

SHOE DOG: A MEMOIR BY THE CREATOR OF NIKE

by Phil Knight

INSIGHTS BY:

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ABOUT:

This is a comprehensive summary of the book *Shoe Dog: A Memoir by the Creator of NIKE* by Phil Knight. Covering the key ideas and proposing practical ways for achieving what's mentioned in the text. Written by book fanatic and online librarian Ivaylo Durmonski. (Printable available only for supporting members.)

HIGHLIGHTS:

- Ideas evolve from seemingly crazy to remarkably genius only when we act on them.
- Move forward quickly so you can fail fast. The sooner you fail, the sooner you can make adjustments to your plan.
- Focusing on beating the competition is a waste of energy. The real, ever-present enemy is nearer. He's within us.

ABSTRACT:

A brave story about Nike, told by the founder of Nike, Phil Knight. How a kid in his mid-twenties decided to pursue a crazy idea. How, despite the odds and without a clear initial goal, plus constantly fighting debt, he transformed a small local Oregon shop into a billion-dollar enterprise. Shoe Dog is not a business book, it's a breathtaking, heartening story of a company, an ideology, that after enduring years of hardship, became a worldly recognized brand. The founder takes us on a journey, his journey, from starting the company in 1963 to going public in 1980. Phil Knight shares the ups and downs and what he learned along the way.

THE CORE IDEA:

Nike's world-famous success is driven by a quality possessed by only a few rare individuals: an obsessive pursuit of winning. But winning here does not stand for the usual meaning of the word. It stands for winning by learning from failure. Winning by not allowing temporary setbacks derail you. Winning over yourself. As the copy of the most famous Nike ad states: "Beating the competition is relatively easy. Beating yourself is a never-ending commitment."

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KEY LESSONS FROM SHOE DOG:

- LESSON #1: PURSUE YOUR CRAZY IDEAS NO MATTER WHAT
- LESSON #2: BELIEVE IN YOURSELF EVEN IF NOT EVERYONE DOES
- LESSON #3: USE THE KNOWLEDGE FROM BUSINESS SCHOOL TO START A BUSINESS
- LESSON #4: YOU ARE REMEMBERED FOR THE RULES YOU BREAK
- LESSON #5: DON'T GIVE UP AND LEARN TO FAIL
- LESSON #6: THERE IS NEVER A FINISH LINE

LESSON #1

PURSUE YOUR CRAZY IDEAS NO MATTER WHAT

On paper, Phil Knight was an accomplished soldier and high-school graduate with a promising future in the corporate world.

But there was a problem.

He didn't want to join the troops of tie-wearing suit snobs who spend their entire lives behind a desk. He had something else planned for himself. He was eager to pursue his idea – enthusiastically referred to as a *crazy idea* throughout the whole book – no matter what.

But, surely, that wasn't the only obstacle.

There was another problem. He didn't have a dime to start the venture he so desperately wanted. Phil was still living with his parents in a house in Oregon and the only person who was able to make his idea a reality was his dad. He had cash and Phil wanted

that cash to go around the world, to see the world, and most importantly, to find a way to import Japanese running shoes in the US.

But even if his dad had lent him the money. Things were surely skeptical. This was 1962. Not only that 90% of the new businesses failed, but also going around the world, and especially visiting Japan, was a colossal risk. The attack on Pearl Harbor was just 20 years ago and the newspapers back then were constantly talking about another world war.

These considerable fears didn't erase his enthusiasm. Not even the initial rejection of his dad. Not that he was fearless. He was simply driven. Searching for more than a nice job in a quiet neighborhood. Phil Knight wanted his short stay on the planet to be meaningful and purposeful.

After weeks of planning how to pitch his dad (again) about going around the world, he finally got the yes he wanted. He finally got the money from his dad to travel abroad and see how he could import shoes, running shoes.

“How can I leave my mark on the world, I thought, unless I get out there first and see it? Before running a big race, you always want to walk the track. A backpacking trip around the globe might be just the thing, I reasoned.” Phil Knight

LESSON #2

BELIEVE IN YOURSELF EVEN IF NOT EVERYONE DOES

After finding a warehouse producing shoes in Japan, Phil Knight teamed up with his high-school coach, Bill Bowerman. Together, they created the business of importing shoes, called Tigers, in the US.

But the business, while people loved the shoes and were eager to get their hands on them, wasn't making enough profit to support Phil. So, he found a job to support his new venture. And, he still lived with his parents to pay the bills.

His dad played the role of the bank. He was handing his son checks initially to cover the growing expenses of the company. However, he wasn't a believer in what his son was doing. He thought he was wasting his time. Wasting his potential. "Jackassing around with these shoes!" And also, wasting his old man's money.

The Bank of Dad soon ceased to exist. So, Phil had to find a legitimate bank. Later, a legal battle threatened to put his operation to a full stop. There was a new guy in town who claimed that he was getting exclusive rights to import and sell Tigers. Surely a catastrophic event that required immediate action. Phil had to act now, and act fast to negotiate this with the Japanese company. So he went to Japan, again, zeroing out his savings, to try to smooth things out with the owner.

These events were just the beginning of a long line of problems that were later going to unfold. They never crushed his confidence in his project, though. He found support in his mother – the person who ordered the first pairs of Tigers.

She was the one who believed in what Phil was doing. Fully supporting him despite the unknowns and the struggles.

“So I shouldn’t have been too surprised by my mother’s next move when my father accused me of jackassing around. Casually she opened her purse and took out seven dollars. “I’d like to purchase one pair of Limber Ups, please,” she said, loud enough for him to hear.” Phil Knight

LESSON #3

USE THE KNOWLEDGE FROM BUSINESS SCHOOL TO START A BUSINESS

Most people spend years in business school so they can one day become accountants. Or bankers at best.

What's the point?

Why study so hard to understand the nitty-gritty of how to run a business if you're not running one yourself?

Sarah, his first girlfriend said this to Phil Knight when they first met while climbing Mount Fuji: "All the boys back home are going to business school," she said, "and then they all plan to become bankers." She rolled her eyes, adding: "Everyone does the same thing—so boring."

For Phil Knight, running a shoe company wasn't just something he did because he wanted to earn money. He wanted to leave his mark in the world. He wanted to express himself through his

business. To be something more than just a guy chasing a buck. He wanted to be him full-time. And sadly, this is not something you can always afford if you're stuck in a 9 to 5 job.

You probably don't hate your job. But if you can't be yourself there, you'll sooner or later start to feel emptiness. A company, some sort of venture, will add a spark in your life that will ignite meaning.

For Phil Knight, Nike was his calling.

First, the company was called Blue Ribbon. And it all started by importing shoes from one particular company in Japan. But the relationship between the two wasn't thriving. After 7 years of relatively sound partnership with this single shoe company, the relationship between the two erratically ended. Onitsuka, the main person operating the Japanese firm wanted someone else to represent their Tiger shoes in the US. To cope with this change, Phil had to move quickly. To find a new warehouse and to create a new name for his business.

The rebrand, and the name Nike didn't come naturally to the founder. It was after days of discussions and after Jeff Johnson – employee number one – had a dream about it.

Nike. Based on The Greek goddess of victory was the new name.

Phil Knight wasn't all that excited about it initially but apparently, it worked and people seem to love it as it's now one of the most appreciated brands by athletes around the world and actually surpassing Adidas by sales.

And not only athletes. Nike became a dominant player in the shoe business because it continuously innovated.

They understood people and they understood demand. When Nike started to produce shoes for the everyday man things rapidly changed – in a good way. When the first blue trainer shoes, to match the growing then trend of blue jeans, hit the shelves, things really took off. They couldn't make enough of them to satisfy the needs of the masses. This gave them an identity. This gave them the courage and confidence to continue despite the ever-appearing problems.

“That’s a Nike.

The hell’s a Nike?

It’s the Greek goddess of victory.

Greek what now?

Goddess of vic—

And what’s THIS?

That’s a swoosh.

The hell’s a swoosh?

The answer flew out of me: It’s the sound of someone going past you.

They liked that. Oh, they liked it a whole lot.” Phil Knight

LESSON #4

YOU ARE REMEMBERED FOR THE RULES YOU BREAK

Obeying the set rules can only mean one thing for your business: no business. When what you're doing is considered ordinary. When you're playing it safe. You won't get recognized. Therefore, you will get an insignificant slice of the market.

Phil Knight and his team were heavily investing time and money in innovations related to the shoe business. And not only. They were eager to support talented athletes. Such that questioned the status quo and were different from what was considered the normal behavior. One of the examples is the famous tennis player John McEnroe. Known for his confrontational on-court behavior.

“You are remembered for the rules you break,” was one of Phil's guiding principles. A quote from Douglas MacArthur, an American five-star general.

Distasteful, ordinary, common, can kill your business. You will

blend with others and become a noise, not a signal.

If you want to shine. Raise above the ordinary and become truly original, this will require going outside the known. Pushing the limits. Exploring the other possibilities. And, in most of the situation, doing completely different things from what others are doing you want to go further than anyone else.

But there is also a downside to this mantra. It can also mean something else. It can also mean losing your authority. People remember the worst and the best of you. If you break the rules in a bad way – if you steal, cheat, make others feel bad. They will lose trust in you, and your brand, permanently.

Breaking the rules in business was common for Nike. But playing it straight with his partners and basically everyone around him was an unwritten principle of Phil Knight. Being completely honest and open with everyone was not only the smart thing, according to the co-founder of Nike, but also the right thing.

“We’ve got some great young players,” they said. “Elliot Telscher may be the best. Gottfried is also outstanding. Whatever you do, just stay away from the kid playing out on Court 14.”

“Why?”

“He’s a hothead.”

I went straight to Court 14. And fell madly, hopelessly in love with a frizzy-haired high schooler from New York City named John McEnroe.” Phil Knight

LESSON #5

DON'T GIVE UP AND LEARN TO FAIL

For more than 20 years, Nike was in debt. Seemingly forever owing money and changing banks several times because the prior ones were afraid of Nike's financial condition. They had zero assets. Always covered their loans at the last minute and they were also constantly asking for more upfront credit.

To make things even weirder for the wannabe entrepreneurs, Phil couldn't justify a salary for himself even after doubling sales for the fifth year in a row since the company launched.

He had another job for more than 5 years to sustain his venture. And even after finally starting to pay himself. After doubling sales each year, the company was still cash-poor. The more demand they had for their shoes, the more problems they had meeting this demand.

This is probably the most interesting part of the whole story.

A company that made millions of dollars in sales did not have enough money in the bank and constantly feared that a sudden interruption in the cash flow would collapse the structure they had been building for years.

Did that make the founder quit?

No way.

We know how the story ends. Nike is now a dominating player in the shoe market.

But that wasn't so obvious to the founder back then. He wanted so desperately to win. But he was also afraid of losing. If he was going to fail, he would do it quickly to learn from the mistakes he had made.

That was actually his internal chant: Fail fast. Fail fast so you can do better next time.

However, after years of trying to win and also trying not to lose, he realized that it's not about winning. It's about something greater. It's about helping other people. Making their lives better. That's how you win. You help others live more fully and they help you succeed in return.

“And those who urge entrepreneurs to never give up? Charlatans. Sometimes you have to give up. Sometimes knowing when to give up, when to try something else, is genius. Giving up doesn't mean stopping. Don't ever stop.” Phil Knight

LESSON #6

THERE IS NEVER A FINISH LINE

We're deluded. We think that only elite Olympians are athletes. That only they have to take care of their bodies and spend hours a day honing their craft.

But we are all athletes. We are all in some sort of competition. We simply play different rules. And while the rules differ depending on what sport you are playing (or craft, instrument, business), the projected end game is always the same – keep showing up.

This was the ideology of Bill Bowerman – the co-founder of Nike. He stated, “Everyone’s an athlete. If you have a body, you’re an athlete.” To get his point across to a larger audience, he wrote a book, “THE” book about jogging that popularized, finally, the activity. The book sparked a movement and running was no longer just for weirdos.

But unlike the races that have a starting point and an end. Careers

that go through best performance, decline, and eventually retirement. There is, hypothetically, never a finish line in life. The only possible ending is when there is no circulation in your veins.

Problems constantly appear. Regardless of what you're doing and how smart you are. And it's not outside opponents you have to slain to become victorious. It's the inner demons that forever inhabit your consciousness.

This realization came to Phil Knight after being in business for more than 15 years. It seemed that after fixing something, at least 10 other problems appeared. There was never an ending. And there was never rest.

The good news is that this belief perfectly matched the philosophy of Nike. And to communicate this with the masses, they created a bold ad with the slogan: "There is no finish line."

The ad was displaying a single runner on a lonely road. He wasn't competing with others. He was racing himself. His inner state. His self-doubts. He was trying to beat himself.

*"To build on this momentum we rolled out a new ad campaign with a sexy new slogan: "There is no finish line." It was the idea of our new ad agency and its CEO, John Brown. Brown managed to dream up a campaign and a tagline that perfectly captured Nike's philosophy. The copy read: "Beating the competition is relatively easy. Beating yourself is a never-ending commitment."
Phil Knight*

ACTIONABLE NOTES:

- **Let others surprise you:** Instead of micromanaging his employees, Phil Knight was a believer in the following: “Don’t tell people how to do things, tell them what to do and let them surprise you with their results.” This lack of a hands-on approach not only gives people the freedom to be creative, helps them learn quicker, but also gives you time and room to breathe. It gives you time to focus on the bigger picture. The bigger problems. Surely people will make mistakes. People will lose deals or do completely the opposite of what’s required. But if you clearly communicate what needs to be done, allowing others to handle tough situations will lead to growth. If you strictly supervise every action you will not only fill your schedule with correcting others, but you will also create an environment where experimentation is avoided.
- **Believe in what you do and you will sell more:** Phil Knight failed at selling encyclopedias. He did OK at selling mutual funds. But he excelled at selling shoes. What was different? After all, selling, as a skill, is always the same regardless of the product. For him, the difference was that he actually believed in selling shoes, his shoes. Initially Tigers and later Nikes. His belief in running was sensible to the other person standing across. The customer could feel the enthusiasm, the spark, the glow in Phil’s eyes when he talked about running and his shoes. This made all the difference. And when you talk with such vigor and energy, it becomes contagious.
- **Forget the pain to get better:** Phil Knight argues that achieving great results and beating the competition happens when you

forget the competition. To overcome the struggles, the pain, potentially the people and the companies that are in front of you, you need to forget about them. To focus your mind on the next step. Don't let pain and discomfort discourage you. Usually, the mind will want one thing – to win – while the body will scream another – to stop. In this case, you have to negotiate with the body. To convince the body to keep going. When your whole corps just wants to stop, apply what the founder of Nike used to convince his body to keep going when he was racing on the track, “Yes, you raise some excellent points, but let's keep going anyway...”

- **Be more than a brand, be a statement:** People bought Nikes not only because they looked good, but also because these shoes said something about them. They carried a statement. Since more and more athletes and famous movie stars wore Nikes, people were lining up in stores to relate themselves to these public figures. This can be applied in every business. People don't simply want a nice-looking t-shirt or a pair of sneakers, they want the item they possess to say something about them. It's a form of expression. When you associate your brand with a bold statement, people will not only buy from you, they'll also love what you do and enthusiastically share it with others.
- **Fail fast:** “Don't give up.”; “Keep pushing.”; “Fail fast.” These are probably the most repeated phrases in the book. If you want something, to get it, you have to keep working. Don't let failure stop you. Let it motivate you. Anticipate failure and learn from your mistakes. Give up on a particular idea if it's not working. But don't give up entirely. Try something else. Sometimes you have to give up in order to grow and make progress. But that never means stopping. Try different things and when you fail, fail fast.

This will help you learn quickly and make the needed corrections in your plan.

COMMENTARY

This novel reveals, quite openly, the life behind the mastermind who started Nike – Phil Knight.

Not only is he obviously a visionary, an amazing storyteller (by reading the book you'll understand), but also an admirably persistent sports enthusiast.

From an early age, Phil Knight was determined to succeed. To materialize the “crazy idea” that was consuming his mind since high-school.

The business lessons appearing in the text are, while exceptionally good, not the main focus here. The central concept positioned in the book is the following: pursuing an idea requires strength and years of dedication. That anything is possible yes, but only if you're willing to put in the work. That failing shouldn't be discouraging nor avoided. It should be desired. Because only when you fail, you get to learn and make changes to your course.

Shoe Dog is a detailed, candid, and very personal chronological examination of the life of Phil Knight. You get to know how it all started, how it evolved, and most importantly, how long it took for a seemingly crazy idea to become a billion-dollar business with stores around the world.

Even if you don't plan to sell shoes, run a company, to participate in physical competitions, I'm positive that you'll enjoy this read.

Key takeaway?

When things are hard. When the feedback is not flattering. When there is even no feedback, don't stop. Don't ever stop. Sure, change courses. Make adjustments to your strategy, but don't stop. There is never a finish line.

NOTABLE QUOTES:

“But deep down I was searching for something else, something more. I had an aching sense that our time is short, shorter than we ever know, short as a morning run, and I wanted mine to be meaningful. And purposeful. And creative. And important. Above all... different.” Phil Knight

“No brilliant idea was ever born in a conference room,’ he assured the Dane. ‘But a lot of silly ideas have died there,’ said Stahr.” F. Scott Fitzgerald

“Somebody may beat me, I told myself, some banker or creditor or competitor may stop me, but by God they’re going to have to bleed to do it.” Phil Knight

“I’d tell men and women in their midtwenties not to settle for a job or a profession or even a career. Seek a calling. Even if you don’t know what that means, seek it. If you’re following your calling, the fatigue will be easier to bear, the disappointments will be fuel, the highs will be like nothing you’ve ever felt.” Phil Knight

WORKSHEET

Reading alone won't help you understand the actionable notes. You need to engage with the content. Answer the question below (just type inside the boxes) to outline your future steps:

1/ Are you micromanaging or are you letting others grow?

2/ Do you believe in what you're selling? Why?

3/ Create a pep talk that will help you survive tough times:

4/ What's your bold statement about changing the world for the better?

5/ Why did you fail last time? Did you learn from your mistakes?