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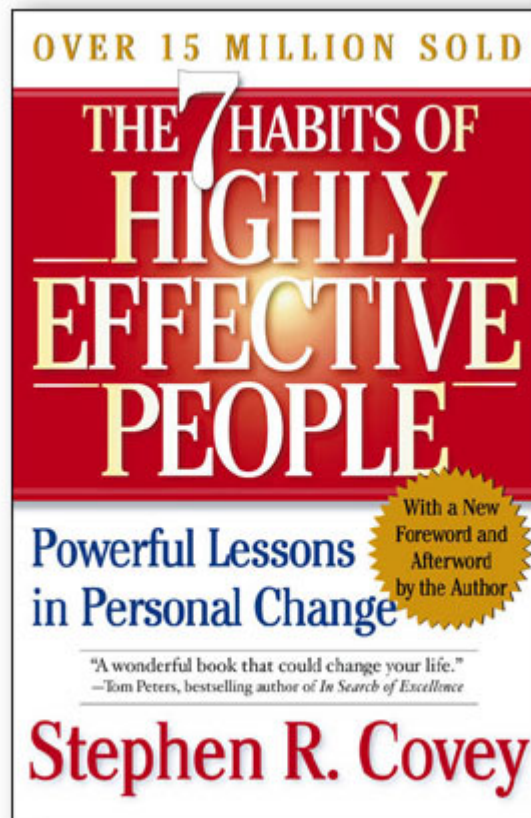
Seven Habits Analyzed:

1. Be Proactive
2. Begin with the End in Mind
3. Put First things First
4. Think win/win
5. Seek first to understand then to be understood
6. Synergize
7. Sharpen the Saw

Plus Daily Worksheet
Self-improvement tips

Readers Guide: The 7 Habits Of Highly Effective People

By The Editors of SmithRiley



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Readers Guide: The 7 Habits of Highly Effective People

This electronic book is written as a printable guide to be used while reading Stephen R. Covey's ***The 7 Habits of Highly Effective People*** book. This book was written for use with the first edition of the book and has page numbers included that correspond with the book.

Introduction

Seven Habits of Highly effective People seeks to create a paradigm shift. The definition of paradigm shift is a change your perception, or to see things differently. The seven habits are a paradigm shift in thinking and behavior.

Principles and values. Principles are not values. "Principles are the territory. Values are maps." Principles are broad guidelines that apply to many different things.

Inside out thinking is better than outside in thinking. Inside out thinking identifies your motives and beliefs and makes you responsible for your life. Outside in thinking is often negative thinking and blames others and environmental factors for problems. This can lead to unhappiness and lead to person thinking that there is no way out of a situation. Outside in thinking has been occurring recently by financial companies. Companies report their quarterly earnings and blame bad weather or unexpected interest rate changes for their company's shortcomings.

Habits Defined

A habit is the intersection of knowledge, skill and desire.

Knowledge is the *to do* and *why*.

- Skill is the *how to do*.
- Desire is the motivation, the *want to do*.
- Happiness is the fruit of the desire and ability to sacrifice what we want *now* for what we want *eventually*.

The seven habits are habits of effectiveness.

The seven habits are:

1. Be Proactive
 2. Begin with the End in Mind
 3. Put First Things First
 4. Think Win/Win
 5. Seek First to Understand.. Then to be Understood
 6. Synergize
 7. Sharpen The Saw
- Habits 1, 2 and 3 deal with self-mastery. Private victories precede public victories.
 - Habits 4, 5 and 6 deal with teamwork, cooperation and communication.
 - Habit 7 is the habit of continuous improvement.

The Seven Habits are in harmony with natural law (P/PC Balance) The first P is Production, PC is Production Capability. The story of P/PC balance is explained by using Aesop's fable of the goose and the golden egg. A poor farmer has a goose that lays golden eggs. He collects the golden eggs day after day and becomes very wealthy. Then he gets greedy and kills the goose with hope of getting all the golden eggs inside. He looks inside and finds nothing and has no opportunity to see any more golden eggs because he has killed the goose. The egg (what is produced) is the production and the production capability is the goose. If one or the other is neglected, the natural harmony becomes unbalanced. If you

stop feeding the goose, the eggs will stop coming because the goose will die. And if you focus only on the goose, and not the golden eggs you won't have the means to pay your bills.

The natural equilibrium or P/PC is not a short term thing, but it is a long term balance. It may work in short term as well, but if short term solutions compromise long term P/PC then that is a poor choice. An example of a short term win would be a nightclub that waters down their drinks and sees a huge profit that night. However, in the process the nightclub ticks off its customers and people stop coming back. So this short term win would lead to a long term loss or P/PC unbalance.

P/PC balance is an investment in time or money in different areas so that things reach equilibrium. Satisfying both customers and employees is one example. Keeping yourself and your family happy is another example.

Habit 1 Be Proactive

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Act or be acted upon. Proactive people act and are independently determined despite outside deterministic factors such as those below.

There are three widely accepted theories of determinism:

- Genetic determinism - inherited personal tendencies and character.
- Psychic determinism - your upbringing and childhood experiences mold you.
- Environmental determinism - environmental factors are responsible.

Proactive vs. Reactive. Proactive behavior is one based on individual responsibility vs. reactive decisions based on the environment. Proactive people are their own weather. "Whether it rains or shines makes no difference to them." A reactionary person's mood is changed by the environment. If it is rainy he/she may be sad and if it is sunny, they are happy.

Proactives such as Gandhi kept striving forward despite negative environmental conditions such as imprisonment, beatings and fear of death. A proactive personality can look back and say to themselves that they are where they are because of the decisions they made. A reactionary may look back and say that they are where they are because of what someone else did for them.

This is not to say that proactives are right and reactionaries are wrong. Environmental conditions will always be there but it is the individual's perception to them that leads to an effective or ineffective result. Proactives tend to put their future in their own hands as opposed to putting their future into someone else's hands.

Use Correct Language:

Reactive vs. Proactive language.

Reactive:

"I can't"

I have to do that

I must go to work

Proactive:

"I choose"

I choose to do that

I choose to go to work

Circle of Concern/ Circle of Influence. The circle of concern are things which we may be concerned about. Some of them we can do things about while some things we can't. Things within our circle of influence are things within our grasp that we can change or influence. Outside this circle is a circle of concern which we cannot change or influence. For most of us things like interest rates and the president are in the circle of concern. It may concern us but there is nothing we can do about it besides voting.

The circle of influence is different for different people. A company CEO or chairman has a larger circle of influence on the organization than a lower level employee.

That is not to say that the circle stays the same size for everyone. Career advancements may lead to a larger circle. A greater investment in your child's life may lead to an improving relationship with your child and have a greater influence on them.

Inside the circle of influence are people. Our influence and relationships with these people is based on a variety of factors such as *keeping commitments, honesty, and integrity*.

Activities:

1. Spend a day focusing on the things that you say and what others around you say. Listen for reactive language such as "I can't", "I have to" etc and find proactive ways of saying things.
2. Focus on circle of influence areas of your life and identify circle of concern. See if you can put some things that are in areas of concern into your circle of influence. The things that you cannot put inside area of influence you should stop worrying about because it is needless worrying.

Habit 2 Begin with End in Mind

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Imagine what you want to accomplish in life and how you want to be remembered. Image yourself at your own funeral. What would you want people to think of you? What accomplishments would you like to be remembered for? Think of these things and write them down on a piece of paper.

The answers to the above will be a goal for you to achieve. Once you know the goal, you will be able to figure out what it will take to achieve these goals. If you want to be a good father/mother husband/wife you will need to first know that you want this, and then take appropriate steps to achieve this goal. A lifetime goal will be something that most likely takes your entire life to achieve. It is not simply doing something once and expecting that that goal is done. It is something that takes many steps and repeated steps through the rest of your life. Spending time with loved ones and reacting with them favorably will most likely take a large portion of one's life.

Establishing a personal mission statement is one way of expressing your goals for yourself. A personal mission statement doesn't have to be just one thing, it can be many things.

Personal Mission Statements

Maintain a positive attitude
Be a better father
Hear the facts before judging first
Work first, play later

These are some examples of mission statements. They can even be put into paragraphs. Some things may be areas which you are weak in and need to improve. You may also want to create a family mission statement as well.

In order to fulfill a successful mission statement, one needs three things: *leadership* - what do I want to accomplish? The second is *management* – how can I accomplish it? The third is *productivity* – or doing it.

The center of your life is an area of life which has the greatest influence on you. Mr. Covey breaks them down into many different categories.

Common Focus Centers

1. Spouse Centeredness
2. Family Centeredness

3. Money Centeredness
4. Work Centeredness
5. Possession Centeredness
6. Pleasure Centeredness
7. Friend/Enemy Centeredness
8. Church Centeredness
9. Self Centeredness

These are all different areas of centeredness that most people have. *Spouse centeredness* means your feelings are often determined by the relationship of spouse. *Work centeredness* ones feelings are related to ones position in company. *Possession centeredness* relies on possessions. The amount of possessions may affect ones feelings or actions. *Pleasure centeredness* seeks pleasure activities or leisure activities over other things. *Friend/Enemy centeredness* feelings are based upon our social circles and relationships with friends. *Enemy centeredness* is center where one feels good/bad based upon how enemy feels and ways to get back at enemy. *Church centeredness* feelings are based upon church position or religious goals achieved. *Self centeredness* feelings are related to self and how things can improve self.

Management issues:

Leadership is right brained activity that relies on philosophy and visualization. Management is doing things right, leadership is doing the right things.

Activities:

1. Visualize your funeral and what you want people to say about you.
2. Visualize your 25th wedding anniversary
3. Visualize your company 10yrs from now
4. Visualize the finish line

Habit 3 Put First Things First:

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Principles of Personal Management

The Power of Independent Will

- The degree to which we have developed our independent will is measured by our personal integrity.
- Integrity is the value we place on ourselves.
- Effective management is putting first things first.

Four Generations of Time Management

- *First Generation* - Notes and checklists
- *Second Generation* - Calendars and appointment books
- *Third Generation* – Current time management field - prioritization, of clarifying values, and comparing the relative of worth of activities. Includes daily planning and goal setting.
- *Fourth Generation* – Not a focus on time but a focus on ourselves: preserving and enhancing relationships and accomplishing results

Quadrant II

- Urgent matters are usually visible. They press on us and stress action.

- Important matters contribute to our mission.
- Effective people stay out of Quadrants III and IV.
- *Quadrant II is the heart of effective personal management.*

Many people mistakenly waste most of their time on Quadrant 1 activities by assuming that urgency and importance is the same. An example of this is phone calls. They may often seem to be urgent because they require action. Often, however they are not important and they waste our time.

Maximize your time. Balancing time between tasks so that P/PC is balanced. Time management Matrix organizes activities into sections based on urgency level of importance.

Avoid time wasters. Some phone calls, sales solicitations, and people are time wasters and are considered Quadrant 1 activities. Learn ways to eliminate or lower these time wasters. By organizing tasks into quadrants you can give some tasks the same sense of urgency you would get from a ringing telephone.

Organize and schedule ahead your daily tasks and chores. Appointments and Commitments can be placed under their own categories because they have to be arranged around other people. If you need to cancel a meeting you will need to call and reschedule. For many personal tasks, they do not have to be called and be rescheduled because people aren't involved in them.

Delegate responsibility:

One way of maximizing time is to delegate tasks to others that have time to do these tasks. However delegation without guidelines and accountability may have worse result than not delegating at all. Establish clear results desired, compensation, accountability and evaluation.

Emotional Bank Acct:

The emotional bank acct is sort of a tab that people keep on you for good things and bad things that you do. It is a level of trust that you have with others. If your emotional bank acct is high with someone, you probably have a good relationship with that person and will have a high circle of influence on that person. A low emotional bank acct with someone means the opposite. New relationships generally have a low emotional bank acct, and low circle of influence.

New relationships usually start with an emotional bank account balance of zero. However, friends introducing you to other friends or associates may give you an emotional bank account balance that is above zero because your friend's emotional bank account with that person is most likely in good standing and gives you a jump start because of your association with that person. As a result of this, new friends or deals become easier to create because of this jumpstart effect. Social networking and personal referrals is a system that has worked for a long time and is still widely used. A great example of this is the statistic that approximately 76% of jobs in US are never published or advertised. New positions are simply announced to company employees who in turn tell their friends.

Emotional bank account is similar to a regular bank account. It takes time to establish a high balance. For most new people, they start out with a balance of zero and have to build up trust and the balance goes up. It also means that bank account can be overdrawn also. Asking for too many favors or violating someone's trust means that you may have overdrawn your emotional bank account and will have poor relations with that person.

Six major emotional bank deposits:

1. Understanding the individual
2. Attending to the Little things

3. Keeping Commitments
4. Clarifying Expectations
5. Showing Personal Integrity
6. Apologizing Sincerely When you make a withdrawal

Understanding the individual means finding similar interests or things that you can relate with for other person. Finding out the person's interests or goals is very important. Without knowing the person, the other things are useless. *Attending to the little things* means understand the individual and take occasional actions or say occasional things that only someone that truly knows person could do. *Keeping commitments* means not making promises that cannot be kept and showing up on time. *Clarifying Expectations* is usually more of a business relationship thing. When negotiating for something it is important to layout what you want to accomplish and work out any concerns that the client may have. *Showing personal integrity* has to do with showing honesty and fulfilling expectations. Integrity goes beyond just the individual. Doing things behind the backs of others in favor of one person is a violation of integrity. *Apologizing sincerely when making a withdrawal* has to do with making things right when you do wrong. Saying the wrong things or doing the wrong things must be followed up with apology if person feels wronged.

Habit 4 Think Win/Win

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Six paradigms of human interaction

1. Win/Win
2. Win/Lose
3. Lose/Win
4. Lose/Lose
5. Win
6. Win/Win or No deal

Interactions with others will lead to the following six conclusions. The most desirable conclusion is Win/Win. In the short term, Win/Lose may be desirable but ultimately for most people Win/Win is the best conclusion. Making friends generally takes time, so Win/Lose would probably mean that you are constantly spending time making new friends to make up for the ones you have lost. And, with Win/Lose, you may have to spend time trying to straighten things out as a result of other person's loss. So, that means maintaining friendships with Win/Win is best use of time for most people over the long run and this is done with Win/Win relationships or No deal.

Lose/Lose is something that occurs when both parties waste time over something and nothing is won on either side. A divorced couple that argues over payments and get nothing out of it is lose/lose for both parties.

Of course there are exceptions to Win/Win. Manmade games such as sports games generally shorten lifespan to a few hours and gives three conclusions, win, lose, or tie.

Win/Win is the best, but if this cannot be achieved, no deal is good also. An example Mr. Covey mentions is that he canceled a contract with client because client wasn't comfortable or ready for deal. The client then came back later and signed an even bigger deal with Covey because he was happy with the previous experience.

Desired conclusions are in the eye of the beholder. This is based upon the mentality and character of the individual. There are typically three character traits for win/win.

Character Traits of Win/Win Conclusions:

1. Integrity
2. Maturity
3. Abundance Mentality (as opposed to Scarcity Mentality)

Integrity of a person is needed to figure out what is a win. Values must be known for an individual to know what a win is.

Maturity - High maturity is needed for win/win conclusions. Mr. Covey considers the meaning of maturity as a combination courage and consideration. Courage is the strength of one's convictions and consideration is the "long-term welfare of the other stakeholders." Someone high on courage and low on conviction will want win/lose. High courage and consideration is needed for win/win.

Abundance mentality is generally needed for win/win conclusion. This means that there is great deal of opportunity for all people. The opposite is scarcity mentality. These people see limited opportunity out there and the gain or win of one party is seen as a loss to the other. It is a sort of greed that secretly leads to hopes that the other loses something. This thinking is created because a loss to the other party as seen as a gain to them. This type of negative thinking leads to hopes of a win/lose conclusion which is not good. A win/win conclusion may be hard to fathom for someone with a scarcity mentality.

The emotional bank account and relationships. A high emotional bank account balance may help with achieving most conclusions. Someone with a high emotional bank account balance will most likely have experience dealing with party and win/lose may even be acceptable by both parties because other party has trust with you and may know that favor will eventually be returned.

Performance agreements. If compensation or rewards are not setup properly then win/win performance can not be achieved. Asking an employee to do well at something without rewarding for it will not mean win/win for employee and company. The objectives and systems must be in place for win/win performance.

Activities:

1. Consider the relationships in your life and how your emotional bank account is with these relationships.
2. Work out a specific relationship where you would like to establish win/win conclusion. Work out what you consider a win for yourself and put yourself in other's shoes and write down what is considered a win for them.
3. Try figuring out how to turn a win/lose or lose/win relationship into a win/win relationship. Is there something that can be changed to make it a win/win conclusion?

Habit 5 Seek First To Understand Then to be Understood

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Character and Communication

- Communication is the most important skill in life
- Listening is an often neglected form of communication
- If you want to interact effectively with people, to influence people, you first need to understand people.
- You have to build the skills of empathic listening on a base of character that inspires openness and trust.

Empathic Listening

Empathic Listening is a deep listening where people listen to understand. *Most people listen with intent to reply.* This is not empathic listening. Listening with intent to reply focusing more on the reply than on understanding the other party. Empathetic listening focuses on listening without intent to manipulate.

Empathic Listening is not sympathy. Sympathy is agreeing to the other party. You don't have to sympathize with the other party in order to understand them. You are looking at things from your own frame of mind and do not have to completely agree with the other party or sympathize with them. Sympathy is more of an agreement response to the other party. Sympathetic listening is not the same as empathic listening because with sympathy you are focusing on the response which is not good listening.

Putting yourself into the other party's shoes and thinking deeply from their point of view is a form of empathic listening.

Empathic listening can be risky because you become vulnerable to being influenced. In order to influence you have to be opened up to the possibility of being influenced. But that is what is necessary in order to get a win/win conclusions.

Diagnose before you prescribe

Make sure that both parties understand each other before trying to fit a solution. Getting details and specifics about needs of a person is critical. Quick assumptions without understanding a person is not going to work out well. Mr. Covey uses the example of a doctor mistakenly prescribing medication with the assumption that a person is a child rather than baby.

People tend to respond in the following ways to conversations.

Autobiographical Responses to conversations

1. Evaluate (agree or disagree)
2. Probe (ask questions from own frame of reference)
3. Advice (give counsel based upon own frame of mind)
4. Interpret (figure people out from own frame of mind)

These things are often misused in communication and lead to poor interactions. This may especially be true when adults are talking to children and say things like "when I was your age." Telling a younger person that you have completed things often alienates them. A parent telling a child that they finished school doesn't really help a child out that is trying to work out a current problem in school.

Activities:

1. Find a relationship where your Emotional Bank Account is in the negative. Try to understand better the other person's point of view. On your next interaction with them compare your assumptions and listen to see if your assumptions are accurate. Are you assumptions correct?
2. Watch yourself the next time you interact with another for misusing autobiographical responses. If you catch yourself doing this, ask if the person could repeat what they said and re-do your responses.

Habit 6 Synergize

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Synergy is defined by Covey as the whole is greater than the sum of its parts. Synergy is the sum of all the habits coming together to make something great.

Synergy and Communication – The highest level of communication is synergistic (win/win) communication. The lowest level of communication is one of low trust characterized by defensiveness, protectiveness, and legalistic language which may have escape clauses. The middle level of communication is respectful communication -- where fairly mature people communicate but don't reveal everything and don't have complete trust.

When synergy occurs special "moments" may occur that are hard to explain. It is a certain freedom and openness and all of the other habits coming together for something truly great.

Synergy values different opinions, viewpoints and perspectives from different people. *Valuing differences* of others is a key component of synergy. Nature is synergistic.

Synergy tips:

- Seek good in others
- Don't become negative
- Exercise courage in situations
- Express ideas, feelings and experiences with others
- Encourage others to open up
- Don't take insults personally

Habit 7 Sharpen the Saw

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Habit 7 is the sharpening of your skills. It is called sharpen the saw because a story is given where person is working on cutting down a tree. The person is struggling and has been doing this for a while. The problem is the blade is dull. The person has become so stuck in his behavior that he doesn't want to sharpen the saw. **If you don't constantly improve and renew yourself, you may fall into a style that becomes imperiled.**

Habit 7 is a combination of four different things:

1. Physical (Exercise, Nutrition, Stress Management)
2. Spiritual (Value Clarification & Commitment, Study & Meditation)
3. Mental (Reading, Visualizing, Planning, Writing)
4. Social/Emotional (Service, Empathy, Synergy, Intrinsic Security)

Physical activity means working out or exercising at least 30 minutes a day or three to six hours each week. This might also be sports like racquetball or tennis. The goal is to raise heart rate to at least 100 beats per minute for at least 30minutes.

Spirituality is a personal value system that is unique for each person. It may or may not have to do with a higher power such as a God or Gods. Basically it is knowing where one stands in the world and a belief that there is much beyond the self.

Mental improvement is also improvement. It means expanding our minds by becoming more efficient with our time and spending less time in front of low quality television shows. It means reading more and more deep thought writing.

Social/Emotional improvement has to do with creating more Win/Win relationships with people. It is about helping people out when in need and working out our differences peacefully and with win/win in mind.

Conclusion

By following the seven habits it is possible to break down old paradigms and start work on creating new ways of living and thinking.