to our goals requires a deliberate set of zigzags.
Since this realization, it has been interesting for me to see that before I defined the steps, I would succeed one out of three times. But, in looking back, I’ve realized I was zigzagging, just without any real structure or discipline. Ever since my moment of clarity, I have been consciously applying the formal structure of the Zigzag Principle, and my success rate has dramatically increased. My partners and I have now had four out of five successes.

I have an associate who has been extremely successful at racing directly toward his financial goals. At the point we became acquainted, this man was well respected, a pleasure to be around, and an integral part of the community. Soon after, though, he became obsessed with becoming wealthy. Now, when his name is spoken in public, people recoil. Why? Because he ran roughshod over anyone and anything that attempted to divert him from his goal. The end victory proved hollow and meaningless as he left behind the important things of life that he should have enjoyed. I would contend that he could have been successful in all aspects of his life had he traversed his way down the mountain instead.

**The Need for Pacing**

From my own experiences, I have found that when people head directly toward their goal without zigzagging, one of three things will occur:

1. They never do it. There are lots of people who talk about their dream, but before they’ve taken their first step, their knees shake and wobble. They don’t dare take the risk needed to progress toward their goal. I’ve decided that subconsciously they realize there is a chance they may fail, so they do not even start.

2. The second group of people race toward their goal full speed ahead, and when they get halfway there, they run out of resources and fail.

3. The third group runs straight toward their goal, but by the time they get there, the target has completely moved and their great idea is now a lost opportunity. In many cases, if they had taken their blinders off and looked from side to side occasionally, they would have seen the need to adjust their course.

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**Assessing Resources—What’s in Your Pocket?**

Most people assume we need to have money to succeed in business and to reach our goals in life. That view develops a straight-line mentality as we undertake whatever we have set our sights on. Success is actually the result of identifying and maximizing a couple of foundational resources that have nothing to do with our traditional view of “capital” and have everything to do with zigzagging toward our intended outcome.

Yes, at some point money is often needed if we are to reach our goals. But that form of capital will grow out of the knowledge and the relationships we have, and the pace at which it grows will be influenced in large measure by our passion. If you need proof of this point, consider the businesses that got their start in a college dorm room or garage: Apple, Facebook, Microsoft, Hewlett-Packard, and Google. The founders of each of these companies all began with little more than their smarts and their passion to achieve their goals, combined with their networks of friends.

Building relationships is an important and never-ending opportunity that will set the foundation for your zigzagging. It will open more doors for you than you could ever imagine. I would recommend that you remember two important principles: First, do the right things for the right reasons. Second, don’t ever use people. Have a genuine concern for others and seek ways to serve those around you.

**Beacons in the Fog**

Despite my natural inclination to always want to know exactly where I’m headed, I’ve learned that our lives inevitably involve some wandering in the fog. It is one thing to wander aimlessly. It’s a very different matter to identify and set our sights on what I call a big, audacious goal, which becomes our “beacon in the fog.” With that beacon firmly in mind, we are far better equipped to head into the darkness, knowing we may not always be able to see where we’re going, but still know where we’re headed.

Every once in a while we hit a smaller goal, which provides a break in the fog that lets us catch sight of our beacon before we take those next steps into the darkness. The process is more messy and risky than it is clean, pristine, planned, and calculated. But if you have a solid, clearly defined beacon in the
fog to move toward—and a foundation to travel on—then you will arrive at your destination.

Money cannot build intelligence, relationships, or passion. But intelligence, relationships, and passion can always yield money.

VALUES—A FIRM FOUNDATION

Any organization that is going to be successful must have a set of values to work from; otherwise, it will end up wandering into the weeds. Values go well beyond what we may typically think of when we hear that word. They are the infrastructure you are going to use as you build toward your goal. Values include the behavior you are going to exhibit, the culture you want to create, and the rules you will follow. Identifying your values, based on your purposes and objectives, is essential so you can clearly define where you’re headed with your venture.

After you have established your values, do not let anyone into your intimate circle that does not fit with your values. Of course, it’s naive to think that you will never have to deal with anyone who doesn’t share exactly the same values, but I’m talking about your inside circle or trust relationships. That means your important hires, your friends, your partnerships. These values help you surround yourself with people who align closely with you.

ZIG NUMBER 1—DRIVE TO PROFITABILITY

The principle of driving toward profitability has application in all aspects of our lives, whether we’re bootstrapping a business, building a family, or overseeing a multimillion-dollar enterprise. While it’s true that money can’t buy happiness, being broke can sure cause a lot of headaches.

Your first zig always needs to take you to profitability. Profitability means you’re able to pay all of your bills and have enough cash to move forward with your plans. Given the ease of finding money, whether it’s from a credit card, a government grant, a small business loan, or help from family, it’s easy to bypass this first step. But at some point the wells of easy cash will dry up, and you’ll find yourself at a day of reckoning where if you don’t have real cash coming in, you’re going to be stopped dead in your tracks.

When I am starting a business, the first question I ask myself is, “What skills do I have that can get me to profitability the fastest?” The answer doesn’t have to be perfectly aligned with your beacon in the fog, just something that is close enough and is an inch or two up from where you currently are.

The 80/20 Rule

Many people fail at this stage because they try to be great and have everything perfect and buttoned up. You need to think, instead, about the 80/20 rule. In general, 20 percent of the effort yields 80 percent of the results. The key to success is not to do anything that isn’t geared toward the 80 percent success ratio. You’re not striving for perfection. You’re striving for profitability.

Fail Efficiently

Failing efficiently means that unless you hit profitability in whatever time you’ve allocated, you are done! You need to stop. If you do, you’ve failed efficiently and life goes on. If you aren’t willing to stop, you will fail at a level that may have devastating consequences.

ZAG NUMBER 2—ADDING PROCESSES AND RESOURCES

Once you have enough cash from the first zig, you can use it to add those people, equipment, and other resources that you need. A key reason many people have a hard time doing this is they have become accustomed to micromanaging every aspect of their business. As hard as it can be to let go of control, as you hire the right people to fill in the gaps of knowledge or skill that you don’t have, and then as you help them learn your processes, your company will begin to reach its full potential. In zag number 2, you also have to document the processes that led to your initial

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The Zigzag Principle

**Staying Out of the Weeds**

Weeds are diversions, inefficiencies, and even short-term successes that distract you from the course you have set for yourself. Setting up guardrails will help keep you out of the weeds and are just as important as establishing the values that serve as your road map. They are very personal and will differ according to your circumstances and objectives.

It’s important to give careful, specific thought to your guardrails now, rather than attempting to put them in place when you’re in the middle of heading over the cliff. Here are a few of mine:

- I will not jeopardize the financial stability of my home or family or mortgage my house for my business.
- I will be very careful in taking venture capital. I want to retain ownership in my companies.
- I must control the finances of my business.
- I will not sign personal guarantees on a business I do not personally control.
- I will not get involved in a business that goes against my personal moral values.
- I will not work with people I do not enjoy. Whether it is a customer, a vendor, or an employee, life is too short to work with miserable people.

**ZIG NUMBER 3—ADDING SCALE**

In zig number 3, you need to figure out a model that you can replicate quickly and get your product out to the masses. This is the “scaling it” part. Zig number 3 requires yet another shift in mind-set. In zig number 1 you are doing everything, and you are working hard. In zag number 2, you become the head cheerleader, and you are defining processes. Zig number 3 requires deliberate planning. It is very cerebral. It is the academic part. It’s a shift that is hard for many people to go through.

**BOUNDARIES AND GUARDRAILS**

When you are beginning to head toward your beacon in the fog, you want to concentrate on three zigs and zags at a time. That will keep you focused and under control. To help you with that, think in terms of devoting 65 percent of your time and resources on zig number 1 (driving to profitability), with 25 percent spent on planning and preparing for zag number 2 (adding resources and processes once you get to cash). The final 10 percent of your time and resources should be spent planning how you want to scale your undertaking in zig number 3 (creating scale).

Once you have hit zig number 1 and your business is profitable, you need to turn and head toward zag number 2. It’s easy, once you have cash coming in, to think you can skip making the turn. But if you just stay in zig number 1, you may miss out on the dreams and goals defined as your true beacon in the fog. (And remember, cash alone is not a beacon worth pursuing.)

Now you should spend about 65 percent of your time and energy on zag number 2, with 25 percent of your time spent on planning and preparing for zig number 3. Again, if you do not make this next turn, you may find yourself with a lot of resources, but never hitting that big goal. The last 10 percent of your time and efforts can then go toward setting another series of zigs that will help you get even closer to your beacon in the fog.

It will probably take you more than three zigs and zags to get to your final beacon in the fog, but only look out at three at one time. As you complete each goal, take a minute to celebrate, but then climb a tree and look out above the fog toward your beacon, making certain you are still on course. Then set another zig that will lead you in the direction you need to go.

**Do not let anyone into your intimate circle that does not fit with your values.**
ACTION STEPS

Get more out of this SUCCESS Book Summary by applying what you’ve learned to your life. Here are a few thoughts and questions to get you started.

1. Your financial capital will grow from using your mental and relationship capital. Take the time to assess both: your mental capital, meaning your knowledge, skills, talents and passions; and your relationship capital, meaning the quality of your relationships with friends and associates. What resources do you have right now and where can they take you?

2. Identify your destination. Where do you want to go? What is your beacon in the fog that helps you keep your bearings?

3. What are your values? Articulate them and write them down. They will help you clearly define where you’re headed with your venture.

4. What boundaries do you refuse to cross? These should always be aligned with your values. They form your guardrails to keep you from crashing into a tree or going over a cliff.

5. Realize that you don’t have to bet the farm or give away your soul in order to succeed as an entrepreneur. Examine your thinking so you can avoid the all-or-nothing trap.

6. Rewards keep us motivated. How can you use small rewards during the day to keep you going? Be sure to plan intermediate rewards as you achieve each zig or zag, along with a celebratory reward for when you achieve your long-term goals.

7. Passion provides the fuel to sustain your efforts. What are you passionate about? Does your passion dovetail with your goals? If not, you may run out of steam before reaching your goal.

About the Author

Rich Christiansen spent 20 years in the technology industry, where he became an accomplished executive and market innovator. During his time in corporate America, he worked with Novell, ran the PC division of Mitsubishi Electronics and became the general manager at About.com. To date, Christiansen has founded or co-founded 32 businesses, all with very little startup capital.

While writing his first book, Bootstrap Business: A Step-by-Step Business Survival Guide, with his associate and co-author, Ron Porter, the Zigzag Principle was discovered and formally defined. Rich has gone on to apply this principle to every facet of his life in order to optimize his chances for success and minimize failures.

Today Rich lives in the mountains of Utah with his family. He is passionate about educating youth in Third World countries and has set a personal goal to help educate 1,000 young men and women before he turns 50.

Recommended Reading

If you enjoyed this summary of The ZigZag Principle, you may also want to check out:

Bootstrap Business by Rich Christiansen and Ron E. Porter

EntreLeadership by Dave Ramsey

The Lean Startup by Eric Ries