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# 1 THE BILLIONAIRE'S BRAIN AND JENNIFER LOPEZ'S VOICE

As we go through these steps, you'll find that they build on each other. That means these first ones are more foundational than the latter ones. If you don't get this right, none of the rest matters.

Charlie Munger, who is half of the iconic Berkshire Hathaway group along with Warren Buffet, says that to get what you want, you have to deserve what you want. That's how billionaires talk--almost in riddles; but they're profound.

Charlie isn't just talking about money; he's talking about anything in life. The world isn't crazy enough to reward undeserving people. The one word summary for this concept is awareness. Look at your computer keyboard. What does F5 do? What does Ctrl + W do?

That's a test of your awareness of something you look at a thousand times.

An Amish friend told me the world has three kinds of people: those who watch things happen; those who make things happen; those who wonder what happened. If you were in a room full of people and you had to predict who would be successful, would you pick you? I call this the deserve it factor. Are you worth anything? If not, why not? The intangible factors center around awareness.

I was with my first mentor, Joel Salatin, out on his farm and we were talking about grass and buds and he purposely walked by an open gate to see if I'd notice. I didn't. He said "Tai, the cows are going to get out through that open gate. You need to be more aware; you can smell the roses, but you can't just smell the roses all the time." The most fundamental intangible toward success is massive awareness, like the kind exhibited by Helen Keller who thrived without seeing or hearing.

The deserve it factor applies through rules. Would you want to live in a world where a guy like Arnold Schwarzenegger could lift weights six hours a day and not see any affect on his body? Or get in an airplane and have the rules of physics suddenly change? Life has rules, and when I abide by them, my deserve it factor changes.

Steve Jobs said he took not one day off between age 22 and 30. Perhaps we could say because of that work ethic, he deserved to be a billionaire, but he also didn't deserve to live into old age.

Nelson Mandela survived and even thrived 27 years in prison, staying focused on ending apartheid in South Africa. Name any great visionary. Mahatma Gandhi, Mother Teresa--they all lived with such intentional purpose that they're deserve it factor went through the roof. They were worth something.

Is the world fair? No, not completely. But it's more fair than most people want to believe. You can get bogged down in conspiracy and victimhood if you want, but in general, the world rewards effort, intention, awareness, perseverance, commitment--all those noble character qualities. Looking back through history, would you have rather lived at any other time? Was any other time more fair than today? No; they chopped people's heads off, burned them at the stake. Everyone has trauma, but everyone has opportunity too.

Historian Will Durant related a letter written from a prisoner from notorious Sing Sing prison about the meaning of life: "I do not know to what great end Destiny leads us nor do I care very much. Long before that end I shall have played my part, spoken my lines, and passed on. How I play that part is all that concerns me in the knowledge that I am an inalienable part of that great wonderful upward movement called life and that nothing: neither pestilence, nor physical affliction, nor depression, nor prison can take me away. From my part lies my consolation, my inspiration, and my treasure."

Notice the key is "how I play that part" in life. I want you to have more skills, including character skills like wisdom and perseverance. Want success in relationships? You need to be aware you're in a conversation. Want more money? You need to understand business. You want a better body? Stand naked in front of the mirror every morning for 90 days to increase your awareness. What you see is probably what you deserve. Junk food yields one kind of body; integrity food yields another.

Everybody is different. The winningest college basketball coach of all time, UCLA legend John Wooden in one of my favorite Ted Talks said Kareem Abdul-Jabbar was one of a kind. You are not competing with him. Wooden said "you're not in competition with the world; you're in competition with yourself." I may never be the natural mathematical investing genius of Charlie Munger and Warren Buffet, but I can deserve more than I have now; that's my goal.

Now to the Jennifer Lopez voice. Although she's a famous singer, she's not a great singer. You might think she doesn't deserve her fame. But she puts other talents together with her voice; she dances; she's entertaining; she picks great songs. She's a pop star because she's aware of what people want: enjoyable entertainment. If you want harmony and chords, play some Bach. If you want a perfect voice, listen to opera. JLo knows her fan niche because she's aware. She's business savvy, legal savvy, schedule savvy. She puts together a whole package.

I want you to bet on you. Of all the people in your graduating class, I want you to bet on you as the most likely to succeed.

Now let's invert this as part of classic logic, like verifying the truth by verifying the opposite. What's the surest way to be unsuccessful? Not being aware. I know a billionaire who is so fat he can't get out of bed. Who wants to live that way? He's not aware of his health. Not knowing things you should know is the arrow that hits your Achilles heel. Sam Walton did not build discount retailing; it already existed. He was simply more aware of refinements than his competitors. The billionaire's mind starts with awareness and includes JLo's voice.

Question: What's your plan to start deserving what you want from life in the three areas of health, wealth, and happiness?

Question: On a scale of 1-10, what is your deserve it factor and why do you think it is that way?

Question: If you could go back to high school, would you bet on yourself over every other kid? If the answer is no, what do you need to do today to change it?

# 2 BLUE-FOOTED BOOBY BIRDS ESS (EVOLUTIONARY STABLE STRATEGIES) AND THE 500 YEAR OLD MIND

When Charles Darwin traveled to the Galapagos Islands in the early 1800s and encountered blue-footed booby birds, he said "change is the basic law of nature, but the changes wrought by the passage of time affects individuals and institutions in different ways." This is how Professor Megan Sun summarized his conclusions.

Sun goes on to say that Darwin postulated "it is not the most intellectual of the species that survives; it is not the strongest that survives; but the species that survives is the one that is best able to adapt to the changing physical, social, political, moral and spiritual environment in which it finds himself."

This is liberating because it doesn't mean you can only be successful if you're smart or you're athletic. What Warren Buffet calls the intangible is an ability to adjust, to change. The problem is you and I have been hardwired to NOT be successful because we rebel against change; we rebel against adaptation. How many times have you stayed in a job longer than you should or in a relationship longer than you should?

The Millionaire Next Door documents that most true millionaires do not have a high IQ. Life success does not go to people with single strong attributes. Adaptability to a context is critical for thriving. The Sherpas of the Himalayas adapted to high elevation living over the last 500 years. That's biological adaptation; in our lives, we need to be able to adapt much faster. The speed with which you can adapt is the speed with which you will get what you want out of life.

But we've been pre-programmed against adaptation with the 500-year old mind. When people first began questioning the flat earth, religious and institutional organizations wanted to burn them at the stake. Our minds relish black and white thinking, which is anti-adaptation.

After Sam Walton passed away, one of his friends eulogized "I've never met a man that was less afraid to fail. He would just shake it off and move on to the next thing."

Institutional education systems foster a fear of failure. Thomas Edison said "I make more mistakes than anyone and I end up patting them all." Why is an experiment a failure? If it's moving us forward in our thinking, in our lives, it can never be a failure. Too many of us sit in judgment on ourselves.

Colonel Sanders ran away from home at 12 years old with a sixth grade education, became a lawyer, fought in the Spanish-American war, launched a jillion businesses, all of which ultimately failed, and finally at 65, started Kentucky Fried Chicken. He understood life in the blue-footed booby bird adaptability framework: all these businesses were just part of him changing. How amazing is that? Only through a long lens backward can we pass judgment; so quit judging yourself.

If you want success, you need to be an adaptability machine. Your successful business today may be gone tomorrow. I knew a guy in North Carolina who got drafted out of Duke by the Chicago Bulls on a $10 million contract and a few days later was disfigured for life in a motorcycle accident. Professor Sun says nothing involving human beings remains static; nothing.

Extremely few things are black and white, good or bad, all or nothing. Take dieting. Dr.

Cheryl Mowlam, best-selling author says the best diet is the one that's adapted to your adaptable body. Everybody's genetics are different and respond differently to different foods. You will never wake up from a dream with everything answered and everything figured out.

What you have are ideas to begin trying, running experiments. You don't get a single thing; you get little pieces at a time.

As you progress, you'll cut deals. A great example is the cow and grass. The cow has saliva that helps the torn grass ends heal after the cow yanks them off. The grass grows to feed the cow and the cow prunes it to help it heal and grow more luxuriantly. Newton's law stating that for every action there is an equal but opposite reaction is how you cut deals with yourself.

Look back through your life when you were too black and white and you fell prey to certainty bias--that the earth is definitely flat.

Within this adaptability you need ESS--a stable strategy. This isn't simple; it's not fluff like GQ magazine. The common thread of business and social luminaries is that they don't think like the masses. When Colonel Sanders was doing all his failed (experimental) businesses they were part of a stable strategy that provided a bit of knowledge, a bit of insight, a bit of wisdom in exchange for a temporary set-back. He cut deals with himself for the price of his own progress.

The ESS concept means you can't adapt too quickly. If you have a business partner where tension is beginning to develop, don't upset the whole relationship in a day. Start having respectful conversations; punch around the deal you have and see if some tweaking can bring a better fit for both of you. Remember, this all about survival. You can have a 50/50 ownership but change the percentage of pay if things have changed from the original vision. Nothing about humans is static.

Get in front of your mirror and look at yourself naked. Look at your skin. Health starts there. When the culture says "love yourself in whatever condition you're in," that's black and white thinking. It doesn't move you anywhere. This isn't about being a perfectionist; it's about awareness turned into adaptability.

I'm giving you permission to be addicted to trials. Poke around. Try the opposite. If you're a carnivore, try being a vegan for a week or two. See how you feel. Play around with things to avoid the certainty bias. If you crave sugar and sweets, prohibit them for awhile. Ditto coffee. What does your body tell you?

To be stable you must be unstable for a time while doing the adaptation. I counseled a fellow stuck in his business to go flip burgers for McDonald's for six months. He launched successfully after that period of reflection and redemption. Many adaptations take 18 months before you really see momentum. Don't panic if you don't results in a day. If you're stuck in a relationship, try giving more; or try giving less. Sometimes you have to move away and sometimes closer. Stop pointing fingers and saying black and white; adapt and thrive.

Question: What is your number one black and white area in your life? Write down one experiment you can do to change the situation.

Question: What relationship should you move deeper into? What relationship should you move away from? Write down an experiment for both.

Question: What's keeping you from being fulfilled? What could you change for a better outcome?

# 3 SAM WALTON'S NIGHT IN A BRAZILIAN JAIL AND STEALING FROM MCDONALD'S

The central theme of this step is humility. Love it or hate it, Walmart is a physical expression of Sam Walton's persona. Nobody can argue that he failed to accomplish his dream. Much of this step I'm gleaning from the book he wrote on his deathbed: *Made in America*.

This is not about outward humility where you refuse to look a person in the eye; it's a true desire to listen and implement suggestions. Outwardly, Michael Jordan appeared cocky, but inwardly he had a reputation of being easy to coach. In my early 20s I had saved up

$17,000 and I spent it traveling the world to meet and talk with potential mentors. I was saying "I don't know. I need to know." Have you done that?

Sam Walton started Walmart in 1945 and his wife said "Sam, I think you spend more time in our competitor store across the street than in our own." To which he replied "Yeah, I already know what I know about our store. I've got to go out and learn." He even bought a little two-seater airplane so he could visit more locations. He said "I believe no one has ever spent more time in a competitor store than me."

How many books are you reading? That indicates your humility to know, to learn. The truly humble person implements instruction. One of my favorite Sam Walton stories involves a group of Brazilian businessmen who wrote a letter to a dozen CEO's in the U.S. asking if any would be willing to be treated to a nice dinner in exchange for advice about building a retail organization. Only one answered: Sam Walton.

They flew to the U.S. and arrived in the little airport at Bentonville, Arkansas where an elderly man in a beat up pick up truck met them. "Are you going to take us to Sam Walton?" they asked. The old man replied "I am Sam Walton. Jump in the truck." His wife fixed dinner for them while he asked them questions and by the end of the evening, they realized he'd learned way more from them than they did from him. That's humility.

But there's more. A few months later, Sam Walton went down to visit Brazil and the host family in Sao Paula got a call from the police department: "We put Sam Walton in jail; you need to come and bail him out." Brazilian jails are notoriously horrid places for American billionaires. Turns out the police found Sam Walton crawling around on the floor of a department store and thought he was a lunatic, and booked him into the safety of the slammer. He explained that he was measuring the aisle width of these stores to see if the Brazilians knew something he didn't.

I call this the mental Robin Hood principle. I assume every person walking around has a gold nugget in their brain and I want to know what it is. That's a way to incorporate humility into every moment of your life. When you meet with people, how many notes do you take? I don't want to hear about your humility; I want to see it in action. How many mentors have you cultivated? Are you crawling around on the floor with a measuring tape? If you come to me asking advice, at least have the humility to take notes.

By reading this, you're on the road to humility. But don't be satisfied; push it; accelerate it. Your net worth, your value spiritually, your love life and social life and your physical body are all going to be outgrowths of your humility level. Ray Kroc, founder of McDonald's, sold paper cups for decades and when he was 52, sold a milk shake maker to the two McDonald brothers who had an extremely successful burger joint. Kroc licensed the name and built the most iconic food brand in the world.

In his autobiography *Grinding it Out*, Kroc says "I was humble enough to realize these guys already had something going. I didn't need to be so cocky as to 'Well, I'm going to design the equipment myself. I'm going to do this. I'm going to try to create something better than McDonald's.'" I have people who contact me for advice, enthusiastically claiming "Tai, I have a billion dollar business idea." I ask them "have you done a million dollar business yet?" Or "have you done a $100,000 business yet?" If you haven't crawled on the smaller stuff, don't be so cocky you think you're going to hit a home run your first time at bat. That's raw pride.

This is why virtually every successful business person has a mentor. Greatness partners with mentorship. Socrates mentored Plato. Plato mentored Aristotle. Aristotle mentored Alexander the Great. Self-made is an illusion. Rate yourself on your search. Are you playing video games and watching dumb TV shows or reading how-to, self-help, conversing with people who know more than you? What's your effort level for finding mentors, researching competitors, attending seminars? Score yourself 1-10 in reading, mentoring, searching, seminars.

The average score is around 4 or 5. To live the good life, you've got to get up around 8 or 9. The reason the average is poor comes from Sigmund Freud: "Life as we find it is too hard for us. It entails too much pain, too many disappointments, impossible tasks. We cannot do without palliative remedies. We cannot dispense with auxiliary constructions. There are perhaps three of these means: powerful diversion of interest, which lead us to care a little about our misery; substitute of gratifications, which lessen our pain; intoxicating substances, which make us insensitive to it."

The amygdala part of the brain stores fear memories. Most of us, at some point, in true humility became vulnerable and asked for help and were told "you're an idiot, get away from me." Perhaps we were bullied, bit by a dog, suffered emotional trauma in combat; the amygdala keeps it fresh on our mind. Cockiness is how we overcome that fear pain. Whatever you want, you're going to have to punch through this great fear. We need to rediscover and regenerate instinctive childhood humility. Little children are never embarrassed to ask for help. Life's pains and traumas cover up that childlike humility. If I gave you $50,000 representing the 50,000 hours you have in the prime of your life, how stingy would you be spending those dollars? Humility in action is investing those limited hours carefully in your betterment, your success.

Question: what's the number one area you have not been humble in action: health, wealth, love, happiness?

Question: what one thing can you do today that will show by action your humility on the way to the good life?

# 4 PICASSO'S RISING TIDE AND THE LAW OF 33 PERCENT

When I was 16 years old, I realized life confronted me with a tremendous array of options: who would I marry, what would be my vocation, what would I believe in religion and politics, where would I live? I looked for one person who had all the answers and at the time, the smartest person I knew was my grandfather (Charles), a PhD chemist with a 20,000 book library.

I wrote him a letter and said: "life has so many hard questions. I need someone to give me the answers. I just want to find one person." Four days later I received his reply: "Sorry, Tai, you're never going to find all the answers from one person. The world is too complicated. The modern world's too hard. If you're lucky at best, you're going to find a handful of people who point the way." Then he sent me the 9,000-page volume set of books, The Story of Civilization by Will and Ariel Durant.

At first I didn't get it. But later I realized what he taught me: the answers are not within; the answers you're seeking are going to come through a set of knowledge that you can go out and find. After that, I was blessed to find five primary mentors. Certainly 90 percent of my success comes from the wisdom of these five people.

Pablo Picasso, whose 50,000 pieces of art make him the most prolific artist of all time, said "good artists copy and great artists steal." What he meant by steal was building on the shoulders of others. Sir Isaac Newton said "if I'm great, it's because I'm standing on the shoulders of giants." Most of what we learn is by osmosis, not visual, auditory, or kinesthetic. A baby calf learns from mama cow by osmosis, simply by spending time together.

We must cultivate our hard wired ability to learn as we go. If you can hitch your life to the right horse, jump on the right boat, stand on the right shoulders, you automatically rocket forward and you experience more of the true human experience as a self-learning machine.

When you spend time in physical presence with a mentor, you encounter walk, talk, thoughts, decorum.

In picking mentors, you want someone about 10-20 years ahead of you on the same path you're on. Ellen DeGeneres specifically picked Oprah Winfrey as a mentor because Oprah was as close to the path Ellen wanted as anyone she could find--and she was also a woman.

This works almost like drafting in race cars and the Tour de France--you get pulled along without the mentor even knowing it. But you can't spend all your time with mentors; you have to do your own things and pay your bills. The Law of 33 percent is about divvying up your waking hours. A third of your time should be spent with people below you because that builds self-esteem and gives you an opportunity to help others. Then you should spend another third with people on your level who will be your closest friends, going through the same trials and tribulations. The final third should be spent with people ahead of you doing as close to what you want to do as possible.

Obviously these aren't exact numbers, but they provide a general framework on how to order your time. You can go down the list of historical luminaries, whether generals, composers, or business leaders, and every single one had a mentor; the pattern and principle of mentorship to greatness is irrefutable.

We're the most uncomfortable around mentors because they stretch us and challenge us. They're busy people, not professional teachers. Often they're rough around the edges, but they exercise you, often painfully like lifting weights. You don't want your mentor to be easy; the harder the better. Don't look for perfection; what you want is competency in the area you want to learn.

One of my favorite movies, Karate Kid, illustrates unconventional teaching. Good mentors don't adhere to conventional education norms or expectations. Remember how Daniel resented Mr. Miyagi for making him paint the fence and wax the car? Mentoring is not a classroom; you must become an absorption machine. Few arrangements will line up perfectly, but you must try. Seldom does trying go unrewarded. Be persistent.

I had a friend who wanted to get into real estate. He went to the office of the most prominent developer in town and asked the receptionist if the owner would mentor him. She said he didn't have time for that. He went back every day for 17 straight days. Feeling sorry for him, she finally relented and told him to hide behind a plant in the reception area, wait for the owner to get on the elevator, and then jump in with him. His passion and demeanor impressed the developer and he invited my friend to ride on his private jet the next day to look at some hotel properties in Florida.

Woody Allen said "half of the reason I'm successful is because I just show up." Give it time--18 months. Take it slow, like a courtship. If you come on too strong you'll invade the mentor's space, or he might think you're a stalker. If you get a foot in the door, send a gift.

People remember grateful, humble people. Many mentors respond to interview requests because it's part of their public relations portfolio. Whether you're a freelance writer, blogger, podcaster, or book club coordinator, a bit of publicity can open otherwise closed doors.

Mentorships that work well last a lifetime. My first mentor, Virginia farmer and author Joel Salatin, and I stay in close contact 25 years after my apprenticeship. He'll always be 25 years older than I am.

These are tips for success, not guarantees. Sometimes, like the Kenny Rodgers song says, you've got to "know when to fold 'em. " Think big; go to the top, but be willing to go second tier and third tier until you find the right fit. Letting go if things get weird is not failure; it's just part of the circle in your life. A mentor must spend some time with you; five minutes a year isn't mentorship.

Complement your in-person mentorship with other things, like the various ingredients of a good soup. YouTube videos and good books can help fill this mentorship third of your life. All of these elements augment the pinnacle, which is in-person mentorship. Be sure to give more than you ask. Gifts, time, service, niche knowledge--mentors respond to reciprocity. Give three times and ask once. Don't be desperate; clingy is not attractive.

The more successful you become, the harder it is to find a mentor, but they're out there because somebody is always ahead of you. You can have a mentor for love by finding a couple that's been married 50 years. The more mentors you have for various areas of your life, the better.

Question: Who are 4-10 possible mentors for your life? Write down their names.

Question: Do you have a 4-18 month plan to cultivate a relationship with one or two of these potential mentors?

# 5 MY POOR FRIENDS AND CAMERON DIAZ' PARROT

Neither of my dads was rich. I didn't have Robert Kiyosaki's experience with Rich Dad, Poor Dad, but I did find some mentors who helped me be successful in business. I now have rich friends and poor friends in numerous areas, not just money. Healthy friends and sick friends. Divorced friends and long married friends. In this step, I'm equating rich with success, whether it's health, happiness, love, or wealth.

Cameron Diaz lived a few houses away from me and had this parrot that shrieked constantly. We went over and asked her to get rid of it. "What? That's a $50,000 parrot!" It was constantly repeating things it heard.

Joel Salatin, my first mentor, is rich in happiness, love, health, and wealth; I've never seen someone roll out of bed more energetically in the morning. He's full of quotes from his mentors, with predictable speech patterns, like the parrot. But his speech patterns are different than my poor friends who just talk about their opinions. My rich friends quote others; my poor friends quote themselves--these are speech patterns.

An acquaintance of mine posted on Facebook one morning that she was going to start a business to help people find a personal assistant. A marketing friend of mine had just told me to always turn a service business into a marketplace, so I just posted the idea to her. Goodness, my Facebook exploded in response: "how dare you embarrass me, dah, dah dah." I was just trying to pass on a tip.

That evening, through a friend of a friend, I found myself eating at W Hotel with NBA basketball legend and coach, George Karl. I love basketball and actually played on a state championship team when I was in high school in North Carolina, but compared to Coach Karl, I don't know anything. As we were eating, I suddenly became aware of him asking me questions about different pro players and teams and I realized he wasn't just being polite; he was genuinely interested in my opinion. Compared to the girl in the morning, he was a question person. That's a pattern.

The point here is to observe and make a note of the patterns you see in your rich friends versus the ones you see in your poor friends. Who is easily offended? Who asks questions?

Who gives credit to others? You'll pick up different patterns over time and they'll steer you toward success and away from treading water.

I went to a birthday party for L. A. Lakers world championship player Ron Artest, who later changed his name to Metta World Peace--crazy guy. Everybody was knocking down beers and eating chicken wings, but I noticed he only ate a salad and sipped a bit of wine and drank lots of water. He was ripped, top of the NBA, but exercised moderation. That's a pattern of discipline.

I knew a girl who wanted to start a business and asked for 50 grand. I told her I couldn't find anyone willing to put in 50 grand. She was offended: "You're rich; just shell out the money." Rich people I know are not miserly, but they don't throw money around like folks in Las Vegas clubs. They understand the capital value of money; that's discipline.

The value of one set of opinions is not the same value as another set of opinions. Have you made a list of the patterns coming from winners versus the ones coming from losers?

You're in this for the long run; you want to bet on winning patterns. Let's get nitty gritty, rich friends versus poor friends: how they walk, how they talk, when they're quiet; when they're not quiet. Notice the difference.

I attended a Berkshire Hathaway annual meeting and watched a sharp fellow get up and ask Warren Buffet a question about valuing an investment company. The guy had done his homework and was ready to ask his question in front of 15,000 people. Buffet, at 84 years old, stopped the fellow partway through and explained that his math was wrong. Buffet did the math in his head. I made a note: rich friends know math.

I developed a friendship with a top male model and his girlfriend. I love movies and I'm in pretty good shape, but I'm a sucker for sweets at movies. We went to some movies and had some dinners out--the guy never cheated. He had 8-pack abs, and I made a note--don't eat the sundae. He's rich in health.

I spent two and a half years living with the Amish, who are the richest people on earth in family and social happiness. They don't have bratty kids. When they sat down to pray around the table before eating, the infant might reach his hand out and the mother would flick his arm with her finger. The infant would pull back. I lived with Sam Chup and his family and he and his wife had harmony. I grew up surrounded by divorce and dysfunctional family arguments. Even when Sam and his wife disagreed, they never argued. Respect, subtle training--more patterns.

You need to discriminate on the basis of source. I'm a huge fan of biographies because these famous people are a source of wisdom and truth, of patterns that move you toward success or away from it. My mentor Allan Nation told me "Tai, I never had an original idea in my life; I just go to where smart people are and I accumulate their knowledge."

A way to think of this is like a meme, which we could call thought genes. You can't alter your biological genes, but you can alter your thought genes. Mental genes are memes, or ideas, and they're developed by who you listen to, what you read, how you process observations and perceptions. My aspiration in life is to spread good memes. That requires studying people, breaking them down, like Sherlock Holmes when he notices the spot, the turned wedding ring. As important as listening is, observing is even more so. What do people healthier than you eat? What do people wealthier than you buy, or not buy? What do couples happier than you say to each other, do toward each other, say to each other? Jeff Bezos' biographers routinely mention his insatiable desire to find the truth; don't assume you know what all these patterns are. Just let the truth speak.

Be ready to observe successful patterns that shock your paradigm. Let your memes morph and develop along your pathway to success.

Question: What is one example of a profound lesson you've learned with rich friends versus poor friends, or rich relatives versus poor relatives in matters of health, love, fulfillment, or wealth?

Question: What is one pattern you could implement to help rewire you brain, to change your meme?

# 6 SCULPTURE VERSUS THE LOTTERY AND THE ANTHROPIC MEDIA BIASES ON SUCCESSES, EXPONENTIAL TIME FRAME

I grew up on the beach in San Diego and shared, along with everyone else, the fear of being bitten by a shark. Steven Spielberg's movie Jaws didn't help the situation. Statistically, though, you have a much higher chance of being hit by falling debris from an airplane flying overhead than being bitten by a shark in the ocean. People actually do get hit by airplane debris. But you don't read about the falling debris because it doesn't make as good a media story.

All news stories are skewed this way and we call it media bias. It's a logical fallacy that says we tend to think something is true if we hear it more often or if it's splashed all across the news headlines. Here's an example: ask anyone if they could solve a world problem, what would it be? You'll hear poverty, homelessness, domestic violence. But a much bigger civilizational issue is soil erosion.

Nebraska had 10 feet of soil in 1900; today it has two. Without soil, we can't grow plants or animals; we starve to death. But this story isn't sexy. It doesn't bring news ratings, so it doesn't make headlines. This is important because we live today in the age of media, which gives us a subconscious timeline and sequence of events. We hear about Bill Gates' 85 room house, but not that he worked a decade without taking a day off.

We read the story about the entrepreneur who had a $10 million idea and made it in five years and suddenly that's our time line expectation. Modern media makes us all think life is a lottery. Arnold Schwarzenegger worked out for 6 hours a day for a decade to get the body for Terminator. The media shows us a pill and a month and bam! The fat's gone and we can run marathons. The media shows us a one minute hook up in a bar and it's love for life. Lottery love.

If you don't grasp the exponential time frame that the good life comes from, you'll give up too early. John Calipari, who coached Kentucky to an NCAA championship, said "you have to learn to love the grind because life is a grind." Life is more like a sculpture than a lottery. You take a rock and you chip away at it, a little bit every day.

The first thing is to pick a rock. If you're an ectomorph, naturally thin, don't try to be a power lifter. If you're an endomorph, naturally overweight, don't run marathons. Sculpt to your natural destiny because you can't do it all. Sculpt to your strengths. I'm a mesomorph, between the lean and fat, so I do a little of both muscle work and cardio. I'm also an entrepreneur--that's my rock. Chief Tecumseh says love your life, perfect your life, beautify all things in your life; seek to make your life long in its purpose in the service of your people. That's a wonderful foundation for how to live. Part of your rock is your style. If you're an extrovert, host big parties. If you're an introvert, host little parties. Do you want a big family or little family? Do you want to marry early, late, or not at all? Was Mother Teresa successful without ever getting married? Wildly so.

Go easy on the media, especially news programs and TV shows. The average American watches several hours a day; you can't immunize yourself against that amount of media bias. My grandma said when she grew up in Germany before radio and TV strong media bias didn't exist because everything was limited to newspapers . . . and gossip. If I watch a movie, I force myself to break down its biases when it's over, to act as a cleanser or a check on brainlessly accepting the bias.

A subset of this is narrative bias, which is a short story cherry picking items to gloss over the grit and grime and leave you with an over-simplified speeded-up version. A book is better than a short magazine article. Limit your time on the internet, which is full of the logical fallacy that makes correlation look like causation. These media messages ruin the wiring of your brain away from the sculpture mentality. Everything is short, sound bites, the lottery mentality. When have you seen an ad for an 18-month diet?

Sculpting takes time. If you're reprogramming your body or your brain or your relationships, like my mom says, you don't fix 20 years of abuse in 20 days. At a 10 percent annual improvement rate, you double roughly every seven years. That's a principle in any area of life; you can't short cut it no matter how many short stories you read or how many advertisements you watch. Don't worry about speed as much as movement, progress, trajectory.

Charlie Munger says "spend each day trying to be a little wiser than you were when you woke up. Discharge your duties faithfully and well. Step-by-step you get ahead, but not necessarily in fast spurts; you build discipline by preparing for fast spurts. Slug it out one inch at a time, day by day." If you live long enough, most people get what they deserve.

I was about 10 years old, getting $10 a month allowance, and went with my grandma to the grocery store. She let me buy a $1 lottery ticket. I scratched it and lost my dollar. But then I convinced her to let me buy anther one; I just had a good feeling. Sure enough, I won $100 and the cashier gave me a cool $100. I went right out and bought a bicycle and it was stolen three days later. Easy come, easy go. I never bought another lottery ticket.

If you've been predicating your life on a lottery mentality, knock it off. Stop looking for a diet. Stop looking for supplement pills. Sure, they can help sometimes, but why not first just try eliminating junk food, empty calories, and simply eat less? Some studies show that if even with type-2 diabetes, you can beat it with an extremely low calories intake, like 600 calories a day. What's it worth to you to stop diabetes? Take the 18-month approach, not the lottery approach.

I like TED talks, but they have a built-in fallacy that we can solve anything in 18 minutes.

That's the media bias. Dig deeper. Watch some 2 hour YouTube programs; stretch your attention span. Read a thick book and stay with it for hours a day. This exercises your whole being to be a sculptor, to chip away carefully, meticulously, with intention. Slow and steady wins the race.

Question: What is the number one area in your life where you've taken a lottery approach specifically?

Question: What is an area where a sculpture approach would be beneficial and what is your plan to accomplish it?

# 7 MARTIN SELIGMAN'S SALARY SLAVE AND LEARNED HELPLESSNESS

Martin Seligman wrote Authentic Happiness after he turned the normal psychologist's research into depression on its head and decided to focus on positive psychology. He also wrote Learned Optimism, and he said "why don't we also study positive psychology, what makes us happy, not just the chronic cases of people with extreme mental health issues?"

His research led him to coin the term learned helplessness. This will be one of your biggest obstacles as you progress toward success. He placed some dogs in a box they could not escape and shocked them. After trying unsuccessfully to escape, they just lay down and gave up. An ethics professor justified the experiment on the basis of greater good for humanity. The ethics of the experiment did bother him.

Then he took the same dogs and put them in a box with low sides they could easily escape. When shocked, they just lay down and gave up. Then he put a different group of dogs in with the shocked ones; when shocked, these new ones jumped out, but the preconditioned ones wouldn't. What Seligman deduced was that we can rewire the brain towards helplessness. He also noted that the shocked dogs were depressed.

It's similar to monkeys in a cage. Rather than feeling happy by being in the protective security of the cage, jungle monkeys get depressed. They're happier in the wildness and risk of the jungle. Our modern institutional education system doesn't let you be in the jungle. The teacher doesn't say "here's a library of books; go study whatever you want about California." No, she says "we're going to read this chapter, then that chapter." It's monkeys in a cage.

When I read a book of my choosing, I'm in my jungle.

The same thing can happen with a wage or salary. We expect that paycheck, somebody to take care of us, and if it dries up, we don't know what to do. Paychecks aren't necessarily bad, but if we're jungle monkeys we work on performance or create our own income through entrepreneurism. Our modern specialized world divides labor more dramatically than in earlier times when almost everyone did some spinning and gardening and firewood cutting. The lack of eclecticism in our modern sophisticated world facilitates this sense of helplessness.

I'm not suggesting that the old days were better; I'm suggesting that today's labor and life segregation skew us toward learned helplessness. You can't fix your computer. You can't fix your car, refrigerator, or microwave. Long ago, everyone knew how to plant a garden.

Everyone knew how to fix a buggy spoke. Everyone knew how to take a piece of cloth and make a shirt. Think about areas of life where we've learned helplessness. Education is one. How about health? We say we can't be healthy until the next diet book comes out. The fact is that in our modern world, we're in an amazing jungle.

You can Google anything. You can take risks; goodness, in America you can even go bankrupt. That's not allowed in some countries. You can morph, rely on friends, work a job for awhile--you can enjoy the jungle. If you try to get healthy and maybe twist your ankle by pushing too hard, you have excellent medical care. Our jungle in the U.S. is a tamer jungle than other places and in times past. UFC fighter Brendan Schaub said he succeeded because "I took risks, man. You're never going to get there without taking those risks." Years ago, these guys fought almost to the death. Today, they have doctors at ringside. We have a great jungle today.

Want a relationship? Try internet matchmaking platforms. Stalkers? That's media bias. Fully 90 percent of assaults come from people you know. Meet in a public place. Take the risk. Get out of the cage. With risk comes reward, and with reward comes the good life.

Seligman said depressed people were the ones who had a feeling they could not control their destiny. So think deeply about what you've labeled "this is out of my control." The antithesis of helplessness is creativity. Jeff Bezos said "we're going to innovate out of our problems, innovating out of wherever you are is the solution." If you're 100 pounds overweight, you can innovate your way out of that cage.

I had an Uber driver who couldn't find my house. We were driving and I said "let me get this straight. You are a taxi driver. Your profession is getting people from one location to another and you are so helpless that you're asking me? Buy a

GPS!" People ask the stupidest questions. Today we have 10 times encyclopedic information at our fingertips. You're not helpless.

Allan Nation, my second mentor, used to say "go back to 14 years old. That's when your mind was the clearest." Studies about IQ say it peaks at 14 because it's right before you have stress and well before senescence. What did you want to do with your life at 14? Astronaut?

Nurse? Doctor? Millionaire? Singer? Why didn't you pursue that? For most of us, the answer is learned helplessness.

I wanted to play pro basketball. I wasn't good enough, but I could have coached. I could have innovated my way into pro basketball, but I put myself in a cage of helplessness. I guarantee you've given up on something. Sometimes it's wise to give up, but more often than not, you gave up because you were a victim of lack of creativity. You were a victim of being a victim.

Arnold Schwarzenegger realized the secret to success was reps and sets. He practiced body building. He practiced on his accent. He practiced acting. He practiced selling real estate. He went to every realtor he could find and said "teach me, teach me, teach me." Mentors won't come to you; you have to go to them. If you live in the jungle, you need drive; you have to want it.

Colonel Sanders asked 999 people to help him launch a chicken business. The 1,000th person said yes and gave him the money to start Kentucky Fried Chicken. He never gave up. He wasn't helpless. Dr. Seuss submitted Cat in the Hat to 30 publishers--think of that, 30 rejection letters. But finally he found one willing to take a chance. Think what a gift Cat in the Hat was to the world, all because he didn't give up on his jungle idea and he kept at it until he found a publisher willing to step into the jungle with him.

Every tool is available for you today. Platforms to launch social relationships. Platforms to make spread sheets. Platforms for rapid communication. This is the worst time in history to be lazy because opportunity beckons at every corner . . . outside the cage.

Question: What is one thing that you wanted to start or try but didn't because you felt helpless?

Question: What is one thing you feel helpless about right now? What is one creative idea that can help you take control of that?

# 8 FOUR PILLARS OF EUDAIMONIA

In general, we live and think in a reductionist paradigm, breaking our existence into parts. Work, social, holiday, vacation. The fallacy of this is that if we want to live a 10, breaking our lives into 10 pieces of 1 will not give us a 10. A segregated, parts-oriented life can never compare with an integrated one.

Whatever you believe, own it. If you're a Christian, go to church. If you're Muslin, say your prayers. If you're Catholic, go to mass. My greatest takeaway from living with the Amish for two and a half years was learning to appreciate the integrated life. According to Jared Diamond, author of Guns, Germs, and Steel, the Amish have only 20 percent of the depression compared to the regular population.

Although the Amish don't use electricity or have iPhone, their contentment is not primarily a result of simplification, it's integration. They work together, play together, build together, fix together, worship together, and marry tightly. One guy fixes harness. Another does carpentry. Another has a big vegetable garden. All their social, economic, and belief structure is tied together.

Indicators of reductionism and segregation are many: "I hate Mondays;' "Thank Goodness It's Friday (TGIF)." This thinking drops your dopamine levels. Children wake up every day excited for a new day; they haven't yet separated life. The butcher, baker, and candlestick maker used to live above their shops. Now we commute. Jonathan Haidt says "no matter what, traffic will always make you stressed." I created my office in my house to not have to get up in the morning and drive anywhere.

One of my business partners, John, has a two-mile rule: everything you need in life within two miles. That's physical integration. It touches all aspects of life. Lieberman, Harvard paleoanthropologist, studies insomnia and has a hypothesis that people don't sleep well because it's too quiet. Historically, people slept with kids and dogs all in one place, so we're hard wired for an integrated night, not one bedroom for sister, one for brother, and one for mom and dad. The one room school house fully integrated young people in a community. My Argentinian friend Hermon has an open door at his house; anybody is welcome like one big happy neighborhood.

People ask me what I do for a living and I respond "I just live, man. My life is my work and my work is my life." If you live for vacation, you must not like what you do. I'd rather have zero vacation and 12 months that I like. Freud said you don't want every day to be a 10 because then you wouldn't appreciate a 10 when it came along. Several decades ago someone did an experiment with a hedonic machine that would give you bliss and continual pleasure and found people didn't like it because they forgot what normal felt like.

I want to be excited the majority of the week; I call it tap dancing to work. Every great philosopher in history has analyzed eudaimonia, an aspiration to the good life. What is it? I think it's four pillars: health physically; wealth financially; love of friends, family, and romance; fulfillment from purposes larger than yourself. Practically speaking, then, how do we quit compartmentalizing and achieve integration?

I looked at going to the gym and decided to put one in my house. But then I missed stuff in the office if I was at the gym room. I now have the office gym; it's the best idea I ever had.

It's a monitor, a little place to sit next to some weights. When I'm on a phone call, I walk over and lift some dumbbells. Some personal trainers promote working out five times a day in little amounts. Even a two-hour workout after an 8-hour day sitting at a desk can't offset the sedentary damage. Farmers are strong because they work all day, modeling the integrated fitness program. Sit on a bouncy ball while you're typing to keep your core strong. Get a treadmill desk.

My mentor Joel Salatin taught me about biological edge effect, where forest and field, field and water, or forest and water meet. That integrated space supports the greatest diversity of life. Think about your work as an edge effect. Install a bed so you can power nap with your legs elevated while reading a book in your office.

Edge effect your social life with your work life. Entrepreneurs constantly bump into people far more than folks pulling time in a Dilbert cubicle. My friend Giorgio Butoxio started a restaurant because he loved meeting people. He said "people always open up to you when you serve them food." He leveraged wealth to leverage work to leverage social contacts to leverage love, creating good life synergy.

The fourth pillar is fulfillment or happiness. Martin Seligman talks about three levels: pleasure, authenticity, and causes beyond yourself. Of the three, the last one is the highest level. Mother Teresa said "people in the modern world aren't happy because they're trying to be happy by getting stuff for themselves." Boom. She said "happiness is found in doing something for the larger good."

Jeff Bezos said "great people pick something and commit to it for real, with passion." The Amish don't change their lifestyle or actions on Monday because they aren't in church. All of life is integrated. Statistically, people who stay married the longest tend to marry childhood friends. As you form your business relationships, find childhood friends because the bonds will be stronger. The Girl Scouts have a little ditty they sing: "Make new friends and keep the old. One is good and the other is gold."

Avoid the dichotomy where you do something you don't love in order to make money to do something you want in your spare time. Pablo Picasso said "make your spare time the same as your everyday time." An older guy asked me once how to do this working as a shoe salesman at Nordstroms. I asked him what he liked and he said "tennis." I told him to go get a part-time job somewhere else selling tennis stuff. I asked him what he was doing for his physical health, and he said he'd tried yoga but didn't stick to it. I asked him what he liked? "Tennis." Guess what I advised him to do? "Go play tennis!" Duh. Integrating is not rocket science.

You go to Vegas and you see people trying to forget their horrible life. They've devoted a week to getting happiness, and it's an illusion. Rituals like Thanksgiving and Christmas are fine, but spread them out. Take the calendar lightly and put your attention on integrating your four pillars.

Question: What is one change you can make in your work place to integrate health? Question: How can you link up your spiritual interest with your work?

Question: What social activity could you do that aligns with your beliefs and enables you to participate in something bigger than yourself?

# 9 WARREN BUFFETT'S BOOK-A-DAY-DIET AND MAKING WAR WITH A MULTITUDE OF COUNSELORS: WHY BILLIONAIRES READ A LOT

Long before I went public with my own book club, I developed the habit of trying to read a book a day. As I began traveling and meeting wealthy people, I saw a consistent pattern in their lives: avid reading. My rich friends are always seeking; my poor friends seem to think they have all the answers.

Many years ago Warren Buffett and Bill Gates, at that time the two richest men in the world, in independent media interviews answered the same way to the question "if you could have one superpower, what would it be?" Their answers were identical: "to be the fastest reader in the world."

One of the keys to adaptability is observing what people do, especially the kind of people you'd like to be like. Jim Rohn, life coach to Tony Robbins used to say that the difference between a rich man's house and a poor man's house was that almost always the rich man's house had a library. Alexander the Great used to travel with his library as part of his entourage--even on the battlefield.

So what's keeping you from reading? People set up mental excuses for roadblocks.

Poor folks often say rich people steal, or inherited, or got lucky. If you're not reading voraciously, you might say things like "books aren't that important. It's not about being book smart; it's about being street smart. It's not about what's in our head; it's about what you do. If you read all the time, how do you get anything done?" Really? Does anyone regret downloading the world's best advice, wisdom, and inspiration? Of course not.

The most common refrain is "I wish someone had told me this 20 years ago. I wish I'd heard this 10 years ago." Richard Dawkins wrote "Survival machines that can simulate the future are one jump ahead of survival machines who can only learn on the basis of overt trial and error." He was speaking of humans as survival machines and pointing out that the time and energy to learn in real time is too slow and expensive. The result is you quit rather than adapt and persevere. Dawkins' point is also that one of our unique human attributes is that we can learn beyond instinct; animals can't.

I have a friend who was frustrated about his dating life--he could never get a second date. I suggested he read a book about dating and he responded "You know, Tai, I need to learn from experience, make my own mistakes, my own trial and error." That's crazy. I prefer Warren Buffett's advice: "We all learn by mistakes, but it's a heck of a lot easier to learn through other people's mistake." Sam Walton wrote his autobiography at the end of his life and included the story that he lost all his money on his first venture because he failed to read a contract. For a few bucks you can learn this valuable lesson--read your contracts. You can be mentored by the greatest people in history through books.

The other part of this is a multitude of counselors. My billionaire friends all have CPAs, CFOs, a board of advisors, mentors, paid consultants. You can't specialize in everything. If you broke your arm, you'd go to the emergency room where people who know how to set bones will help you. And you don't just ask anyone on the street "Hey, buddy, do you know how to fix broken bones?" Your choice of counselors determines your security or risk.

We're like birds--fearful and skittish. Counselors mitigate risk and therefore fear, giving us confidence to progress. I suggest 25 percent of your book reading be about health--not diets, but overall physical health. Your body will appreciate what happens when you learn how to stay healthy.

With more than 130 million books to choose from, you need to read intentionally, concentrating on the good stuff. My goal is to read 10,000 books in my lifetime. Read the best books first, determined by author not by title or cover graphics. Don't get sucked in to advertising glitz. Read like a gold miner. Set a time each day and don't try to read every word. I like to look at the table of contents, maybe drill down on one chapter, find a couple of nuggets and write them down in the blank spaces in the front or back of the book.

Don't feel like you need to read every word; get the gist. Tomorrow, mine another book. Whatever you missed in the first book by not reading every word will be compensated by finding a nugget in a new book that you'd never get to if you plodded through every word of the first one. You can always come back to one that really had gold. It's like friendships. You have a short introduction and next time you have a longer conversation and if you become besties, you might spend a weekend together. You can always come back and find more nuggets in your favorite books. I read some favorite books every year and always find a new nugget.

I like to start my day with a great thinker: Aristotle, Socrates, Locke,

Descartes, Darwin, Will Durant. Just take a few minutes over breakfast or while you're getting dressed; cleanse your mind and fill it with great thoughts. Later in the day read something practical, perhaps a how-to book, and let yourself fall asleep reading--a nap prequel. Anything that gives tips for health, wealth, love, and happiness fits.

Then at night, I read a biography because they give you courage. How-to gets your mind racing and you can't fall asleep for the night; they're fine for a nap. Health guru Ben Greenfield recommends a midday nap. But at night, you want courage to permeate your thoughts, giving you this prime character trait by osmosis. You can read fiction at night too, but I don't recommend horror. I'm not a big fiction fan, but I do enjoy historical fiction like James Michener. Now let's talk about mechanics. I like the three passes rule. First pass is the covers, both front and back. Second pass is the table of contents and the third pass is one chapter that catches your eye. That's enough gold for one day. Most books have one or two great points and a lot of fluff. Find the point and move on without feeling like you've deprived the author.

You bought the book; he won. Move on.

What's holding you back from reading? For most of us it's having been forced to read horrible stuff in school. Get over it. Just start and you'll be amazed at how the world opens to you. I like physical books, but e-books are okay if that's where you need to start. I like to be able to grab a book off the shelf, make margin notes in it, feel it and smell it in my hands, have a visceral relationship.

If you want a six pack brain like six pack stomach muscles, you need to get started, stay with it, and grow to love your reading workouts. The love will come as you start seeing the benefits of the exercise.

Question: What's your biggest excuse for not reading? Now what are you willing to commit to? Write it down and keep a journal of your nuggets for 67 days. It'll change your life.

# 10 STOIC VERSUS EPICUREAN ARNOLD'S 1000 REPS, APACHE COLD SHOWERS AND THE SPARTAN WHIPPING POST: WHY YOU HAVE TO DEVELOP THICK SKIN

My grandfather Charlie gave me a wonderful book series when I was 16 and it included a saying that still sticks with me: "a nation is born stoic and dies epicurean." What does that mean? Ancient philosophers generally fell into one of two camps. The stoics were the investors who believed in foregoing present pleasure for future gain. The epicureans wanted to live in the now, eat, drink and be merry for tomorrow you die, like today's hip-hop YOLO--you only live once.

A balance between the two is probably what you need. We live in a convenience- oriented technology-based time that makes us softer, weaker, more sensitive and less willing to grit it out. When Arnold Schwarzenegger began body building as a young man, his idol Reg Par mentored him. Arnold wanted big calves and when Par told him he could do 1,000-pound calf raises, Arnold was incredulous. But sure enough, in a year his calves grew by two inches and he achieved what he thought was impossible.

Why do some people get what they want and others don't? I started asking that question as a teenager. When I moved to Hollywood, my two neighbors were Russell Brand and Katie Perry on one side and Cameron Diaz on the other--shining stars in a land of broken dreams. Victor Hugo said "Adversity makes men and prosperity makes monsters."

How soft are you? When's the last time you went a day without eating, went camping and slept on the hard ground, or sat down and read a business book without getting up? An old Amish farmer told me about the three types of people: "Those who make things happen, those who watch things happen, and those who wonder what happened." If you're wondering what happened to your life, the answer probably revolves around toughening up.

Just out of my teens, I spent four months in New Zealand shearing sheep to pay for the trip. If the shearers heard me complain about the 12-hour days, they'd say "Harden up, mate." The media sells us convenience and now half of us are diabetic, more than half obese, and nearly a quarter of us are on anti-depressants. Don't be the sucker for frozen dinners and big Gulps. We don't need to chase more Louis Vuitton high heels; we need 300 Spartans.

Spartans lived by eight rules. Children must prove their fitness. Children were placed in a military style education program. Fighting was encouraged. They were expected to be lifelong soldiers. Courage was ritualistically tested. Food was intentionally kept scarce and poor fitness garnered ridicule. Spartan men could not live with their lives until age 38. Finally, surrender in battle was the ultimate disgrace. This almost sounds abusive today, but it created a culture that still bears the benchmark of winning warriors. Take a cold shower. Take the stairs and not the elevator. Lift something heavy. Run around the block. Turn off the air conditioning for a day. Read a hard book. Take a martial arts class. Do a hundred pushups. Go a week without sugar. Inconvenience yourself with something hard.

Now to the cold showers. Many Native American tribes used cold water to toughen up. The Sioux in North Dakota would cut ice off the water and bathe their toddlers. When asked by whites why they did this, the mothers simply replied "We're teaching them to be brave." Sitting Bull allegedly told his warriors when going into battle "Today is a good day to die." In other words, be tough, be brave.

Sometimes you need to be soft, like when you're nurturing a sick child or elderly parent. But sometimes you need to grit your teeth and say "today, we go to war." War on adversity of life, war on your problems. Several times a week when I'm finishing a shower, I turn off the hot water and blast myself with cold, shouting "be brave, be brave!" The Apaches lived in the desert. They would put water in the mouths of teenage boys, make them run 10 miles, and then spit out all the water.

Your body cells need strain to freshen and build back stronger. Use it or lose it. Your bones and muscles need stress and strain to release the osteoclasts and osteoblasts that keep things strong and rejuvenated. You need the toughness to handle the grind of life. The Spartans would tie teenage boys to a whipping post and whip them, sometimes to death. But that hardening made them tough when life demanded toughness. If you were assaulted on a street, who would you want coming to your defense? A dainty soft hand soft skin person or someone with some battle scars? Forget the soft; bring me the hard, tough person.

Beyond physical toughness, though, the real point here is about mental toughness. You're competing with 7 billion people on the planet. Put away your phone for a day; people lived without them for most of human history. Tough to me means not reliant on things, on too many crutches. Positive psychology research proves that through trial and some level of adversity you release more dopamine. This isn't to say you have no sensitivity, but you need to be more tough than level two.' On a scale of 1-10, how about moving to level 6 toughness?

I've worked for 24 hours straight; once even for 72 hours. I challenge my team to forget the 8 hour work day; after they pull a 24 hour stint they feel better for it. They feel tougher. Pick something you don't want to do and just do it. It'll rewire your brain; you'll feel intrepid. Start gently and build; don't traumatize yourself. Drop and do five pushups; in a few days move to ten and in a couple of months you'll be doing a hundred. Turn the shower cold on for two seconds and then gradually build to a minute.

Camp on the ground. Take the stairs. Do volunteer work at a farm. This is not silly; it's making you physically and mentally tougher, which makes you more competitive, more resilient in the vicissitudes of life. Look at a business failure as one of those whipping post scars. Don't freak out, claim victimhood and whine. Embrace it as a battle scar. Alexander the Great's father, Philip the Macedonian, took an arrow in the eye and still went into battle. The world has always gone to the persistent, which is another word for tough. If you have some financial success and get some money, don't blow it on congratulatory celebration. Save it.

Joel Salatin used to tell me "when we don't know what to do, do something.

Do anything." Often, a bias toward action is better than nothing. You don't want to live in quiet desperation, which is really just resignation. Do stuff; do hard stuff. You'll be happier.

Joel has two kids, Daniel and Rachel, who worked all the time on the farm and they were happier than city kids with no chores and a house full of video games. I've never seen kids happier than the Amish kids, gathering eggs on a cold day, filling the wood box. These hard workers were the happiest people I've ever met. Ease and luxury trap you. Adversity frees you to invincibility.

Question: In what area (health, wealth, love or happiness) have you gotten the weakest? Now, what step can you take for 67 days that will toughen you up in that soft spot?

# 11 THE WHISPER OF 10,000 GENERATIONS, DUNBAR'S 150, AND EVOLUTIONARY MISMATCH

When he wrote the book *The Selfish Gene*, Richard Dawkins explained evolutionary mismatch as historic neural memory versus the modern context. "Go with your gut" works sometimes, but it's based on our neural memory derived from ancestral history. Our brains have pieces of great, great, great, great, great, great grandma.

As a result, we are not our own autonomous selves; we are partly ancestral. Our impulses (gut) are partly what served our ancestors' context 20 generations ago. Here's a great example. The whispers of 10,000 generations tell us that food will be scarce so when you find extra sugar, fat, or energy, eat as much as you can. When you walk into Wal-Mart with that ancestral brain, it says "load up." This is evolutionary mismatch; brain rewiring takes longer than civilization change.

Here's another one. Our ancestors went to bed when it got dark. They slept 9 or 10 hours and had virtually none of our modern day chronic illnesses. Today, we have artificial lights that make us think we can stay up all night. Even your phone gives off light. What about finances? We're living longer, which means retirement and savings are far different today than they were for ancestors who died in their 40s.

According to Harvard professor Daniel Lieberman, author of *The Story of the Human Body*, the root cause of almost every chronic health issue in our modern world is this evolutionary mismatch. It's why processed food manufacturers put attention on manipulation that will keep us from saying "this isn't healthy for me." Many instincts are good, like jumping out of the way of a car before it hits you. Running to the sound of a crying baby. As important as instinct may be, it does not always serve you well.

Robin Dunbar invented Dunbar's number which says anthropologically humans lived in small groups. A village of 100-150 people was the norm; only 10 percent of the people lived in bigger cities. Today, it's reversed. The technology that lets us fly anywhere and live in big cities is neither good nor bad, but technology is like Newton's third law: for every action there is an equal but opposite reaction. Being able to move apart from your family has its pros and cons.

My great grandfather was a psychoanalyst and he used to tell my grandma "A lot of times, the worst thing for children is their parents."

Dr. Martin Adshade says the healthiest marriages are with people we've known a long time, preferably childhood friends. Many people are lonely because we aren't mentally programmed to make new friends as adults; we were supposed to make all our friends as children and then live near them the rest of our lives. We have a saying that college is the last time a person makes really close friends; it's because that's the way we're hard wired. You have to work to overcome it.

An Amish friend told me "new friends are good but old friends are better." In my companies, Jeremy works for me. We've been friends since we were two years old. I call my old friends to come partner with me. Three-time TED talk speaker, NYU professor and author of *Happiness Hypothesis*, Jonathan Haidt told me on the phone "Tai, we need people that we have what's called companionable love and that comes form going through adversity together." You don't find that during superficial hang-out time at the party or the bar.

Think about the Steven Spielberg movie *Band of Brothers*. Almost nobody has friends like war veterans. Shared adversity is the key. You want employees that make you happy? Reach back to childhood friends and make an offer. That's been one of my most enjoyable and rewarding experiments and I don't know why more business advisors don't talk about this. The one caveat is to make sure you pick the good ones; don't pick the bad ones.

Think about sleep. Historically, we slept with noise--snoring, howling wolves, crackling wood on the fire. Today, our quiet insulated bedrooms don't provide our brains with a subconscious feedback loop that says "everything is okay." Financially, we need something more than subsistence in our modern era. Cashless societies didn't really think about money; we need to if we're going to function well.

Sigmund Freud in *Civilization and its Discontents* writes about some people wanting to pursue happiness socially can't get past the pain and betrayal nightmares of previous friends, families and romances. They withdraw like a monk or hermit. I tend to be a pretty happy person and I think I might have stumbled on Freud's principle without knowing it because I've always kept in contact with old friends and both my immediate and extended family. I encourage you to go back and revive some of those old friendships. It'll bring happiness to your life.

The point here is that our 10,000 whispers can sabotage every part of our life.

Remember the wonderful prayer from St. Francis of Assisi: "God grant me the courage to change the things that I can, the patience to accept the things that I can't, and the wisdom to know the difference." Since you know your brain craves Skittles and Pringles, don't buy them and don't put them in your kitchen. Don't eat out much.

The average person eats half a dozen fast food meals a week. If you want the good life, you can't do that. If you want to sleep better, get a noise machine. Darken your room so streetlights can't come in. Financially, get onto an automatic savings plan so when you live past 40 you'll have a nest egg. Revive an old friendship.

One final theme of this 10,000 whispers is humility. Sam Walton exhibited it. The Amish teach their children about gelassenheit. It's a German word that means giving up, or humbling yourself, or bowing your knee to God. You may not be religious, but every one of us must bow the knee to something. Even Jeff Bezos, who prides himself in breaking the rules, says he doesn't try to break the laws of physics. You have to recognize something bigger than yourself.

You can't fight physics, so bend the knee. You'll more likely get what you want and it gives you some rules to follow. We all do better with rules. The whisper of 10,000 generations is that there are rules. Rules about the kind of food you should eat. How to respond to temptations. Type and length of sleep. Numbers of consumer ads you can handle in a day.

Types of friendships. Bow the knee.

Harness the 10,000 whispers for your good but don't let them control you. When I lived with the Amish David Klein hitched up 10 horses to a heavy wagon and gave me the reins.

Wow, the power and beauty of those 10 magnificent beasts pulling in unison was better than a Ferrari. But I also had a couple of runaway horses during my time there. What a nightmare. That's the way these 10,000 whispers are--wonderful under harness, but deadly when in control.

Question: can you think of one thing you can do in the categories of health, wealth, happiness, or love that will can harness your 10,000 whispers?

# 12 MIKE'S STACK OF RESUMES, MY 96 YEAR OLD GRANDMA AND YOUR EULERIAN DESTINY: HOW TO CREATE YOUR ONE-SENTENCE DESTINY PLAN

"How do I know what I should be doing with my life?" is the most common question people ask me. In *Managing Oneself*, Peter Drucker said humans didn't need to ask this question in the past because destiny was largely determined by family occupation. Today's opportunities let us choose what Martin Seligman calls our unique signature strength.

One of my first mentor was an Irishman named Mike and one of the wealthiest guys in Europe. He got about 25 pitches a day from people with ideas and resumes wanting him to invest in their project. I asked him how he vetted the good ones and he said "simple, Tai. I look to see if they can tell me what they want to do in one sentence. Even if it's a good idea, even if it will eventually make them a million dollars, I know they're not ready until they can tell me in one sentence."

Ideally, this sentence is 12-20 words. The shorter the better. Here's mine: SPREADING GOOD IDEAS USING MASS MEDIA. Six words. Everything I do must fit those six words.

Most people say "But Tai, I have so many choices." Actually, you don't. Don't forget the 5 percent rule. On a scale of 1-100, real success only comes to people at 95 or above. You can be pretty good, but only 5 percent of singers make it; 5 percent of actors make it; 5 percent of investors make it. You can't be very many top 5 percent activities in a competitive 7-billion person world. Michael Jordan tried baseball and couldn't even make the minors of the minors. But he excelled at basketball.

Most people are delusional, thinking they have 10 or 20 choices. Not true. You might be average at 10 or 20 things, but you won't be in the top 5 percent. When you got up this morning, did you pop up, excited for your vocation, your spouse, your health? If not, maybe you've made a wrong choice.

Luckily, one of my first mentors, Joel Salatin, was such a role model to me because that's a man who tap danced to work. He did it because it's obvious to me now in hindsight. He was following his Eulerian destiny. I was there on his farm two years. He was a Christian and every day he would pray around the table at dinner with his family and say something like this: "God, I thank you for letting me help give the world the gift of good food." That was it. Let's say "Give the world the gift of good food." Eight words. He had his Eulerian destiny. He is the world guru of pastured livestock because it was something where he could be the best.

Jack Welch, one of the best CEOs of all time, transformed General Electric by selling off enterprises where the company couldn't be either number one or number two. He cashed out. By focusing only on those number ones and number twos, he took GE to unprecedented heights of prosperity and innovation. Be good at one thing and you might be the best. How do you find it?

Eulerian is from geometry, where circles intersect. Let's think about four circles. The first one is what you grew up around. Dr Helen Fisher says you have a love map, or a destiny map. It's what you were born in. Most people stay there. I was raised by two college professors--not my parents, but my grandparents.

The second circle is stranger feedback. If you want to be on American Idol, sing for a stranger and ask if you should proceed. It might save you embarrassment and wasted energy. What have strangers consistently complimented you on? If people aren't complimenting you on your smile, you probably shouldn't be on camera. I began reading before I was two years old. I had stacks of Curious George books in the bathroom while potty training. Strangers routinely said "Tai, you can read really fast." Our education system seems to concentrate on weaknesses instead of strengths and it makes no sense to me.

Third circle: what have you been doing for the last 10 years? When I was with Joel Salatin, he was writing books so I was imbedded in teaching people about food and farming. I began buying and selling nightclubs, taught people how to do salsa dancing. When I became a Certified Financial Planner I taught my clients about money and investing. Even if you've been doing something you hated for the last 10 years, realize you've developed skills there, perhaps even mastery, that could pivot a bit and give you all you want.

The fourth circle is what you can talk about effortlessly, on a Saturday night hanging out with friends. Joel Salatin used to tell me "If you have to go on a vacation from what you do, you should never come back." Just look back at the last two weekends. Every time you're around people, do you talk about politics, cooking, sports, gardening? This is a clue that will help you piece it together. The Eulerian is where these circles intersect.

I met a celebrity once who said "make your mess your message." If you had a horrible upbringing, leverage it. Oprah Winfrey had a terrible home life growing up, but that makes her able to identify with tragedy and trial like few others. It gives her uncanny keenness to punch through dysfunctional family issues.

Remember that these four circles apply to all four pillars of the good life: health, wealth, happiness, and love. Some bodies are built for jogging and others aren't. Make your circles for your health program. I seem to do best with vegetables and meat. Others thrive with less meat. If you're stocky like me, your exercise might be best in a weight room instead of a running regimen. My dad was a power lifter--I grew up around that.

I grew up in a big, gregarious family of social stimulation. When I left home and started finding mentors, I was immersed in social life. Joel Salatin gets hundreds of visitors a week at his farm. The Amish live in vibrant community. So it's natural that I would gravitate to social interaction and media. Everyone finds fulfillment differently. Some are lovers and some are fighters; the world needs both. Alexander the Great clearly excelled at being a warrior. Mother Teresa clearly excelled at being a nurturer. Nelson Mandela clearly excelled in being a statesman later in life. You can be talented and take ground in one thing.

Finally, keep your sentence simple. Everyone you say it to needs to understand it.

People come up to me and say "Tai, we're going to leverage social media into existing platforms." I have no idea what that is. Be concise, precise, but above all, simple.

Question: what's your one sentence business destiny?

# 13 AMISH VACATION, TAP DANCING TO WORK, AND AVOIDING WHAT YOU LOVE: HOW TO SET UP YOUR LIFE SO THAT YOUR WORK IS YOUR VACATION

In my early 20s I had the distinct pleasure of spending a couple of years with the Amish in Holmes County, Ohio living with David Klein. I was in a time of crisis in life, faith, and understanding. Mom was getting divorced. I didn't know what religion I wanted to believe, who I could trust. I'd been with the Amish when my mom and step-brothers fled to them during Y2K and wanted to spend some more time with another group of these folks.

The Amish are not Mormons and not a cult. They are primarily Germans who live today mostly the way people lived 200 years ago. I was in the barn with a 65-year old Amish dairy farmer one morning. He milked cows 365 days year, 7 days a week, by hand, from about 4

a.m. to 6 a.m., at which time he'd go in for breakfast. I asked him when he'd taken a vacation. He responded "Tai, I took a vacation when I got married, when I was 20, 21, or 22. I was sick a few times. I missed a few days, but basically . . . ." He just looked at me with a quizzical but radiant smile like the thought of a vacation had never crossed his mind.

So what does this have to do with me, with you? He was surrounded by his wife, children, grandchildren, nieces, nephews. I'm not trying to oversimplify and say the Amish are perfect, but I'm telling you, I've never seen as many happy people as I saw in the Amish communities. In Guns, Germs and Steel, Jared Diamond said the Amish have one-fifth the depression rate of the greater culture. My Amish dairy farmer friend was normal in that community--completely happy without a vacation for 40 years. Have we been lied to?

Yes and no. Downtime as part of a cyclical rhythm is good. The Amish take Sunday off and don't do much on Saturday. But the idea of walking away from work to recharge is completely foreign to them. I sometimes watch mindless movies for a routine downturn. But Europeans who brag over 2 month vacations are in a more pathetic situation than Americans-- they're both living for vacation. That's pathetic.

Famous artist Pablo Picasso said to never permit a dichotomy to rule your life, a dichotomy in which you hate what you do so you can have pleasure in your spare time. That's a nightmare. A life built around vacation is no life at all. The obvious next step then is to do what you love. But wait. My mentor Allan Nation said "Tai, never do what you love because the second you do it for work, you won't love it anymore. Instead, do what you like."

That's profound. He even said you shouldn't marry for love, meaning lust or infatuation.

When the initial romance wears off, you're just too people who have to get along. Better to marry someone you like, someone that's compatible. That's why in the Eulerian destiny one of the circles wasn't love. The whole idea is to do something you're suited for. This isn't easy; it's nuanced, but if you just pursue what you love, you'll waste valuable time and energy chasing dreams for which you might be ill suited.

David Klein, my Amish host, would get up at 4 and milk cows, eat breakfast at 6, then take a nap from 7 to 9. That was down time and protected him from burn out. That ebb and flow built into the day was his idea of vacation. When you hate your job and all you can look forward to is a vacation half a year away, even the vacation doesn't undo the hate.

When I meet someone who takes two month vacations, I know immediately the person is not changing the world. People who wake up every morning to change the world don't need those vacations. Business innovation guru Jim Collins said top people don't get there by a lucky happening, but normally a lucky who. For me, 18 years old Joel Salatin popped in with his farm apprenticeship program. What I learned wasn't primarily from his verbal wisdom; it was what I saw without him saying anything. And one of those things is the man tap danced to work every day.

I don't see many adults with a gleam in their eye. It's almost mischievous. It makes you spring out of bed every morning. As a culture, we've squashed entrepreneurism. When you don't tap dance out of bed in the morning, it's time to make a change. That doesn't mean life is easy; it means life is enjoyable and you're not waiting on a vacation to give you satisfaction. If you're burning out, make an 18 month exit plan.

I like Michael Gerber's book E-Myth, but I disagree with him about entrepreneurs taking advantage of opportunities. If you chase every opportunity, you won't succeed at the one that fits you. You have to let most opportunities go because you simply can't do them all. Walt Disney asked Bob Hope to invest in his new idea called Disney Land. Hope turned Disney down, but he was wildly successful at leveraging his unique talents. Only take the opportunity that fits your personality, talents, and interests.

Chasing vacation or chasing every opportunity are flip sides of the same coin--lack of happiness in what you're doing. That means you're not living for a vacation. Once you achieve that, you need to move on to the tap dance. What makes you tap dance may not be the best opportunity. Tap dancing to work isn't primarily about money; it's about the gleam in your eye.

Who could ever be more successful than comedian-actor Robin Williams? Fame, money, he seemed to have it all. But somewhere along the line he quit tap dancing and ended up committing suicide. If you are not happy because you are in the wrong place, then move sooner rather than later because you start rewiring the brain to stay and become acclimated to those things you don't like. Sometimes it doesn't take a big jump to realign. Move around; ask for a promotion; ask for a job transfer; launch a new product; retire one thing; get away from some person. I estimate glimmer in the eye in only one in a million. You can be the one in a million.

Thoreau said most people live lives of quiet desperation. Vacation mindset is flawed at every level. The end game is the glimmer in the eye, an upturn to the face, an emotional drive; the easiest way to check yourself is literally to look at how you feel when you wake up. Early in life, like 14 or 15, is the best time to know what you want to do with your life. Early in the morning is when you have the most honest appraisal of your emotional state.

I've developed a acronym for balancing out your path to vocational happiness. It's P-A- S-E and stands for practical, action, social and emotional dominant forces in your personality type. True enlightenment requires a blend of these forces.

Question: are you or have you been vacation minded? Second part: for the last month, have you felt like popping out of bed? Third part: are you in danger of pursuing something you lust after as opposed to something that you like?

If the answer to any of these is yes, write down what you're going to change. You can get money back, but you can't get years back. Let's get this right.

# 14 THE SHAOLIN MONK AND TOUCHING AN ELECTRIC FENCE

I've trained in martial arts since my early 20s and had the distinct privilege of being mentored by Brad Huffman who is I think the only American to actually grow up in training in the Shaolin Temple in China. He said his Kung Fu instructors told him that if you got mugged at 30 years old, it was your fault because you didn't start training in martial arts at 5 years old.

Imagine that mindset, that whatever happens to me is my fault because I didn't prepare for it early enough? Instead of a mugging, let's take a more common bad experience.

Recession comes; you lose your job; your job gets outsourced; somebody betrays you; somebody breaks up with you; somebody cheats on you; an employee critical to your business destroys everything; a partner doesn't live up their end of the deal. Is it possible to anticipate this kind of thing?

Most things you actually can anticipate. You will get sick at some point. Nearly 50 percent of people will have some disability by age 45 that will require half a year of rehab. If the Shaolin monk is correct, everything not prepared for is our fault. The question is are you coming at life with the preparation mindset? What's in your tool belt? Social skills, intangible skills, winning friends, influencing people, persuasion, influence, charisma, perseverance, hard work, removing procrastination, removing laziness. Those are soft skills.

How about hard skills? Plumbing, electrical installation, small engine repair, surgery, welding, carpentry, masonry, writing, accounting. My poor friends don't have many tools; my rich friends have a belt full. Louis Zamperini, the Olympic runner who was shot down in WWII and survived 100 days in a raft and two years in a Japanese POW camp, going from 170 pounds down to 70, credited his physical, mental, and emotional preparation with his survival. Once you take responsibility for everything that happens to you, it changes your life.

The media fills your head with the idea that life is supposed to be perfect. It's not. Iconic historian Will Durant says that since Alexander the Great he can only find 11 years in which humans were not at war with each other somewhere. Thinking that everything is supposed to go well for you is both egocentric and foolish.

When I was with Joel Salatin on his farm, he repeated one of his dad's sayings: "If you don't have it in your head, you have to have it in your heel." I learned what that meant one day when we went to move the cows. He told me to get two electric fence reels, two white knobs (special porcelain insulators to tie off an electric fence wire) and three pieces of string. Back in those days, he didn't have an ATV (All Terrain Vehicle) so we walked about a mile to where the cows were.

We set up one fence and when we got to the end of the second fence, he asked for the second white knob and I realized I'd only brought one. He said "Tai, if you don't have it in your head, you have to have it in you heel." I walked a mile back to the farm shop, got the second white knob, then walked a mile back to where he was with the cows. That was a life lesson I've never forgotten. It's the same lesson from the Shaolin monk--if you don't prepare, it's going to hurt. You and I need to stop the heel pain. Prepare. Charlie Munger says "I've spent every day of my life preparing for the worst and I'm not pessimistic for it and I'm not depressed for it; I'm happier for it."

Positivity is great, but only in the context of preparation. The one sure thing in life is that you're going to be continually pushed through time. Depressions will come. Investments cycle. Things change. Your happiness depends on your ability to prepare for changes. A balance exists between pessimism and optimism. You cannot be completely unprepared and completely optimistic. And you cannot be completely pessimistic and completely trying to prepare because some things you can't prepare for.

In that raft, adrift on the ocean, Zamperini determined to think only of living, not dying.

But optimism doesn't mean you assume all your tomorrows will come up roses. You need to be optimistic about the end game, but until then, prepare for the worst. On the farm, we moved cows daily and controlled the herd with electric fence. We didn't assume the cows would stay where we wanted them; we put up the fence. The fence became a boundary; we set the limits and balanced the herd's needs with wants.

You don't want to be the zombie touching the electric fence, meaning life has natural boundaries and you need to respect where you are. You save money before you need it. You lift weights when you're young so you have residual physical vibrancy when you're old. Why do young humans make babies? It's in preparation for dying. That's a biological boundary.

If you intoxicate the brain that death isn't going to happen, that recession isn't going to happen, then you're always going to be touching the fence; you'll be the unprepared person. Prepare for what's difficult when it's easy; that's the principle. When Joel Salatin told me to get two reels, two knobs, and three pieces of string, before I headed out on that mile walk I should have stopped and considered what I was missing. I should have looked around and assumed I was missing something. Double checking takes 30 seconds. Don't obsess over it, but at least take a minute to assess.

When you wake up tomorrow, ask yourself "what can I do to prepare for the guaranteed biological, financial, social, and interpersonal crisis that could arise over the next week?" Want to be 60 without belly fat? Then start doing sit-ups today. Think about what the worst thing is that could happen to you and do something today to reduce that crisis. Prepared people are happy people. Ultimately preparation reduces worry because as you enjoy success defeating these bumps in life it boosts confidence.

Berkshire Hathaway keeps $20 billion in cash on hand in order to be prepared to leverage a good deal when it comes along. Speaking positive words is fine but it only goes so far; preparation is what gets you through calamity without being destroyed. If you mess up, it's okay to be a bit delusional and say "I was busy at that time." But you need to also say "I'm going to fix it and do better next time." That's the balance between not abdicating responsibility but also not fixating. Neither an abdicator nor a fixator be.

We are self-educating machines. We can adapt, change, do better. That's why I'm surrounded by all these books. If you really want to prepare, read a lot.

Question: what caused pain in your heel recently due to lack of preparation? Now fix it.

# 15 DESCARTES THE INVESTOR AND SOLVING PROBLEMS WITH THE CALCULATOR WHEN YOU SEEK TRUTH

As a philosopher, Descartes is sandwiched between the ancients like Plato and Aristotle and the moderns like Vichtenstein and Nietzsche. He's famous for "I think; therefore I am."

But he also did thought experiments. One he set up like this: "What if I removed everything that could involve an inkling of doubt? What will be left? What are those things that I can have no doubt about?"

If you want to push yourself, try this for an hour. For example, can one of your political positions possibly be wrong? Even 1/10th of a percent? Since we are queued to certainty with our cognitive biases this becomes a scary exercise. Can you be certain that a vegan or paleo diet is correct? How about eating a piece of fruit a day? Certainly someone has eaten a piece of fruit and died in the next hour.

I challenge you to do this for yourself. Your exercise regimen. Your business. Your job.

Now guess what Descartes finally decided was the only thing he had no doubt about. Take a minute. Don't read any more. Stop and imagine.

Numbers. I can hear you groaning "but I hated math." Unfortunately, rigid institutional education doesn't make math exciting and many of us come into adulthood with a deep aversion to numbers. But I'm not talking about math; I'm talking about the ability to quantify things into something tangible that you can make decisions around because the quality of your life will in great part be correlated to your ability to make decisions. If you're going to achieve your goals, you need to be able to make decisions congruent with those goals.

Richard Branson's autobiography *Screw It, Let's Do It* describes his dyslexia problems and how it made math difficult. But he realized business success required him to get comfortable with numbers; he taught himself accounting and numbers, catapulting him to remarkable success. Believe it or not, you can pull out a calculator and answer the question "what should I do with my life?"

Realize that most billionaires are investors. Yes, some are celebrities and some are business tycoons, but most are investors. Let's imagine that you work somewhere for 50 grand and someone offers you 100 grand at a start-up company. Should you make the shift? What are the odds that you can stay working at the current job for a long time and still be happy?

Eighty percent? Okay, multiply $50,000 by .8 (80 percent) which gives you a risk adjusted amount of money, 40 grand. Now look at the new job potential. What are the odds that it is going to work out? It's a start-up, which makes it a 30 percent survival chance. So you multiply $100,000 by .3 (30 percent) and you end up with $30,000. Which one is better? To be sure, I've oversimplified this but you get the procedure. If the start-up has a 60 percent change of survival, then your decision would be cast the other way. Reducing options to numbers is not as difficult as you may think.

In the case above, what if you think you'll go insane in your current job? If your chance of surviving it are only 10 percent, then you multiply 50 grand by .1 and suddenly realize this job is actually only paying you $5,000 a year. Sometimes the answer isn't obvious, but often it is.

When the numbers show a tie, you need to activate your multitude of counselors. Calculating your decisions this way liberates you from quandary.

Often the answer is rough; it won't be precise. But rough is often good enough. Life presents us with many questions: who to marry, what religion to embrace, what politics to follow, what to do for work, who to listen to, what books to read, who to date, who to befriend, what charity to support, what school your kids should go to. Rather than the paralysis that Barry Schwartz in *The Paradox of Choice* talks about, we can more forward confidently and efficiently by submitting choice to numbers.

How about deciding whether or not to keep a friend? List what's good and assign a weighted number to the value of each of those characteristics. Then list the bad characteristics, again assigning weighted numbers. If the difference is positive, keep the friend. If it's negative, ditch the friend. Don't worry about the imprecision; it's still more precise than emotionally wrestling without direction.

My calculator is like my Jiminy Cricket. It's a little compass in my conscience keeping me heading in the right direction. In a month or year I'll certainly change beliefs on some things, but I'm confident that 1 + 1 will still equal 2. That's certainty. So quantify, quantify, quantify.

What's the risk to your health if you eat at McDonald's every day? Four times a week? Once a month? The calculator will help you strike the balance between abdicating and fixating, like we talked about before.

Push yourself to exercise your brain with numbers. I keep an algebra book at my desk and pull it out a couple times a year just to do some problems, just to stay sharp. Play chess and backgammon. When Martin Fredson wrote his book on patterns in billionaires he noted that all of them enjoyed games of chance, especially those involving numbers or risk quantification, like poker or bridge. They aren't math like in a classroom, but they force you to quantify risk. Once in awhile when I'm sitting and don't have anything to do, I'm like "Tai, what's 18 times 14?" Exercise mental sharpness.

The more you play, the better you get. You don't win every time. You won't make good decisions every time. But as you assume relative value to an option and multiply it by risk in numerous decisions, you'll increase your skill and therefore your odds of getting the right numbers that yield the right answers.

Pick a decision you need to make and attempt to quantify it. Let's say you're trying to decide whether spending $1,000 to attend a conference is worth it. What are the odds you'll learn something that will be worth $1,000? 80 percent? Okay, compare that return to spending the $1,000 going to Disneyland or buying a Louis Vuitton hand bag? What's the return on your investment? Maybe going to Disneyland has a happiness factor of 50 percent. Okay, now it's a $500 return for Disney and an $800 return from the seminar. But what if Disney is a special anniversary and has a 100 percent happiness rating? Now Disney beats the seminar.

Don't go extreme on this and walk around every second punching numbers into your calculator. But on the big decisions of life, I challenge you to play around like this and see if it doesn't give you new freedom and confidence.

Question: what is a big decision you need to make? Put it in numbers. Did that help clarify your decision?

# 16 ROUSSEAU, THE RENAISSANCE MAN, IRON SHARPENING IRON AND THE EDGE EFFECT

History is like a simulator for life. Fighter pilots don't practice in real planes; they use simulators because one little mistake in the real thing could mean death. When we climb into the health, wealth, happiness and love jet of our life, we often fly off in the real thing and crash. Piloting by trial and error isn't a good thing. Studying history lets us fly our lives in a simulator, reducing our chance of crashing.

Rousseau was one of the greatest figures in history, and a true renaissance man.

History has only produced a handful of true renaissance men and women, defined as people who spoke multiple languages and understood history, art, music, and economics.

Unfortunately, our modern culture does not incentivize being a renaissance person. Today, we just follow social eyeballs. But I would like us to revive a respect and honor for the renaissance person.

Most of these people today are not out in front; they are behind the scenes. For example, George Lucas, the man behind Star Wars, says his secret was being eclectic. When he went to USC, he said "I read everything. I would read history, I would read art, language, music." He was able to bring all that together in this one creative thing. That's a renaissance man, like most top business people. Steve Jobs took a calligraphy course just for fun, and that underpinned the beautiful fonts on

Apple products. Another word for renaissance is simply being eclectic.

Joel Salatin always told me "Tai, you've got to be eclectic." If you look at my bookshelf, it's everything from sports to horror to politics, biographies, thrillers and self-improvement. You don't want to pigeonhole yourself; rather, download new mindsets. You need exposure. Your bookshelf should have something written by Hillary Clinton alongside something written by Glenn Beck.

A guy argued with me that humans by genetic nature are warlike. I pointed out that we aren't always at war. So being unwarlike can also be genetic. We sleep 30 percent of the time; that's as genetic as unsleeping. I'm using this example because he was trying to answer a hard question but he didn't have enough information to answer it; instead, he was trying to pigeonhole it. You need more things in your kitchen if you're going to tackle hard questions.

You could put Julia Child in a kitchen and hand her carrot and she won't be able to make an award-winning recipe if all she has is a carrot. Having more material in your kitchen makes you a better life chef. Charlie Munger said "I believe in a discipline of learning from the best. I don't believe in sitting in a room and just trying to think it up yourself." Nobody is that smart. Rousseau read 200 books before he wrote his one book. Imagine all the raw ingredients he had rolling around in his head when he finally sat down to write.

You want to exercise your brain in as many areas possible. Music. I play piano just well enough to enjoy it. Language. You should know more than one. History. You need a sense of perspective. Classics. You need a bit of art, some architecture, poetry, literature, geography.

Two or three times in your life you're going to be with someone where that tidbit of knowledge will get you the opportunity you've been seeking.

I have no idea what made me attractive enough when I was 18 that Joel Salatin called me up after my family visited his farm and he asked if I could come as his first apprentice. I must have said something that made him think I wasn't a moron. I had a date with a girl in Santa Monica and I knew it would be bad when I said I needed to go to Miami the next week and she asked "where's Miami?" She thought it was in California.

To be sure, you can't be good at everything. Even Leonardo da Vinci, the quintessential renaissance man, picked specialties. Most of us will have one driving endgame in out life.

Maybe you're going to be a world class weight trainer; that's great, but you should still know where Miami is. You need to know a little bit about everything. You have your one driving force that is supported by all these other ingredients. George Lucas was into Sci-Fi but knew just enough about music to pick a great composer for the Star Wars sound track.

These other ingredients are like the edge effect. I learned this on Joel Salatin's farm.

He said that some wild animals like woods, some like fields, and some like water. But most like at least two of those environments which is why the edges carry far more plants and animals.

Many environmentalists don't want any trees cut, but very few animals live in the middle of a forest. Wild turkeys can't find enough protein there for their babies; they need open land with crickets and grasshoppers.

Reefs in the ocean; lake edges; field edges next to a forest. These are the places where biological diversity mixes and proliferates. This is why we need cities as much as farmland.

Edges offer new ideas, diversity, and innovation. In your brain, a little music, some architecture, different literature genres all create kind of a primordial idea and concept soup. That means in your social life you want to relish and embrace opportunities to meet different kinds of people. If you're an atheist, spend some time with a fundamentalist Christian, and vice versa. If you're a rabid environmentalist, invite a cattle rancher to dinner. Maybe he'll bring the steaks.

Think about the body of information in our world. Music, religion, arts, literature, science, history, geography, economics, business--in which of these are you the weakest? If someone asked you to teach a class in one of these areas, which one would intimidate you the most?

Now, make a plan to get acquainted in that area. You don't want to be the person who doesn't know where Miami is. Spend one week immersing yourself in this weak area. It will stimulate your brain and your thinking in ways you can't imagine. New ideas will flow and you'll look for opportunities to talk about this new sector of information. You'll become more interesting. The old saying "iron sharpens iron" is important to appreciate as you move forward on this self-improvement project. It'll bring conflict. You'll read things that will challenge your beliefs. You'll have conversations that suddenly dance into conflict. Remember, iron sharpens iron.

It might be a bit painful in the beginning. Painful for your brain, your emotions, your friendships. Tough it out. You don't want to be a butter knife. You want to be a sharp knife, and that comes with edges, iron on iron.

Question: what area intimidates you? Will you spend a week dancing with it?

# 17 ELON MUSK'S 14 HOUR WORKDAY VS. THE 4-HOUR WORK WEEK, THE MYTHS OF OUR TIME

Some people have the idea that you can build something efficiently, outsource the hard parts, and just be left with the stuff you love all day. Through the power of magic, I guess, you will accomplish a lot. Not true.

I got invited to a private session with Elon Musk in Santa Monica. In early 2022, he was the richest man in the world. He started PayPal, then sold it and invested in SpaceX, Tesla and other things. He's the quintessential entrepreneur. He says "if you work 100 hours a week when everybody else is working 40, you'll accomplish in a few months what takes the average person a year."

For the most part, if you make your money ethically, money represents reciprocal altruism. The reason he has more money than I do is because he's added more altruistic value to the world than I have. Electric cars, space travel, tunnel transportation, solar power innovation--what's not to love? But he relished the grind. Ray Kroc, founder of McDonald's, titled his book *Grinding it Out*.

Thomas Edison, holder of 1,100 patents and one of the richest people on the earth when he died, founder of General Electric, said this: "I was wondering what would have happened to me if some fluent talker, some persuasive talker, had converted me to the theory of the eight- hour day, and convinced me that it was not fair to my fellow workers to put forth my best effort. I'm glad that the eight-hour day had not been invented when I was a young man. If my life had been made up of eight-hour days, I don't believe I could have accomplished a great deal. This country would not amount to as much as it has if the young man of 50 years ago had been afraid [of working more than eight-hour days]."

I encounter people who are really sharp whose employers are paying them a full salary for half a week's work because they're really good. But these folks are complaining and wanting to work only 10 hours a week or even a couple of hours. The example of successful people is that they always want to work more hours, not fewer. The simple truth is that you are going to have to work and grind to get what you want. Fortunately, like the Amish, you can learn to love the grind.

I reprogram my brain by saying "Tai, be excited about grinding out today because one day you might be 100 years old. You'll look back and wish you had the energy to be able to even get up out of bed and go work eight hours." Fixating on working less is like a cancer.

Think long term, not in the moment. My mentor Allan Nation always warned me "Tai, be careful about making a million dollars before you're 30. You might not do what you think and it might trap you." I went by a guy the other day who'd won a million dollars in the lottery two years prior. He was out mowing his grass. Why? Because he got bored not feeling needed and contributory to the world.

People think wouldn't it be cool to be rich. No, life is the grind. Once you love the grind, you love life. If you hate the grind, you hate life.

I'm not encouraging you to be a workaholic; balance is important. But if you think you can outsource everything you don't like, you're kidding yourself. Most great accomplishments come from the heroic efforts of an individual. Arnold Schwarzenegger couldn't outsource his bench pressing and you can't either.

Make a list of people who have worked four hours a week that had any impact on life.

Name them, anybody. See, they don't exist. Charlie Munger said a small five-man construction company approached him to invest in their outfit. When he asked why he should invest, they promised him only that they would work 14-hour days if they needed to in order be profitable.

Munger asked "what do you think happened to those guys?" He answered "they retired healthy, wealthy, and happy." That's got to be you. They didn't say they would work those hours every day all year; they promised to do what they needed to do when the chips were down.

If working more scares you, it could be because you're lazy. But more often it means you're not doing the right thing. I switched one of my employees from one job to another and suddenly he said "this doesn't even feel like work any more." That's music to my ears. The third possibility is that you've been deceived by listening to folks telling you about success with less effort.

Jeff Bezos says "we are here to get things done." Our work, our contribution to humanity, is one of our defining affirmations. You don't want it to be easy; where's the victory in that story? Christians quote the Bible "Man shall live by the sweat of his brow." That's the original directive to us as humans. I don't care if you're an atheist. The point is that all roads lead to Rome, and in this case Rome is putting in the hours if you want to have impact.

Daniel Kahneman talks about happiness on two levels: memory and experiential in the moment. If you love your work, that's real time experiential happiness. And if you can punch through the grind, you'll have memory happiness. Helen Keller lost her hearing, seeing, and speaking, but she ground it out and became one of the happiest people on the planet. Lying on a beach in the Bahamas sipping margaritas is fools' happiness. Real happiness comes from accomplishment.

Joel Salatin told me "Tai, lots of folks want a farm like I have now, but they don't want to remember the eight years that my wife and I lived in the attic of our parents' house so we could save money. We lived on $300 a month and we grew our own garden to grow our own food to save money. We drove a $50 car; we'd been married for 20 years before we'd spent a total of

$10,000 on automobiles." He ground it out. Grinding it out garners the admiration of your peers. And yes, it does matter what other people think. Imagine if you came up to me excited about getting married. I'd congratulate you. Then imagine if you said "the best part is I only have to spend four hours a week with her. The rest of the time I'll be gone doing my thing." Does that sound like a successful marriage?

One of the ways you know you're on the right track is how you sense time. When I'm jogging, time goes slow. When I'm playing basketball, time goes fast. You want friends where visits are over way too soon. If you're trying to figure out how to spend fewer hours at something or with someone, you're in the wrong place.

Question: what is a place you go or something you do where you don't even think about looking at the clock?

# 18 MAN-ON-THE-MOON CONTRAST AND KEEPING EASY THINGS EASY

The 25 cognitive biases are what cause you to make mistakes in your life. The contrast bias can be used to simplify something that seems extremely difficult.

For example, how hard was it to put a man on the moon? It took millennia of civilization, all the brain power of the world's smartest physicists, and a trillion dollars of investment to build a rocket, rover, and return capsule. I think all of us would agree that was a hard thing.

Now contrast that with something difficult in your life, like losing weight or consistently working out at the gym. Is that harder than putting a man on the moon? Comparatively, losing weight or working out seems simple, doesn't it? Jeff Bezos says we innovate out of all problems. Almost every task seems easy compared to putting a man on the moon and bringing him back.

Let's take another example: making a million dollars a year. Sounds difficult, right? But let's contrast that with $3,000 in a day--that's a million in a year. Lots of people have received bonuses of $3,000 in a day. Suddenly that sounds doable, doesn't it? Let's take it a step further. How much is that in an hour, assuming you work for 10 hours? Now we're at $300 an hour. Lots of people make $300 an hour.

My first business was in partnership with Joel Salatin as part of my apprenticeship. A fellow had bought a nearby farm and wanted Joel to mentor him by managing his farm for a couple of years so he could observe how Joel did things. Joel turned him down because he had plenty of other things to do. I overheard the conversation and offered to run it if Joel would capitalize it. I suggested we could split the profits 50/50.

I had no money, maybe $200 to my name. I was 19. Somebody had given me an old Pontiac Grand Am and I said I'd drive it over there every day and move the herd. Joel agreed to the idea and we put in electric fencing and water lines. He bought a herd of calves and I moved them every day. At the end of the summer, Joel wrote me a check for $17,000. I was stoked.

That was a ton of money.

At that time I didn't know about the 67 steps, so I did what most folks do and spent the money on something new instead of leveraging my experience in the same type enterprise and doing better. I enrolled in college, slept on my mom's couch, worked part-time at Starbuck's or something, and lost my money. Instead of leveraging the skills I'd learned at the farm, I blew the money college. A rich New Zealander wanting to invest in a farm in the U.S. contacted me because of my connections with Joel and his mentor, Allan Nation, founder and editor of *The Stockman Grass Farmer* magazine. This New Zealander wrote me a check for $5,000 for writing a paper about where to buy land. I thought this was easy money and dropped out of school. I learned from that to shrink every problem down, launched my entrepreneurial career, and was never intimidated again.

How long did it take before Roger Bannister broke the 4 minute mile? Once he did it, half a dozen people did it in the next month. That's contrast bias. Those other fellows could have run a 4 minute mile before Bannister did it, but their mind held them back. You become like the people you hang around with, kind of like osmosis. If Arnold Schwarzenegger can work out 6 hours a day, can you work out 30 minutes? Of course you can.

Having trouble asking out a girl? What's hard is asking out 10 Victoria's Secret models. Compared to that, asking out the girl at the coffee shop isn't that hard. This may sound cheesy, but it's not. It's practical mental conversations that change the way your brain functions. It all works, and it works fast. In my office, when I hear someone say "man on the moon" I know some big accomplishments are right around the corner.

The second part of this is keeping things simple. People are hectic and frenetic. You only get about three bursts of glycogen a day and you'd better be prepared to capture that inspiration. You can't be so occupied with simple tasks that you have no brain power left to jump on the breakthrough idea. Can you answer an email in one sentence? Can you hire someone else to get your groceries? Otherwise you spend most of your time on things that only need 10 seconds of your time.

What are most people thinking when that glycogen bursts on their brains? Are they thinking about saving the world? Eliminating famine? No, they're thinking about whether to wear the red shirt or blue shirt. Twenty years from now most of what you're thinking about won't amount to anything. My office is 10 feet from my bed. I think getting to work should be simple. If you spend all your brain power with the process of getting to work, what's left for inspirational progress? Move close to where you work; driving two hours there and two hours home is insane.

The little things are not what life is about. It's the big things. Health, wealth, happiness, and love. Who cares what color your car is? Who cares what brand is on your flat screen TV? Guys ask me what kind of car they should buy. I tell them "why don't you ask me something important, like how to not go broke?"

To be sure, simple is not the same as easy. You want a successful business; how many business books did you read this week? None? Well, you're missing the most simple part of the formula--informing yourself. Just because it's simple doesn't mean it's easy. You have to put in the effort. Why should you have a million bucks if you're only reading a book a month compared to your neighbor who's reading 10, has two mentors, and is attending seminars?

He's the one who deserves the million bucks. It's simple, but not easy. Charlie Munger says that "to get what you want, you have to deserve what you want. The world's not yet a crazy enough place to reward a whole bunch of undeserving people."

People get hung up on diets. Good eating isn't complicated. Just eat stuff with no ingredients. Like pork? Eat pork chops with no ingredients. Eggs. Milk. Fruit. Certainly people are different, but you don't need to spend years figuring out what makes you feel invigorated.

Question: what's the one area or one thing that you fear? Now what's the best contrast

to it?

Bonus question: what is something you're spending 45 minutes a day on that should take only 10 seconds?

# 19 AMAZON.COM AND THE $32,000 BRAIN BUDGET

One of the 25 cognitive biases is miss waiting, meaning you're majoring on minor issues and minoring on major issues. This is one of my greatest weaknesses, especially when applied to finances. What's coming in and what's going out?

Each month you need to assess where you are financially. I don't care what kind of software, ledger, or spreadsheet you use to track what's coming in and what's going out, but you need to know where it's coming and going and how much. After you've paid your fixed expenses like food, shelter, utilities, you're left with discretionary income. Look at the last three months of your life and find out what you did with that discretionary income.

It might not be much out of your paycheck or income, but it'll be some. I guarantee that you'll find you're spending money on things that are consumer driven and not investor driven. I want you to take 30 percent of that discretionary income and invest it, not in the stock market, not in mutual funds, but in your brain. We've already used the metaphor of the brain as tool belt or kitchen.

I'm using the same idea here to promote adding information to the brain. This brain investment needs variety and volume. It involves listening to audio books, videos, going to seminars, traveling to find people, reading. I traveled to 51 countries primarily to meet famous people and add their knowledge to my brain. To do that takes some money.

Some people think pursuing money is evil. Money by itself is neither good nor bad; it's a tool. Money can be like a pit bull and rip your throat out and kill you. Or it can save your life. A Rottweiler can do both. The idea is to use the tool not to kill you but to bring more good to your life. The simplest way is to take discretionary money and invest it in skills and knowledge. One of the ten most common questions I receive is "what should I invest in?" It all depends on your financial situation.

For some folks, investing in the stock market is good. For others, paying off credit card debt is the best approach. Sometimes it might be a loan to a reputable friend starting a business. But I want you to think about investing 30 percent in you. I asked my bookkeeper how much I spent buying books on Amazon last year. I have books all over the house. The answer: $32,000. I buy a lot of used books, so the number of books is more than you might first think. I get most of my books for under $10.

I met a guy named Romeo at a conference in Santa Monica. He was from Miami and had sold a thriving house painting business for several million. After awhile he got bored and decided to get into real estate. He started going to seminars, lots of them, always buying the elite package. He said he spent probably

$1 million in a year on seminars and made it back in a year because of what he'd learned. He invested in himself by investing in his brain. When others spent money on consumables and frolicking, he bettered himself.

Remember, you only want to invest in things that will be worth more later or will make you worth more later. Don't invest in things that rot, rust, and depreciate: cars, electronics, clothes. Warren Buffet bought a car at half price because it had almost imperceptible hail damage. I have a buddy who's a bit of a fashion icon, but he buys his clothes at the thrift store. You can cut your spending to give you some more discretionary money.

If you're completely broke, get a library card. Almost no one has these anymore--maybe 5 percent of folks. The library is free. The internet is free at the library and you can access Wikipedia. I used to read encyclopedias when I was young--just for fun. They're fascinating. At the library, they're free. I read about

Casanova the other day, Hegel the philosopher. Goodness, you can find out just about anything about anybody now on your phone.

Do a blend, getting both free education and paid information. People always ask me "Tai, is that book worth the money?" Of course it is. I don't even think about it. I have my Amazon app on speed dial so when someone recommends a book to me, I just punch it in and it's on the way. I've never purchased a seminar that didn't pay for itself. I even paid $1,000 for Donald Trump's real estate course when I didn't have much money. It was the best thing I've ever taken on learning real estate. They had an audio call in and nobody showed up on it but me. They had the number one real estate professor guru in the country on the call and we talked for an hour and a half, just the two of us. Fascinating.

I was at Barnes and Noble with a financially struggling friend. I told him to buy *Poor Charlie's Almanack*. He fainted at the $75 price and said he could never afford that. I asked him what shoes he was wearing: Jordans. How much did they cost? $160. How much will they be worth next year? $0. He should have bought flip flops for $5 and invested the rest in his brain. Welcome to miss waiting.

Remember that my 30 percent figure is a percentage, so the more you make, the more you need to invest in yourself. As you rise, things become more competitive. You need to be sharper. How did I become one of the top GE financial advisers in the U.S. in a year? I bought a course online taught by Corey Rudle. He was in his late 20s making millions. The course was about how to generate leads and advertise your business. I applied it to my financial services and used Google AdWords in 2001 and I suddenly started getting so many client requests the GE Financial big boss called me up.

His name was John, and he said "Tai, what in the world are you doing ? Are you doing something shady here? How are you getting all this? The average new person in this industry does, I don't know, $5,000 a month in commissions and you just submitted $70,000 in one week. What are you doing?" I didn't want to tell him so I just said I was trying some new things and it was legit. It was new information because I had doubled down on my own brain.

My story has been duplicated many times by successful people. What are you investing in your brain? First, figure out your discretionary income, and if you need to, cheapen down your expenses so you have some. And if you still cant find any money, start living at the library. You'll soon make a breakthrough and have some discretionary income. Collect all your receipts so you can see where to find discretionary income. Invest it in your knowledge, experience, and skill.

Question: what is your current discretionary income? How are you spending it? What can you invest in your brain tomorrow?

# 20 RICHARD BRANSON'S HURRICAN AND THE IMAGINARY WORLD OF KANYE WEST: HOW TO REMAKE THE WORLD IN YOUR OWN IMAGE

One of my first mentors, Allan Nation, said to me "Tai, the definition of an entrepreneur is somebody who remakes the world in their own image." It's a play on the Biblical creation story where "God made man in his own image."

Allan wasn't being sacrilegious; he was simply saying that entrepreneurs re-imagine and re-invent the world by putting parts together in different ways. Kanye West says he's Walt Disney, Steve Jobs. He's not delusional; he's saying he pictures what he wants his life to be like. He compares himself to Willy Wonka, Barack Obama, Michael Jackson, even Beethoven. Why? Because he's re-imagining his world, a world in which he's like those people.

Richard Branson started out selling magazines as a teenager then went into music and signed some big artists and ended up being on a Caribbean island in a huge hurricane and all the flights off the island were delayed. He needed to leave so he chartered a private jet and then realized lots of other people needed to leave as well, so he sold tickets to them to fill up his chartered jet. He made a profit on that flight. From then on, he said "I want to get in the airline business" and eventually launched Virgin Air.

As a teenager I loved to read and dreamed of being paid to read. In many ways, that's exactly what eventually happened through my Book-A-Day club. I read a book a day, condense it for my members, and get paid for reading. It took years of experimenting and development, but eventually I created a world in which I got paid for reading.

Tony Robbins has a wonderful little exercise in which he asks people to imagine what they would do right now if they were independently wealthy. Some people immediately say "I'd buy a jet and just fly around the world all the time." No you wouldn't. Even if you made a billion dollars, eventually that would get boring. When you think about it, you'll mention things you're probably doing now in your spare time because you like to do them. Imagine being able to do those things more. If you were independently wealthy, what would you change in your day?

Would you wake up at a different time? I'm not talking about things you'd have, like a house or car; I'm talking about how you'd order your 16 waking hours. Who's around you? What are you doing? When I do this exercise, I imagine being around genius people, way smarter than I am. I might be with them in person or in a book; it doesn't matter. So every room in my house, from bedroom to bathroom to office is stuffed full of books. That's the world I want to imagine myself in and yours could be completely different. I'm simply asking you to define it and then reverse engineer your life to get there. I wanted to read a few hours a day and get paid for it. How do I make it a business? I need customers. So I make a website. I offer memberships to my friends. I tell them to host a party open only to members. "To get into my party, you have to join my newsletter" became a marketing campaign. So what is your thing? Food? Hospitality? Agriculture? Video?

Teaching? Even if you're not an entrepreneur, thinking like one in your job will get you promotions and more opportunities.

I guarantee you that the person who owns the business you work for is an entrepreneur. When you start thinking like an entrepreneur, you enjoy the cognitive bias called the liking bias, where we tend to like people more closely aligned with the way we think. Most humans like people like them.

As you head down this path, you need realism sprinkled in with your dreams. I loved basketball as a teenager, and was really good at the high school level. But I was nowhere good enough to be pro. But what if my imaginary world included professional basketball? I could be support staff, coach, trainer. I can imagine lots of ways I could immerse in professional basketball without being a player. In my world right now, I'm imagining owning a professional basketball team.

In addition to realism, you need to be patient. Virgin Air was not launched on a whim and without hardship. Richard Branson almost went bankrupt several times until he got it up and running. People complain to me about the struggles of life. Welcome to life. The goal is to enjoy the struggles because that's what makes life worth living. Be in love with the re-imaging process.

Don't worry about how fast you're getting to your re-imagined world. Are you closer to it today than you were yesterday? If so, be grateful. Movement, no matter how slow or laborious, is good enough. Charlie Munger says "every day, go to bed a little wiser than you were." As long as you're a little bit closer, don't worry about if you're moving this fast or that fast; who cares? Remember the turtle won the race over the rabbit. If you achieve all your imaginings too soon, you'll get bored with life.

Be realistic. Be patient. And be specific in how you define your re-imagined world. When I do this exercise, most folks say to me "I'd have butlers and maids and Louis Vuitton." That's specific, but it's not good stuff. Be specific about the big stuff. What does your health look like? What does your financial portfolio look like? What does happiness look like? What does love look like?

For me, health would be a basketball court in my backyard and friends showing up routinely to play. I installed a little court and now I play every day and friends come by. What would I eat? I eat grass fed beef but I'm a horrible cook, so in my world I have a chef. That's a guilty pleasure, but I did the math and since I have a maid that cooks, it's cheaper than eating out routinely. Wealth--what does that world look like to you? How would you earn your money?

Happiness and social life--what does that look like? Are you an extrovert or an introvert? I like people around me, so I've created a life that intersects with people all the time. I have a mad scientist friend that just wants a basement laboratory.

Love and romance--what does that look like to you? Big or small family? Live with intention. Hang around people who make you better. If you hang around people who eat Twinkies all day, you'll become like that; that's how socially-entwined our brains are.

Now think about the inverse of all this: what's all the stuff you don't want to do. How can you get out of that? Re-imagine your world. My mom says "Tai, you can have anything you want, but not everything."

Question: what is your dream world in health, wealth, happiness, and love? What can you tweak right now to help you build that life?

# 21 MASTERING THE FOUR P.A.S.E ENERGIES AND CASANOVA’S CHAMELEON: A NEW PERSPECTIVE ON SOCIAL SKILLS

In his book *Social*, Matt Lieberman says "the majority of your life, the majority of your day, the waking thoughts that you have will be directed towards something social." You may spend a few minutes every hour doing logical stuff like math and calculating the bills, but you're always reverting to social. If Lieberman is right, what becomes the greatest skill in life?

If social skills are the most important, then how you read people, understand people, persuade people, work on a team, turn enemies into friends become the key to the good life. People are different, but they're not as different as you think. Throughout history, great leaders, like people who win wars, are people who can take the ideas that are only in their head and place them into other peoples' heads.

This led me to the P.A.S.E. concept. Here is the acronym:

P--Practical A--Action

S--Social

E--Emotional

Each of us has a dominant order of these elements. I'm an APES. My brother is an ASPE. Maya, my cousin and personal assistant, is an SAPE. The sooner you can get a handle on a person's assessment, the sooner you can adjust your presentation and demeanor to touch them best.

Casanova is known for his way with women, but actually he had his way with everyone, including Frederick the Great and Voltaire. He said "I saw that to accomplish anything, I must bring all my physical and moral faculties in play, make the acquaintance of the great and powerful, exercise strict self-control and play the chameleon." You need to know what you are before you can become the chameleon with others.

A Practical person is not super flexible. They like to make a plan and stick with it. They like numbers, like to pay bills on time. They're attracted to people in order to plan things.

Spontaneity bothers them. A P gets right to the point; cut the small talk and let's get to the bottom line. P folks finish things. Downside is failure to adapt to new information or contexts.

An Action person likes to do things. "Come on, lets make things happen" is their mantra.

They tend to start things but often have trouble finishing them. Entrepreneurs tend to be A folks, visionaries, quick-witted, and portray an aura that they know what they're doing. Their primary weakness is impatience, not being willing to stick with it long enough to see it through. A Social person likes to go with the flow, kind of a hippie-ish vibe. They don't like conflict and are happy to go along with a change of plans. They're light hearted and enjoy being around people just to be around people; they don't feel like they need to accomplish anything or learn anything as a result of getting together. The downside is they're often a bit flaky and don't stand up for themselves.

An Emotional person is like a deep ocean, holding things in, sensitive. This makes them intuitive so they're good at reading people. The downside is that they're easily offended and often driven by fear; they don't have thick skin to go through life's obstacles.

Once you know and practice this system, you almost have a super power. Don't use it for evil, to play with people. Use it for good, to connect with them and communicate more accurately. Generally P and E go together and A and S go together. P and E tend to dislike change; A and S tend to embrace change.

So let's say you're trying to close a business deal, or a sale. As soon as you know the other person is a P, you know you can't be pushy. He's going to be methodical, analytical. With an A person, you want to close the deal right away. "Let's get this done and move on." With an S person, be all smiles, friendly, light hearted, spontaneous, "whatever." With an E person, you want to open up, be transparent, reduce the joking around. Connect with a story.

All of us have some of all these characteristics in us as part of being human, but all of us have a different ratio of each. I'm an APES, which means social is my greatest weakness.

When I have a 500-person party at my house, I know I need to get psyched up for it. And I do and everyone has a great time. If you master this system, it can increase your sales or business acumen tenfold. You'll need to practice to get skilled, but it'll revolutionize your success.

It's okay to type people. Dr. David Buss says "A lot of people think there's something wrong with judging. Don't judge me; get to know everybody individually." While there's some truth to that, everything in life is thesis, antithesis, synthesis. The thesis is that everyone is the same; the antithesis is that we're all different; the synthesis is that we're different but similar, which means we need to understand people as individuals but also need to group them together.

People want to gravitate to extremes. The book *Diet Cults* addresses how the human brain wants to gravitate to an extreme. Charlie Munger says "avoid extreme ideologies." With this personality information we want to strike the balance between never typing people and over typing people. If you've never looked at people as being able to group them, I want you to develop that skill. It should be in your tool belt of life.

Realize that all of these have strengths and all have weaknesses. So if your last letter is S, go to a party and just enjoy people. Have no agenda. Don't look at your watch. Just have fun. It'll exercise your weakness muscles and help you identify with a person for whom S is their number one strength.

Listen for certain words--they're a dead giveaway. "Let's make a plan" says the P person. "Let's go; let's get it done," says the A person. Just start listening more. This is really fun when you get good at it. Start with yourself. Then assess your mate, then extremely close friends. Talk about it; play with it. Once you get comfortable, try it on strangers. Realize your first impressions could be wrong, but over time you'll assess with more accuracy.

Question: what is your P.A.S.E. assessment?

Homework: For the next four days, concentrate on bringing out each of these characteristics in your life; accentuate one per day. Have fun.

# 22 THE SEVEN-FOLD PATH TO THE OBVIOUS SIGNS: THE METHODOLOGY THAT TOOK US OUT OF THE DARK AGES

When astronomers like Copernicus first suggested that the earth was not the center of the universe, they faced ostracism and even death for daring to speak the truth. People saw things as black and white, and we still do for the most part. Memes are like genetics that are not physical. They're social. One of those is this black and white mentality. If you're not careful, this will undermine you at every turn on your journey toward success.

Allan Nation, my second mentor, said "Tai, to change things you have to understand the real reason they are the way that they currently are." He said most people want to make a change out of emotion, out of anger.

If you have a big belly and view it as a problem but go eat more Big Macs, you've assessed the problem but don't understand the solution. It's not enough to see our problems; we have to see it clearly for what it is. We have to be a truth-seeker. A fellow who worked closely with Jeff Bezos at Amazon said this about him: "He embraces the truth. A lot of people talk about the truth, but they don't engage their decision-making around he best truth at the time."

This black and white mentality holds us back. It's the 500-year-old mind. Read the obvious signs and face the truth. Those ancient astronomers studied the stars and planetary rotation and realized an obvious truth. Think about health. Stand naked in front of the mirror and ask yourself, "would someone be attracted to that physique?"

Certainly I'm no Brad Pitt, but you can do a lot of things about your physical attractiveness and health, things that are within your control. You can't change everything, but you can probably change some things. What are the obvious signs that you can work on? You can do things to have a positive reaction and things to have a negative reaction. If you want to be fat and flabby, eat more Big Macs and don't exercise. Beauty is only partly genetic; it's not black and white; you can adjust it quite a bit.

Look at your bank account and ask yourself "is this the result I want?" It's not black and white whether it's better to be rich or poor. People changed the world as much with a vow of poverty as they have with riches. Who says Oprah Winfrey is evil because she's a billionaire? It's not black and white; it's about the end game.

How about your social life? Hopefully you have a great family, but some people don't. You can make your own family. It's not either you have a family or you don't. If you don't like yours, make a new family with new friends. How about happiness? Are you tap dancing out of bed every morning to go to work? Or are you looking forward to Friday? Do you dread Monday morning? These are obvious signs about vocational fulfillment and satisfaction. Once you take that assessment, what are you going to do to solve it?

One of the takeaways from this step is to stop saying what's good or bad. If you're arguing politics, Republican versus Democrats or Conservatives versus Liberal, depending on where you live in the world it's not black and white. Only a fool would argue that. What is true is that being liberal or being conservative will give you different reactions. What you should be arguing is what gives a better reaction. What do we want our society to look like? You should say "this efficiently moves me toward my goal or this inefficiently moves me toward my goal."

Cut out the things in your life that move you inefficiently. That means you need good goals, meaningful goals. Those usually have something to do with health, wealth, happiness and love. How do we move efficiently toward good goals? The seven step method:

Ask yourself a question.

Research the answer to that question.

From that research, make a sample answer; call it a hypothesis.

Test it for awhile, usually 1-3 months.

Observe. While you're doing the test, observe.

Step back and analyze what you observed when that test is done running.

Make war with a multitude of counselors or ask other smart people to review the other six steps you did and give their opinion.

I like to call these tests experiments. You can't fail with an experiment. Most millionaires were bankrupt or failed in business three times. But if you call them experiments you give yourself some emotional forgiveness to get back up. *The Millionaire Mind* documents the two most common traits of millionaires are tenacity and leadership.

I had this black and white mentality about traveling to Europe--10 days minimum or the trip was a waste. I was asked to do a speech in Germany and one in London and couldn't coordinate the time to do them in one trip, so I decided to cancel Germany. Maya, my personal assistant suggested I do an experiment to see what a 4-day trip to Europe would be like. She was right. I decided to do that and it completely changed my attitude. Suddenly I didn't care if it was a waste of time; it was an exciting experiment.

You know the old saying "every man's argument sounds great until you hear the other side." Charlie Munger says "you should never be able to hold any belief unless you can argue the other side better than the other side can do it themselves." I had a friend whose physique was like a pro athlete. He came over to the house and looked horrible. I asked him what he'd done and he had tried the fruitarian diet. By staying on it too long, he turned an experiment into a mistake. In cognitive biases, that's called commitment consistency. We feel more secure by not experimenting and just picking sides.

Certainly there are some black and white things, like murdering, stealing, and arson, but a lot is up for grabs. The lion eating the baby gazelle--good or bad? It's just cause and effect; it's just a time continuum. Joel Salatin always told me "when you don't know what to do, do something. Something is better than nothing." If you practice this methodology, you won't get stuck. You'll make progress.

Questions: what is something in your health, wealth, happiness, and love pillars that you've been stuck on black and white?

Homework: Construct an experiment in each of these areas and see where it leads.

# 23 LANDING YOUR PLANE ON THE GREAT WALL: HOW TO BYPASS THE OBSTACLES OF LIFE

Joel Salatin's dad flew bombers in the Navy in WWII and during training, a storm came up and the instructor gave him the controls and told him to land the plane. As Joel remembered the story, his dad took over but the plane was bouncing right to left and up and down. It was rough and his dad told the instructor "I don't know if I can land it there. What's the secret? I'm getting blown off target. I want to go that direction, but I'm getting blown off target." The instructor replied simply "you have to make the plane go where you want it to go." I've never forgotten that profound story. The key phrase is "you have to make the plane."

How do you project a trajectory? You are here today and you want to be over there tomorrow. Better business, better body, better social life, better love life. How are you getting from point to point? This is a lot of what life comes down to. Charlie Munger says "life will deal tremendous blows to you. Loss of loved ones, sickness, financial disaster, betrayal of friends." These are all the equivalent of you flying the plane of your life going "I want to land right there, but the wind is blowing and the lightning is flashing." Storms are coming. This is not negative- speak; it's actually positive-speak, to get you prepared.

Positive speak is landing the plane on target and it requires force of will. That takes faith that you can do it. You can only get through a storm if, by faith, you see yourself punching out on the other side of it. Make sure you pick an endgame that you can have faith in, because blind faith won't get you very far. The Louis Zamperelli story *Unbroken* epitomizes this faith, the endgame. Shot down in the Pacific, 47 days on a raft, rescued to a Japanese POW camp, survived and lived to nearly 100.

Next, expect the storms. Things are not nearly as traumatic when you expect them.

That's why history is important. Looking back gives you the wherewithal to look forward. The iconic historian Will Durant says "we spend too much time on the last 24 hours and not enough time on the last 2400 years." It gives you perspective. Travel around the world and you'll appreciate your first world problems, like a broken refrigerator, a lot more. Most folks don't even have a refrigerator.

After force of will and expect the storm, land the plan on the wall. The wall represents a barrier. Going through life, you'll encounter barriers. Are you banging your head against a wall instead of doing the 7-step method? Are you going insane doing the same thing and expecting different results, like Einstein said? Only innovation will get you over that wall.

You can innovate through a wall different ways. You can take a sledgehammer and knock the wall down, straight on. You could take a shovel and dig under it. You can get a ladder and go over it. You could put your running shoes on and run around that sucker. Eventually all walls end--even The Great Wall of China. You can get a helicopter to lift you over it. Get the point? Lots of options.

Maybe you're facing divorce, breakup of a business partnership, relationship, love, friendship. Maybe your business is not growing at all. Maybe your body metabolism is flat, can't lose weight. Can't gain muscle. Maybe your happiness is stagnant. You haven't been truly happy since you were a teenager or for 10 years. Some event happened. You're not innovating enough. The wall has hit you. You're flying that plane; storms hit you and you go way off track.

When I was at Joel Salatin's farm, a huge hurricane came, causing a massive flood, and washed out the driveway bridge across a creek. It was the only way into the farm. I think that was the only time in my years there that I saw him remotely depressed, but he snapped out of it in a day and we improvised and got through it. That's force of will. He loved the grind. He loved the walls.

As you look at your life, the pain that you have, the things that you hate, are primarily a non-innovation issue caused by inability, unwillingness or maybe ignorance. Freud says intense pain and discomfort come from three places. The first is vagaries of the body--sickness, disease, aging. Second is forces outside our control, like physics where a drunk driver hits you going 60 miles an hour. Third is human relationships, and that is probably the most common.

How can you innovate your way out of a problem you have today? Find your Eulerian destiny. From there, you generate faith. From faith you generate force of will, which gives you perspective that things are not as bad as you think. They never are. The great philosopher George Santayana said "when it comes to people doing evil to you, you will realize that they're rarely as evil as you thought they were."

Keeping perspective coupled with force of will lets you land the plane. It gets you past the wall. The next step is to take this obstacle and break it down into baby steps. A wall is made of bricks. Pick one. It's hard to remove, but once you get it out, the next one is easier and you build momentum. Let's say you're not making enough money right now. Well, how short are you? Assume a thousand bucks short a month. A month is 30 days, so that's 30 bucks a day. How much is that an hour? In an 8 hour day, that's less than 4 bucks an hour. Is that possible? Yes. Goodness, you could mow a lawn a day and make that much.

Be assured that as soon as you break through that wall, another one will come up in front of you. Welcome to life. But as you innovate through one, something almost mystical happens. You get even more creative; you get momentum; before you know it, you're going through walls you never thought possible. I don't know why that is, but it is.

Learn to start loving. As Tecumseh says in my favorite poem "love your life, perfect your life, beautify all things in your life." As you're loving and perfecting and beautifying your life, he says "seek to make your life long." Make a story legacy that changes the lives of your children, your grandchildren. A person with no obstacle has no story. The tension, the hardship is what makes a story enjoyable.

Whether the obstacles are of your making or they just happen, like slipping on the ice and breaking your leg, your life will always have obstacles. You can't do anything about that fact, so embrace them. Obviously you'd like to avoid some.

but even if you live a life that's wise, that takes in the advice of the world's greatest people, obstacles are still there. Viruses are still there; bacteria are still there; gravity is still there; hurricanes are still here.

Your life is a canvas that you paint. Don't be in a hurry to make it because if you do, you'll wish you were younger to enjoy it. So enjoy today; keep it in perspective; have faith; have willpower and force of will.

Questions: do you have a realistic plan that can generate faith? On a scale of one to ten, how strong is your ability to conjure up and generate force of will? What have you lost perspective in where you thought something was the biggest calamity ever but turned out to be fairly minor? What books are you going to start reading?

# 24 GHANDI'S FUNERAL, STEPHEN COVEY'S WARS, AND FLURRIES OF ACTIVITY: THE TRUE TEST OF A WELL-LIVED LIFE

Our brains are algorithm machines constantly testing the quality of our lives. Have you gone through depression? That's your brain testing the quality of your life and it serves a positive function. It's your subconscious telling your conscious mind: "We're not doing so well." People who say you should always be happy are wrong.

What you want is for your subconscious, doing the math, to come out with a formula that's optimist and excited about life. One of the best ways to consciously assess your life is to ask "when I die, how many people will show up at my funeral?"

Think of Hitler. When he and Eva Braun committed suicide there in that bunker at the end of WWII, nobody was there. In fact, the world celebrated his demise. Who passed with flying colors? Nelson Mandela--the whole world mourned his loss, despite his imperfections. Great man. How about Gandhi. All of India's half a million people wept when he passed. How about Mother Teresa? So how are you moving up that scale?

One of the biggest impediments to moving up that scale is flurries of activities. Most of us are taught and rewarded for flurries of activities. You see it in the education system the way children are given prizes for activity. We see it in the philosophy behind hourly wages, getting paid for putting in time. That makes us fill the time with activity, not effective efficiency. In direct contrast to that, I've always promoted winning wars. Everything you do, think of it as a war that you need to win.

In his iconic *7 Habits of Highly Effective People*, Stephen Covey says "start with the end in mind." Here are the three things I want you to consider: a new end in mind, a new goal, and the funeral test. This isn't morbid; it's empowering. As Warren Buffet says, where do you want to be at 80? What war do you have to win at 70 to be at that goal you've set for 80? Now back up another 10 years. And another 10 years. Eventually you get back to today and your war for tomorrow.

Don't fight battles; fight wars. That means keeping commitments, being authentic, getting through the wall, landing the plane. You're fighting four wars. The first is your health-- what's your end game on health? Do you want a six pack, to look like a fitness model, to have a good blood test when you visit the doctor? Pick something and start fighting that war. Second is your financial war, generally seen as financial independence. That's where you want to arrive first. Then most people move to prosperity and wealth impact--this is where your money leaves a legacy footprint on society.

Third is your social war, which is all about Dale Carnegie's winning friends and influencing people. And then fourth is the happiness war, which is the fulfillment of pent-up desires. That means it's okay not to be happy sometimes, but are you feeling fulfilled?

Sometimes I think I should use fulfillment instead of happiness, because it better captures the essence of the idea. You need down time and people time. You need think time, looking out the window time. During the day, its good to be with babies some of the time and old people some of the time. You need some grass, trees, and water in your daily routine. This is all part of fulfillment.

Will Durant says "the men who can manage men, manage the men who can only manage things, but the men who manage money manage all." Managing your money means you are investing it in the most strategic places, and the first place to invest is in your own personal development. Taking a personality test to determine if you're an introvert or extrovert, for example, pays dividends first.

As you make big picture life decisions, they are part of these wars. Should I take this job or another job? Should I move to another state? Should I quit being friends with this person? I want you to start thinking like Stephen Covey, with the end in mind. Does this bring me closer to my end game, to winning the war, to having more people at my funeral?

As you're making decisions, it's good to have one simple framework and that's what this is about. Define what winning is in each of the four arenas: health, wealth, happiness, and love. If you don't know what a win is, you can never achieve victory.

When you meet people, the most important question you can ask them is "if you were me, what would you do?" Another way to ask it is" if you could be 18 again, what would you do differently?" We get sidetracked, or in a rut, as we age; usually our truest picture of ourselves is somewhere around 16-18 years of age, before our trajectory is clearly set. You don't have to take detours on your way to winning the war. Go straight at it, starting early, and stay with it head on.

Warren Buffet said "I never doubted that I would be a billionaire or extremely wealthy." He was talking like this at 7 and 8 years old. Gandhi was clear, even as a child, that he wanted to help people so he started as a lawyer. Most people you really admire started early, stayed on course, and generally made good decisions. Charlie Munger says "I made mistakes; just a heck of a lot less than most people." That's why he's a billionaire. Very few people accidentally make a lot of money, or accidentally stay physically fit, or accidentally develop deep friendships. No wars are won accidentally; strategic intention wins wars. At my funeral, I want people to say "he made me think. He pointed me to a book, a great idea." What do you want people to say at your funeral? Maybe you know someone whose funeral you would not want to attend, or would not want to hear what's said there. That too, as a negative example, can steer you toward a win. The worst funeral is one where people say "good riddance."

My richest business partner is a billionaire. Whenever I text him, he texts back quicker than any of my broke friends. Why? Because he's a war winner. He doesn't create flurries of activity and console himself with the excuse that he's always busy. Perhaps you say you're too busy to answer the questions at the end of these chapters, too busy to try the 67 steps--that's flurries of activity and losing the war, my friend. If you say "I work all the time," then show me the results; you should have some reward to show for it, unless it's just a flurry of activity.

Joel Salatin said the biggest tragedy in life is being successful at the wrong thing. If you don't know what the target is, the end game is, you'll lose the war of life.

Questions: Who is the epitome for you of the person who passed the funeral test? Do you have a clearly defined end game war winning concept? What's the weakest war you're waging right now? Where are you experiencing the greatest flurry of activity?

# 25 JOEL SALATIN ON NATURE LAUGHING LAST, THE RESPECT OF HE SEASONS, AND THE TERRIBLE TWO: THE NAURAL CYCLES THAT DICTATE YOUR LIFE

This step is fun because it brings back some cherished old memories. I was 18 when I went to Joel Salatin's Polyface Farm as his first formal apprentice. I alluded a couple of steps ago to a hurricane that came through and I'm going to talk about it a bit more now. The main access to the farm, which has probably 10,000 animals on it (lots of chickens), crossed over a 15 foot wide creek right off the public road. It was the only way into the farm.

Normally a nice little gurgling creek a bit too wide to jump across, it turned into a raging flood when a massive hurricane came through, dumping a foot of water overnight. The flood washed out the bridge and Joel, for the first and only time for the nearly two years I was there, looked depressed and at a loss. How do you fix that? We couldn't get chicken feed. We couldn't go to town. We were literally marooned. Joel looked at me and said "Tai, don't forget; nature laughs last."

The best laid plans that you and I make for our own lives are subject to the laws of life.

Remember Sigmund Freud's three laws, the sources of pain: decay and dissolution of your body; forces of nature (like floods knocking out bridges); and other humans. The point of this step is that we must remind ourselves to snap out of the egocentric mindset that we're naturally in, that somehow life revolves around us. You're going to be disappointed if that's your mentality.

Certainly we have plans. We should make plans. But the reason most of us go through life continually surprised, continually in pain and anguish and depression and melancholy is because we didn't realize on day one that this game isn't about us. This is about nature and the universe doing whatever they want to do and people doing what they want to do. Joel snapped himself out of his funk by waking up, realizing that this bridge had washed away, but that was how it was supposed to go down, that he was supposed to be part of a world that was bigger than himself. In that, you can find happiness consolation.

When I was a kid my first business plan was simple. I figured if everyone on earth would give me $1 they wouldn't miss it and I'd have plenty of money. The problem was everyone else thinks the same way. It was an egocentric business plan. Remember that pain increases to the extent you're not expecting something to go wrong. Bridges will wash out in your life.

Allan Nation, my second mentor after Joel, said business is like a child. The first year keeps you up all night. The second year is the terrible twos and drives you crazy. Even up to five years can be a nightmare but eventually that kid grows up and learns to take care of himself. And then later on, he takes care of you. We're bombarded by speed, but just like a child, a business is a huge up front investment, grows slowly, takes its time, and eventually matures into an enjoyable friend. Bill Gates had 19 years under his belt before he became a billionaire. Warren Buffet had about 50 years. Most things in life progress slowly. The average stock market growth investment requires well over a decade to double.

A friend of mine wanted to invest some money so I told him where to invest it and in 10- 15 years he'd have a nice kitty. "But I don't want to wait 10-15 years," he replied. Look, 10-15 years isn't that long first of all, and second, that's nature's dictate, nature's rules. Are you going to fight against that? Nature laughs last.

Part of this natural growth cycle is timing. Most entrepreneurs move around too much because we're all ADD (Attention Deficit Disorder). You have to stay in a business long enough for it to mature. For you to get good at it. Too many start-up folks are impatient. "Hey, I've been in this thing for a year and it's not taking care of me. What's wrong?" It's still an infant, that's what's wrong. One-year-old babies keep you awake. They cost you sleep, money, stress. This is the normal pattern.

These 67 steps are about as close to a short cut as you'll ever get, but you'll still go through the dark period.

Now think about the cycles of life, like spring, summer, fall and winter. People we see in media are primarily in the fall of their life--harvest. They aren't in spring, summer, or winter.

You kind of start in the winter, a time of replenishment and metabolizing what's gone before. Then you hit teenage and 20s like spring, starting, planting, developing. Then in your 30s, and 40s you're in summer, working and growing. Then comes harvest in your 50s and 60s and then you're back into winter.

But we also have shorter cycles. Back on the farm, in winter we'd sit around the fire; Joel would sharpen the chainsaw and we'd brainstorm about things, read books. But winter is also dark and cold and in Virginia, snow. You can wonder if it'll ever be sunny and warm again; you can start to lose faith in life. Don't get trapped by the winter of your life or the winter of your business. Read biographies about how people overcame obstacles. Circulate; get out and about. Spring will come.

Spring can be a little muddy and mucky as you try experiments, but don't hurry to summer. Enjoy newness, innovations, and development. Summer is a time of activity. You sleep the least, lose the most weight, and though it's stressful it's a nice time because things are growing and happening. Your winter planning and spring innovations are now paying off.

Eventually you come into the final phase, where everyone wants to be--fall. You're reaping, harvesting profits in your business. If you hang in there, fall comes. Appreciate each cycle, knowing the next phase is on its way. We tend to always want to be in the next season; don't do that. Enjoy the season you're in; leverage it; milk it for all it can offer. Your business often will go through several of these cycles if you stay in it long enough. Realize the cycles are nature's way of moving through what ecology needs; your life ecology needs these cycles.

We've concentrated on business in this step, but the same ideas hold for the health, happiness, and love pillars of the good life. You start a fitness program with aches and pains. Then it gets easier. Then you see your body respond; you feel better, have more energy.

Certainly happiness and fulfillment ebbs and flows, as does love and relationships. Don't be impatient and try to cycle too fast.

Muscle takes time to develop; forget the steroids to speed it up. You can hire too fast.

Speed has side effects. You can acquire clients too fast. Nature is the teacher of last resort; it's the meanest teacher. Pick the effect that you want, create a good end-game goal, enjoy the seasons and embrace the cycles of life.

Questions: Pick a winter in your life and knowing what you know now, what should you have done differently? Ditto a spring, summer, and fall. Where are you right now? What season are you in? And what are you going to do to handle it less egocentrically?

# 26 BELT, SUSPENDERS, FAILING TO FAIL, THE SIX SIGMA HEARTBEAT AND HOW TO NOT CRASH YOUR F-22

General Electric builds a lot of airplane engines. How often do you want an airplane engine to fail? Never, right? They need to be perfect. Now contrast that with your life--how many things go wrong in a day?

Six Sigma perfection means for every million times you attempt to do something, only two or three of them go wrong. If you could lower the amount of failure, the number of mistakes that you make on a day-to-day basis, imagine how much your life would change. Mistakes are costly financially and relationally.

Mostly, though, mistakes cost time. Time we don't have. Seneca wrote in his book *On the Shortness of Life* "life is short, yet we act like we have all the time in the world." He said "if you could actually know when it was you were going to die, how much more thrifty would you be with your time?" Of course you're going to make mistakes, and you'll learn from them, but if you can learn from others' mistakes, imagine how much more efficiently you can operate.

When I was on the farm with Joel Salatin, he wore both a belt and suspenders.

Normally, a person wears either a belt or suspenders; not both. So I asked him why both, and he said the belt could fail without suspenders, and if it's going to fail, Murphy's law says it'll be at the worst possible moment. Likewise, if you're only wearing suspenders, they will fail at the worst possible moment. Then he looked at me and said "Tai, I only have one rule for folks working for me. You're not allowed to make mistakes."

I remember at the moment thinking "that's the most unreasonable request. Who is this guy telling me the one rule is I can't make mistakes? That's not reasonable." Now Joel was a smart man and I should have listened instead of blowing it off as unreasonable. But I eventually came around by realizing that setting your expectation not to fail is the number one way not to fail.

Expecting to fail is the number one reason for failure. Number two is single points of failure. Redundancy mitigates failure. Think of how often you hear about an airplane engine failing. Most of us have never heard of one. That's where belt and suspenders come in-- requiring two points of failure before complete failure. If you use babysitters, always have a couple or three so you can rotate around. Single dependency is fragile.

Shortly after Joel told me about mistakes, I went to town and bought a little spiral notepad to carry with me. That way when Joel gave me an instruction, like a job to do, I'd write it down. This was before smartphones. I didn't just rely on my memory; I had both my memory and the note pad. Belt and suspenders. I had an employee one time with a great memory. But occasionally it failed, and it always failed at the worst possible time.

After redundancy, build a perfect system. That's defined as one that requires the least amount of energy to keep it going; like running on autopilot. Time is not the most precious commodity; energy is. That's why Gary Keller admonishes us to do our hard stuff early in the morning while our brains are fresh. Joel Salatin used to call this perfection "building in forgiveness." You know something is going to go wrong. That's why you carry jumper cables in your car. And a jack and spare tire.

After redundancy and perfection, keep your finger on the pulse. Keep up with what's going on. Keep watching, expecting something to go wrong. One of my mentors said the things you worry about never happen. Why? Because monitoring things you think are going to fail keeps them from failing. You nip it in the bud.

The military puts this altogether when they train F-22 pilots. If you're an F-22 pilot, chances are something's going to go wrong. You might get shot at. You might need to bail out. How do they prepare? This technique has probably done more to reduce my stress than any of these 67 steps. What they teach is to plan for three different scenarios: A, B, and C. A is the best case scenario. B is next and C is worst case scenario.

A scenario is you start a business and it takes off. Before you know it, you don't know how to spend all your money and you sell it for $15 billion. I'd love for you to have that happen to you. We'll call that the best scenario.

Now what about the C scenario? You start a business and everything goes downhill.

You lose all your money. You go bankrupt. You're sued by your creditors. Your business partner rips you off. Your husband or wife leaves you. You're completely left in disgrace. Make a plan for that. What would you do? How would you rebuild? You may think this is negative- think. No, it's preparation. Lao-Tzu said "Do what's difficult when it's easy."

In an F-22 going 800 miles an hour you don't have time to think things through. You need to react automatically because you've rehearsed the scenario in your mind before you were in crisis. We'll actually be happier if we plan ahead for the worst. How can you build your immune system? How can you prepare for a disability? Don't be a delusional optimist, assuming everything will be wonderful.

B scenario is the most likely. Prepare for that too. Six Sigma is a quality control tool benchmarked at six levels. Level one is 691,000 mistakes per million, or 69 percent failure. Level two is 300,000 per million. It goes down to approach perfection. Level six is 3.4 mistakes per million--that should be your goal. You have an idea--that's the easy part. Then you need a plan. The hard part is execution. At each step, strategically practice the belt and suspenders, F-22 simulation, and Six Sigma. One of the best guarantees to pull this off is to associate with a multitude of counselors who will speak into your thinking. In addition, invest in informing yourself about what you're trying to do. What have others with similar ideas done? What works? What fails?

If you're going to one seminar a year, go to two. Belt and suspenders. If you have one mentor now, get another one; five would be even better. Like the F-22 pilots, put your time in on the simulator because things will inevitably go wrong.

Question: at what Sigma level are you functioning right now? What's the success rate on everything you attempt? What's the primary reason you think you're at that level? What can you do to move to the next level?

# 27 THE FRONT MAN AND THE TWO WAYS TO PICK YOUR TRENCH MATE: INSIDE TRICKS ON ASSEMBLING YOUR SUPPORT TEAM

As you go through life and do big things, you need allies. Dr. David Buss at the University of Texas at Austin is probably my favorite anthropologist/sociologist and he says we have portions of our brain that are more needed than others; he labels those portions adaptively functional and one of those is your ability to create or form coalitions.

Your coalition is your group of allies. No matter what you undertake, you're going to need allies, which is a close cousin to your social circle. We live in a specialized world of 7 billion people. You didn't sew the shirt you're wearing. You didn't build the house you live in. You didn't grow the wood in your house. We live in a world of exchange. Money is really just a mechanism for reciprocal altruism. You're a baker and you sell a cake to the construction worker who remodels your bathroom. Hopefully it's win-win on your way to the four steps of money management: financial independence, prosperity, wealth, and then impact.

Developing your coalition is what I call assembling your trench mates. WWI was known for its trench warfare. You are in a war. You're fighting your body's inevitable aging decay.

You're in business; you're in a war against competitors. In love you're in a war competing for affection and affirmation. If you're going for the man or woman of your dreams, probably somebody else is too. This is controversial because people don't like to think of romance this way, but it's true. And you're at war with the things that make you unhappy. You're at war with things you don't like about yourself, like maybe you're a procrastinator. Everyone has something about themselves they don't like.

In WWI, the German, English and French and Americans all met at the Western Front, in their trenches, in a stalemate. What do you want in the trench of life? You're not going to win decisively very often. Even McDonald's only captures $20 billion of the $200 billion fast food market--the dominant player only has a 10 percent share. That's not a decisive win.

So in your business, you're in a trench. You're not actually gaining ground. You don't go out and conquer everything. You're not always going to date the person you want to date.

Sometimes they're not going to like you back. Every stock purchase isn't going to go up. But if you hang in there and keep fighting, you eventually begin to gain ground. Who do you want in that trench with you? You need others in there; if you're the only one in the trench and 500 guys are on the other side, you're not going to win that fight.

The three characteristics Warren Buffet looks for in an ally are energy, intelligence and integrity. That's a good list. Mine is shorter. It starts with loyalty. That's what I look for the most. The biggest disappointment or frustration is to invest a lot of time and energy in an ally only to have them leave for no good reason. I'd rather have someone a little less skilled, a little lower IQ, a little less energy, but loyal. Go through your allies and rank them 1-10 for loyalty.

You measure loyalty with your gut. If you've been betrayed, look back at signs you missed. Develop your skill at assessing loyalty. In general, loyalty is easier to achieve if you're not identical. Allan Nation always told me "Tai, marry someone opposite you. Why would you want to marry someone just like you? Pick someone strong where you're weak and vice versa."

That leads me to my second criterion: complimentary. The *StrengthsFinder* program is clear that no well-rounded person exists; only well-rounded teams exist. Find allies who can shore up your weaknesses; you'll never fix all your weaknesses. If life is a competition, you don't want someone competing with you because they have the same personality type, same interests, skills, and ambitions. Charlie Munger says in a partnership you need one who loves the spotlight and one who doesn't.

Who's going to be the front man? Decide it early on to avoid tension on the team. Two type A folks who want to be in the spotlight will start shooting at each other in the trench if it's not clear who is the front man. If you violate either loyalty or the complimentary requirement, you'll shoot each other.

The next question is how do you select these allies. We know what we're looking for-- loyalty and complimentary--but how do we pick? I've seen two interesting and almost opposite approaches utilized by the top companies when they hire people. The first one is the Charlie Munger way. He says "forget interviews. If you just go by interviews, then you get really good at hiring people who are really good at interviewing. Meaning, their main skill might not be what you're thinking it is. They just might be good actors." So he interviews referrals, acquaintances, references.

If he's hiring Bob, he goes back 10 years and interviews all the people Bob's been around for the last 10 years. It's all about background. I call this the indirect approach. It works, but only if you dig. You can't be satisfied with talking only to Bob's buddy pal that he gave you on a reference. You have to pick up the phone and follow through.

The second approach is used by some top companies and it's based solely on interviews, but these interviews might go on for a year and be 25 sessions. They invest the time one-on-one getting to know someone, watching them in various moods and in different situations. For example, one company takes prospects to dinner and counts how many times they say thank you. I read about one outfit that had an arrangement with the wait staff to mess up the prospect's order and see how he handled it. Graciously or accusingly?

Other outfits do a combination and require more than one to sign off on the hire. A team of four, for example, must be unanimous in their pick. That protects the process from one person's cognitive bias. I've certainly violated all of these principles and every time I regret it.

Few things can make or break your trench war success like the allies fighting alongside you. Take your time on this process. If possible, do some stressful stuff together as part of your vetting. Nothing proves loyalty like bullets flying. You don't make these kinds of discoveries in a sterile, posh office where everybody has on their Sunday best and pastes on a smile for a few hours. You need time together.

Think about a person who betrayed you. Why did you miss the signals? What would you do differently? I suggest you pick a person in business and one in romance--those are the two big ones.

Question: who is your best ally right now and why? Who is your worst ally right now and why?

# 28 LAO TZU AND JOHN WOODEN'S HORRIBLE, TERRIBLE, NO GOOD, VERY BAD DAY: THE PREPARATION THAT PRECEDES THE GOOD LUCK

If you're familiar with the Laura Ingalls Wilder *Little House on the Prairie* books, you might remember her Pa saying "a man makes his own luck." I think there's a lot of truth in that. Certainly things happen that are completely outside our control . Who our parents are, color of hair, where you were born are all outside our control.

But a lot is under our control. Lao Tzu is one of the greatest philosophers of all time. He says "do what is difficult when it is easy." Probably 99 percent of the world waits for things to happen before they act on it. For a long time interest has been low, even to the point that folks quit saving, or drop savings down to 1 or 2 percent of their income. If you're doing that, you're saying "I'll just wait and scramble at the last minute when something unexpected comes along."

You know that if you live long enough, you're going to have a hospital bill, car breakdown or some other out-of-the-blue financial crisis. If you enjoy scrambling at the last minute, go ahead, but I don't advise it. If you listen to the advice of folks whose wisdom stands the test of time, you'll listen to Lao Tzu: "do what is difficult when it is easy." He suggests that you and I not wait to scramble at the end, but instead do things well ahead of time.

Jim Rome, the life coach, says "prepare for tomorrow today." Something that has really helped me is just before going to bed mentally map out a couple of the main things I want to accomplish the next day. Writing them down is even better. Something magical seems to happen when I do that.

John Wooden, one of the greatest coaches of all time, said "prepare for the rainy day." I guarantee you that rainy days will come. That day will happen and it'll be a terrible, horrible, no good, very bad day--according to Disney.

You can do this planning while you're brushing your teeth. Think "first things first." What's the most important thing that's going to give the biggest bang for the buck on my health, wealth, love or happiness? What am I going to do that's going to bring me financial independence? What am I going to do tomorrow? It could be a little thing or big thing. Baby steps are fine, but you need to name the step or it won't happen. What's tomorrow's menu going to look like? Am I going to work out?

I'm not the greatest planner and I'm sure some of you share that with me. But if you won't spend fewer than 5 minutes before you go to bed planning out the next day, you're not committed to having a good life. Certainly you can over plan. Some peoples spend their whole lives planning and never accomplish anything. Balance it out. You can't do everything; you can't do anything; but you can do the strategic something, and that's what I'm trying to impress on you in this step.

Realize that some things you can control and others you can't. Don't be extreme and say "whatever" to everything; at the same time, don't be extreme and freak out if and when something beyond your control invades your day. Reinhold Niebuhr's serenity prayer is helpful here: "God, grant me the serenity to accept the things I cannot change, the courage to change the things I can, and the wisdom to know the difference."

When I assess my life's most painful moments or experiences, most stem from failing to prepare for the rainy day, for not doing what's difficult when it was easy. When's the best time to save money? When you don't need to save money.

You know the saying about banks only lend money to people who don't need it. That's true. Nobody wants to lend money to a desperate person. If you have no savings, you're in a jam when you break your arm. First, you need money right now and second, earning money is more difficult with only one arm.

When do people start thinking about health? You guessed it--when they're unhealthy. Do you see the pattern here? All of us deal with this in some way. If you contemplate the pain and agony that failing to prepare for the rainy day can bring into your life, you should be motivated enough to try this little experiment, starting tonight. Do the mental exercise to think and plan out your major activities for tomorrow. See if things don't run smoother. Our future is a compilation of many days; you may not think doing this daily regimen will have long-term effects, but it does and it will. Daily regimens are what add up to long-term results.

The Amish have a German saying that roughly translated says "when you don't know what to do, and you have something hard to do, just jump right in, and the next thing you know, it's halfway done." The main reason we don't practice this principle is because it's painful right now. It's something hard, remember, so we want to put it off for another day. That's normal and common human nature. But the whole point of these 67 steps is for you to abnormal, to be better than most.

Perceived pain is what drives your procrastination. But thinking today's difficulty is worse than tomorrow's pain is a false understanding. It'll always be more painful later than the hardship today. Maybe you need to break up with someone romantically, or sever a friendship, or separate from a business venture. If you give yourself too much time to contemplate it, you'll start dreaming up how hard it's going to be and conjure up all sorts of mental and emotional demons. If you just jump into it, next thing you know, it's all over; done; finished.

In general, you're freshest and most energetic in the morning, so knock it out early in the day. Don't wait until late in the day because you may chicken out. Tackle it straight out of the gate and get it behind you so it doesn't gnaw at you all day. If you practice this, you won't have all those things that pull people down for a decade. Imagine never dealing with the strife, the trouble, the tribulation that most of the world deals with every day.

Questions: what is something difficult that you put off, you didn't do, and it came back to bite you in a horrible way. What is a bad habit, a procrastination that you have, specifically?

What is a resolution you can make right now to change just one thing and how are you going to do it?

# 29 STEPHEN HAWKING: ENTROPY AND REMEMBERING THE FUTURE THE INJECTION OF ENERGY TO OVERCOME TIME

Stephen Hawking was an amazing man. Suffering from Lou Gehrig's disease, he could only move his cheek to activate a cursor to write his books and do his physics calculations.

Whenever I think I have things hard, he's the quintessential example of someone who overcame catastrophic debilitation and blessed the world with insights and writings that last.

He said that in his earlier days, he thought time would eventually end and then reverse, like a Benjamin Button syndrome. But later in life and doing new calculations, he reversed himself and came to the conclusion that time would just keep going forward. He said time could be measured three ways. The first is psychological time, which is the difference between how fast time seems to go based on our enjoyment of a situation. With friends, time goes fast. In my late teens I had a horrible job at Office America and all I would do is look at the clock and wonder and wonder if my shift would ever end.

The second measure of time is cosmological, like universal time. The third is thermodynamic time; that's energy and heat. What does all of this have to do with us? In a word, entropy. The basic definition is that things get more disorderly every day. Time is far more valuable than money because you can't get it back. If time only goes one direction, every time you think or act like it's not, your life becomes more disorderly.

Remember Seneca's wisdom that "life is long if you know how to use it." This is a long quote but appreciate how profound it is. He says "it is not that we have a short time to live, but that we waste a lot of it. Life is long enough and a sufficiently generous amount has been given to us for the highest achievements if it was all well-invested. But when your life is wasted in heedless luxury and spent on no-good activity, we are forced at last by death's final constraint to realize that it has passed away before we knew it was passing. So it is. We are not given a short life, but we make it short and we are not ill-supplied with time, but were wasteful of it."

Many of us are burning time. Seneca says your greatest enemy is expectancy. If you expect tomorrow to arrive, to have time to reverse mistakes, you will inevitably start going in circles rather than a straight line. The first lesson in time management is to appreciate that we have plenty of time if we invest it properly.

How do we invest in time? First, double down on yourself. That means reading, doing these 67 steps, improving yourself. Seneca says one of the ways we waste our life is by spending it all the time benefitting other people. That describes most jobs--you're making someone else rich while receiving a minimum amount of money. Karl Marx, as wrong as he was about socialism and communism, pegged one thing about right when he said we are generally exploited in work making other people rich. That's certainly not always true, but I'd say perhaps you and certainly most people you know say "I'm going to work for someone else so that in my spare time I can have time and money to do what I want." That's not investing in yourself.

That's giving all your effort to someone else so you can play with your own time. If you invest in yourself on your spare time, not doing what you want but doing what you should to improve, that's better. You defeat entropy--the tendency for your life to become chaotic and unravel--by directly injecting your energy, your time, your efforts, your focus and your concentration on your life. It really is that simple.

You have to step away from the rat race. You have to get away to focus on you. If you don't, your health decays; your wealth goes downhill. Entropy is constantly trying to take your money from you. I have a friend who sold his business for $18 million. He bought a nice house and a nice car and then someone suggested he invest in some desert real estate. It collapsed and even though he had all this money at 30 years old, he's back to working again because he lost it all.

Mike Tyson made hundreds of millions in his career and lost most of it. Don't think you're immune from entropy. The farther you move away from fire, the less heat you get; that's thermodynamic entropy. Whatever fire energizes your wealth, health, happiness and love, you'd better snuggle up close to it or entropy will rob you. I know people in their 60s who seem to have cheated physical decay because they have regimented daily exercise schedules.

They're staying close to the fitness fire and battling entropy.

You can't cheat time, but you don't have to rush it. Most folks are rushing time by the way they eat, sleep, exercise, spend and party. They do it in how they frivolously invest their money in stupid ideas, or don't invest at all, or never develop business and wealth accumulation skills. They don't continue making friends past college; social equity drops. That's entropy.

You're 5 years old, have a bad day, but go to sleep easily. Life is good. You're happy even after a bad day and sleep blissfully through the night. But at 40 you're popping sleeping pills, carry worries into the night, taking anti-anxiety medication. That's entropy.

How can we see into the future, to in essence travel through time? We do it with these 67 steps, by reading, by simulation, by listening to counselors. That's not prophecy, but it's a way to buy time by reducing entropy. Seneca says you can transcend time. Here's another profound quote from him: "None of these [learning, reading] will force you to die, but all will teach you. None of them will exhaust your years, but each will contribute his years to yours. While none of these conversations will be dangerous you can take from them whatever you wish. What happiness, what a fine old age awaits the person who has made himself a client of these great thinkers. He will have friends he can ask whose advice he can ask on the most important or the most trivial. You can consult daily with them. They will tell you the truth without insulting you or praising you without flattery, and they will offer you a pattern on which to model yourself."

Who is teaching you? Seneca says "there are households of the noblest intellects.

Choose the one into which you wish to be adopted and you will inherit not only their name but their property too. The more it is shared out, the greater it will become. These will offer you a path to immortality and raise you to a point from which no one is cast down. This is the only way to prolong mortality, even to convert it to immortality."

Today you're the youngest you'll ever be. Time marches on and the quality of the time you have left is largely determined by how you combat entropy. Don't be afraid of time; leverage it.

Questions: How have you been squandering your time? What or who (teachers, knowledge, books) should you be embracing on which you've been procrastinating? What are you going to do to slow down entropy?

# 30 PETER DRUCKER, THE CLUTTERED ATTIC AND THE INVENTION OF RULES: REMOVING DISABLING IGNORANCE

Peter Drucker's *Managing Oneself* is one of my favorite books. Whether you're in business or not, this one is a worthwhile read. In this book, he addresses disabling ignorance. Secretary of Defense Donald Rumsfeld had a famous funny line about ignorance. He said there were known knowns, known unknowns, and unknown unknowns.

Some things are pretty easy to know. You know if you're doing okay financially. You can measure it. Then you know you don't know some things, like how to explain a black hole or Einstein's E equals mc squared. Even among scientists, only a handful can understand the theory of relativity.

But the last category is the most troubling--unknown unknowns. These are things we think we know, but we don't. Drucker calls it disabling ignorance. I call it the invention of rules and I deal with it every day. I invest in a company that's foundering and their response to my suggestions is "we can't do that." When I ask why they say "well, it's never been done" or some other excuse. It's easy for me to see that in others, but I'm guilty of it all the time.

Warren Buffet says "you should get rid of one good idea every year," meaning that you should get rid of something you're attached to. For example, let's say you think sports are mindless, pointless and stupid. I heard this from many people growing up, including when I played sports, and it reduced my enjoyment. I would say that's an ignorant statement. Sports play a tremendous role in human life, and have throughout history. Sports is a display, like music, of talent and mastery.

Here's a similar belief. People ask why they should read a book by Warren Buffet since he's a billionaire and they probably won't ever be one. The underlying belief is that since I'm not a billionaire and don't aspire to be a billionaire, I can't learn anything from a billionaire. That's disabling ignorance. It's just a rule you made up.

In general, my wealthy friends have far fewer rules like this than my broke friends. In Arthur Conan Doyle's Sherlock Holmes, Dr. Watson asks the famous fictional detection "why do you not know that you're so smart?" Holmes replies "the mind's like an attic. It gets full." Hilarious, but practical. All these things, from disabling ignorance to rule inventions begin to clutter our attic. Buffet says once a year you should jettison one idea that's part of your identity. Think about politics. I'm not suggesting you eliminate convictions; what I am saying is you might be surprised how many of your convictions are actually disabling ignorance. Nietzsche said "convictions are greater enemies of truth than lies."

Think back in our own country's history at the consensus convictions and how silly they are in retrospect. Racial assumptions; gender assumptions. Might we have convictions today that our ancestors will look back, shake their heads, and ask incredulously "how did grandma believe that?"

If you think back a couple centuries, realize that brains were not as cluttered. A peasant life was simple; few choices, shorter world history, and less information. Today our attic is bombarded with choice, complex world politics, and Alexa. Today we're ignorant because we think we know too much. Many of our current beliefs come from how we grew up, what we heard from our parents and friends. How we view religion, politics, business, opportunity. We carry these rules into our work space, our love space, our health space and they can cripple.

Trainer Jim Rowan asked his 80-year-old dad how he stayed so fit and trim at that age. His dad replied "an apple a day keeps the doctor away." Jim realized that indeed for as long as he could remember, his dad ate an apple before going to bed. What if he had gotten one word wrong in that belie?. What if he had said "a candy bar a day keeps the doctor away?" Would he have had the same outcome? These are simple things you decide in your life that have long term consequences.

Here are some areas I think you need to attack. Number one is the rule about how you critique other people. Generally you'll get the most inaccuracy in areas where you are the most vehement: "Movies are dumb; Justin Bieber's dumb; TV's dumb." But go deeper. Is Justin or Kim Kardashian dumb, or might you learn something from them? I'll bet they could each teach you something fascinating.

I read a book recently titled *Riveting* about musical patterns. Justin Bieber uses those patterns. Perhaps a good rule would be "I'm not a fan of Justin Bieber's music, but it leads me to a deeper understanding of the human psyche." That's much more powerful than "Justin Bieber's dumb." People like novelty but not too much novelty. Our brains like music that sounds similar to what's familiar, whatever that happens to be at the time. The reason we have celebrity culture is because our brains crave authority. Oprah Winfrey rides this principle.

Another area is food. Maybe you're hardcore into a diet like paleo or veganism. Maybe you think killing animals is murder. What about killing plants? Maybe that smell of fresh-mown lawn grass is the plant's way of communicating suffering. Go deeper. Ask why three times at least. Why is this wrong? Going deeper is the real recipe for fixing the brain and getting you out of this rule invention hurdle.

Don't just believe something because your family believes it. As we've already mentioned, Charlie Munger says you need to argue the opposition better than they can. When you can do that and still arrive at your opinion, you purchase the right to own your opinion. Examine your rules from every angle. Spend time with people who challenge your rules. You owe it to your own personal development to get the exposure; in the end, it creates a more interesting, well-rounded person. I certainly don't have all the answers to moral questions like gay marriage or abortion. You have to settle it for yourself, but the point here is to work at the settlement. Don't just jump to the settlement because your family says so or because you don't want to wrestle with the opposite view.

I don't believe you should respect yourself or respect others that only believe what they believe because they never challenged it. You must challenge it to clean out your attic. Some of it isn't worth having. What's worse than being laughed at because you changed your mind?

Stubbornly making a fool of yourself and limiting your own progress because you're holding onto a flimsy rule.

Travel. Visit other cultures. You'd be amazed at how other folks solve problems and how they view things. Reduce the rigidity and you'll free your mind up to embrace all kinds of innovative possibilities. Get the clutter out.

Questions: What is one belief you held strongly for a long time that you have now jettisoned? What is a strong belief you have right now that you've never really examined and honestly challenged? What is a strongly held position you currently have against which you can offer a credible argument from the opposing view?

# 31 DELEGATING TO SHALINI AND SAM WALTON'S OVER-THE-SHOULDER STYLE: HOW TO MANAGE PEOPLE

If you work at McDonald's, you're going to make more money as a manager than running the cash register or the griddle. People who are responsible for things don't earn as much as people who are responsible for people. That's a fact of workplace remuneration. If you want to advance in pay, you need to get promotions that put you in charge of a team.

When people ask me for the fastest way to financial success, I tell them it's learning how to manage people. Once you nail that down, you need to learn how to manage money. The success chain starts with managing people.

Regardless of your current circumstance, you are interacting with people. Whether it's your family, your employer, or your employees, you're managing people. You're dealing with inversion, which is managing folks so they don't do what you don't want them to. And you're dealing with incentives, which is how you get them to do the things you want them to do.

This is not about control; don't confuse the two. Control usually means you're trying to get people to do things that are in your interest but not necessarily in theirs. Management is about reciprocity. Dating is all about management. You manage the person building your house, fixing your car, figuring your taxes.

Too often entrepreneurs have the misconception that all they need is an idea and somebody else will do it for them. They'll just delegate the implementation and everything will be fine. That's not how life goes down. If you look at the stories of all the successful people of our time they share one trait: active participation. Businesses don't just magically occur because of the strength of your idea.

Let's say you have an idea about a new way to sharpen a knife. You're not going to go out and find an engineer, or hire somebody off Craigslist or through a recruiter, and say "you're the CEO of my knife company. Go out there, find the tech, find the engineer, find the manufacturing plant, find the factory, find the marketing, and I'm just going to work a couple hours a week. The rest of the time I'm going to go traveling on the beach in the Bahamas." That will never fly; I call it delegating to Shalini.

Shalini is a made up name for a woman in India. I had an office there for about 10 years, outsourced office, good people, and finally phased it out. What I learned there is if I just took an idea, passed it on and said "go do this for me" and I just disappeared, when I came back a month later, things were in shambles. If you take your car to a mechanic and walk away, disinterested, you run the risk of things not going well with your car.

What you have to do is manage the mechanic with clear expectations. You say "look, I'm not a mechanic. I talked to a friend. He says the brakes probably aren't working. Every time I put on the brake, it squeaks. So can you look at that? Let's go ahead and see what needs to be done. Before you start working, give me a call on an estimate and then we can go forward." That's you having a little bit of knowledge and a little bit of insight, which is the first step in managing people. You cannot delegate what you don't know.

Change the oil in your car, just so you know how to do it. The less you know about what you delegate, the higher your risk of it going to shambles. That means at some time in your life you need to open the hood of your car and take a look at the engine. Where's the air filter?

Where's the oil filter? If you don't own a car, you don't need to do this, but if you're going to drive, you should know something about a car.

Don't take this to an extreme. You don't need to know how to make a projector before you go watch a movie in the theater. If the projector fails, it doesn't really impact your life. If your car brakes fail, it could definitely impact your life. Be discerning about the risks of various things to your life if you don't know about them.

One of the things I love about a farm is how many little things you have to know to operate one. Mechanics, planting, fixing fence--lots of things with which to be familiar. This knowledge principle applies to things that are important to you, that are integral to your life success. If you're going to your doctor to get your blood pressure checked, do you know something about blood pressure? Anything? If you don't, you're delegating to Shalini.

This is important because no one ever, ever has your interest at heart as much as you do. For you to expect other people to be as vested in your success as your are is both naive and unrealistic. When I delegated to Shalini, things did not go well. But once I visited and learned a little about computer programming and started doing some stuff with the team, everything improved dramatically. You've got to know enough to protect yourself from someone turning a 5 hour project into 40. If you don't know anything, how do you know if you're getting your money's worth?

Years ago I asked an outfit to build me a website. I didn't know anything about it. They promised to put seven programmers on it and get me up and running. About $100,000 later they still didn't have a workable site. By that time I did some research and found out I should have had an operable site for less than $5,000 total. Losing $100,000 is a painful lesson. Sam Walton had a philosophy to protect him from this; he called it over the shoulder management, meaning you don't want to micromanage, but you need to be aware of what's going on.

Peak over your shoulder. Look around. See what's going on. Ronald Reagan said "trust but verify." Lots of people push back on this point because they don't believe they can know anything about plumbing, electrical work or construction, much less their car. But you don't have to know much to be above average. Just a few minutes a day, some articles, a couple of books, and you can have a basic knowledge of many things in your life. You don't want to meddle with the folks you've hired, but you need to know enough to protect yourself and guard your interests.

A friend spent $10,000 on radio advertising for his new business. It didn't do anything. Wrong market; wrong message. I asked him if he knew anything about radio advertising. He replied "no. I just gave the station the money." You can't delegate your marketing if you don't know the target or the vehicle. If you start learning about some of these important things, in a couple of years you'll have a basic eclectic knowledge base and you'll be less prey to the system.

People at the top know a lot about stuff. They're savvy. They spot frauds; they know about lots of jobs and projects. They don't delegate to Shalini. Injecting your energy is the secret sauce for managing people.

Questions: what's a nightmare story where you delegated something and got taken, like my computer programming with Shalini? What are some things in which you need to gain some basic every day knowledge? In your life or business, what is something you're delegating without enough knowledge and to which you're going to commit some learning time?

# 32 SLOT MACHINE PROBABILITY AND CHASING THE MIRAGE: HOW TO STEP OUT OF THE CAVE INTO A MORE ACCURATE REALITY

When NASA launches a rocket to the moon, if it's off by the minutest amount, it misses the moon by 500 miles. If the moon is your target for the good life, the more precise your aim, the more chance you have of hitting the goal.

Here's the litmus test. Think back to when you 15-18 years old. Has life worked out the way your dreamed it would? Did you marry the kind of person you thought you would? Are you in the career or doing vocationally what you planned? Does you body look the way you thought it would look? How about your relationships? Anything go downhill? How about your financial position? Most of us, if we're honest, recognize that we haven't quite hit the moon like we thought we would.

One of the reasons is inaccurate convictions. Even false convictions. Adolf Hitler was completely confident in his cause. It was shaped partly by his experience in WWI when he was a foot soldier, concussed by a bomb, and awakened to find himself looking up the barrel of a British rifle. He threw up his hands in surrender and the British soldier could not bring himself to execute a man in cold blood. Hitler decided that experience was a divine anointing of his life and mission. Hitler was deranged, but he had enough evidence to give him conviction. We have those experiences too and they create blind spots.

Here's my challenge to you. Try living a week with less conviction and more investigation. What the world needs now is less opinion and a lot more observation. A lot of people are chasing a mirage, a world that doesn't exist. A mirage is an imaginary place; you think you see water, but you get over the sand dune and it isn't water after all. How many supposedly certain things throughout history have been proven false?

Imagine adopting a slot machine mentality toward your philosophy or convictions. Imagine your life, instead of being sure of stuff, being like a slot machine. Let's say you're deciding who you want o date, or who you want to marry, or which diet you want to follow. Or you want to know if you should quit your job now and strike out on that new dream you've had, to start your own business. Or maybe it's bigger picture, like what religion to follow, what political stance to embrace.

How do you know? Ideally, you'd be able to create an alternative universe, where you could look out and see the different pathways, the different choices, and how they would pan out. But you and I can't do that. We are left with uncertainty and you have to be willing to accept that. Imagine you have two slot machines in front of you and the left one pays out every 10 coins and the right one pays out every 20 coins. You're going to play the one on the left, right? Realize that you've chosen that one even though you know the one on the right will pay out occasionally.

` Eventually you have to realize that a lot of things in life are uncertain and you have to take your best guess but winning is not guaranteed. Don't be paralyzed by absolutes. Don't think the two choices are either absolutely right or absolutely wrong. In a world of uncertainty, you will have a hard time bringing certainty to all things. Who to date. Who to choose as a business partner. Which business to develop and which to jettison.

When a road forks, you need a tool to choose the right path. I'm suggesting you should go down the path that wins one out of 10 and not one out of 20, even though the one in 20 will win sometimes. You have to analyze without blind spots, without delusion. Even if a part of you thinks it could work out with the other person (the one in 20) you have to go with the odds.

You have two people you could choose for a business partner. One's really gifted and skilled, but he stole some money from you once and is a bit shady. But you reason perhaps he'll come around, get his act together, and be the best partner. You have another partner who's not quite as gifted, but is stable and completely trustworthy. Pick the odds. Why would you sit down with the more unstable guy? That's like sitting down with the one in 20 slot machine. It's a dangerous game. It's a mirage.

The desert is full of the bones of people chased mirages. Chances are slim that a big lake exists in the middle of the desert, but people still chase that big payoff. The odds are that the best approach is to figure out how to get some water right where you are. Stretch a piece of plastic to catch some condensing morning dew. That may not be as cool as the lake idea, not as big or tantalizing a reward, but it's slow and steady and gets you enough water to survive until rescuers can find you.

Plato said "life is like being in a cave, and in this cave you have a lot of people who are sitting way back in the cave and the darkness, and they're seeing activity by other people, but there's a fire and they're just seeing the shadows on the wall; but they think they're seeing reality." They say "oh yeah, those are humans." But it's really just a shadow they're pointing to. It's not really humans; it's the reflection of humans. Plato was saying you need to come out into the light, into new philosophies, new convictions and even though it's scary to see reality, at least you can see clearly.

I want you to see clearly. To understand probabilities is to know what is more likely to be true most of the time. Unfortunately, this presupposes that you can do the right thing and still not get what you want. When you grow up, Mommy is not always there to reward you when you do your best. You can put in the hours, all your energy, all your money, and still not get what you want. You can even think life is unfair because the world should beat a path to you door.

But it doesn't work that way. Odds are if you stay with it, you will get better and chances are one day the world will recognize your mastery, idea, or service. You must give the world time to catch up with your accomplishments. That means you must be willing to put a quarter in lots of times without winning. Rudyard Kipling's poem *If* is one of my favorites and speaks to this perseverance in the face of adversity. Look it up and read it; it's one of the most profound pieces of literature out there; post it on the wall at your desk. His point was that if you can stick with the plan, keep playing, keep after it, eventually you'll find the reward.

Questions: what is an example of when you did the right thing and it didn't work out?

What is an example of something you gave up on too quickly? What is an example where you see clearly now something that seemed shadowy before?

# 33 TEACHING PIGS TO FLY AND PUSHING ON STRINGS: WHEN TO PERSEVERE AND WHEN TO QUIT

One of my favorite sayings from my mentor Allan Nation was "don't try to teach a pig to fly. It can't be done and it irritates the pig." One of his other favorites was "you can't push on a string; you can only pull on it." As you go through life, you're going to run into people and situations that need to change.

Think of someone right now, perhaps a spouse, employee, or friend and they're doing something that's driving you crazy or worse, something that's not in your best interest, whether intentional or unintentional. Nonetheless, it's ruining your happiness, ruining your financial wellbeing, your physical wellbeing. You have a choice. You could try to teach your way out of it. My mom grew up in Panama with a scientist dad and though they were not rich by American standards, were upper class by Panamanian standards.

Labor was cheap so they always had maids and house help. When she married my dad, she didn't realize she had to wash the dishes. My dad liked things clean and the stack of dirty dishes drove him crazy. He sat her down and said "You have to learn how to cook and do the dishes." Fortunately, my mom was not a pig. A pig is someone who doesn't want to learn. These are the worst people you'll ever find in your life. My mom was just ignorant, but she eagerly learned when confronted. You must always separate the pigs from the innocently ignorant in your life.

Our mistake is lumping the teachables and the unteachables in the same group. They aren't the same at all. In the Bible Jesus said "Don't cast your pearls before swine, lest they trample them under their feet, and turn again and rend you." Investing in people who squander, who have no clue about value, is a waste of time and often incites them to retaliate. Sometimes the more you try to help people, the meaner they become.

When that happens a few times, we can withdraw and decide helping people is useless.

That mindset comes only from mis-categorizing. People who enjoy being helped create the most satisfying investments in life. We are all innocently ignorant about things; that requires forgiveness and encouragement. But you must ruthlessly get rid of the pigs because they frustrate and take your time and energy.

Often the pigs betray you. They not only don't listen, but they build a wall around themselves that eventually becomes offensive. Maybe they talk behind your back and even take your business secrets to your competitors. We've all had bad experiences with pig people.

Now the string. The idea here is that you can't always force things; sometimes you need to let it come to you. Voltaire said "it's not enough to conquer. Sometimes you have to seduce." A fine line exists between persevering and quitting. You need to quit on the pigs. But you need to pull on the strong and let it trail. Sometimes that tugging takes years to really straighten out. Discerning when to pull and when to quit is perhaps one of the hardest balances to create in life.

You're already familiar with Reinhold Niebuhr’s serenity prayer but it goes beyond the popular part by adding "living one day at a time, enjoying one moment at a time; accepting hardships is the pathway to peace; taking as He did this sinful world, as it is not as I would have it, trusting that He will make all things right, if I surrender to His will, that I may be reasonably happy in this life and supremely happy with Him forever in the next."

I was on the farm with Joel Salatin when he first started using pigs to turn compost.

They'd finished doing the compost and he wanted to move them to a pasture clearing up in the woods. We went out to load those pigs on a trailer and it was a nightmare. The pigs were comfortable and in familiar surroundings; to say they did not want to be moved or disturbed would be an understatement.

If you've never wrestled with pigs, it's hard to appreciate what 200 pounds with four- legged drive at a 12 inch center of gravity is like. We pushed and shoved, all three of us stout men, but the pigs wouldn't budge. Then we tried putting down a path of corn, hoping to entice them on the trailer. They weren't hungry--or even curious. By now, they'd figured out that we had designs on their future different than lounging under a shed roof on nice warm compost.

Once they got irritated, they began voicing their displeasure by squealing. An angry squealing pig is unimaginably horrible. Years later, as I reflect on that memory, I realize how much like people these pigs were. At least people who aren't interested in learning. Voltaire said "God help the man trying to teach somebody who's not ready." Just think about your own life. You and I have both been ignorant. We've both been pigs in various areas in our life and we can be thankful we eventually came around. Most people eventually come around, but if you can't conquer, you might have to seduce.

With the pigs angry and uncooperative, we walked away. Plan A didn't work, so we retreated to Plan B. We had to load the pigs on their timeline. You have to meet the people who are ready and willing, but let the other ones go their own way until they have enough pain that they decide they're read to learn. We left the trailer parked and decided to feed them in there for a couple of days. We knew that sometime they'd get hungry and venture into the trailer for something to eat. We were prepared for as many days as it took for them to accept the trailer in their lives.

Sure enough the next day they ventured into the trailer to eat. We fed them two mornings and the pigs sauntered in like they owned the place. The third morning we didn't feed them. Yes, they got hungry, but by waiting a couple of hours, adding a bit of pain, when we did feed them they ran in. We closed the door. Loading took about one minute max. Notice the sequence here. Giving people their own time frame. Changing the reward structure. Sometimes changing from salary to commission, or hourly to salary can completely alter a pig. Instead of feeding them in the barn, we fed them in the trailer and that made all the difference. You can't push on a string.

Some pigs will never move. Those are the ones you need to cull from your life. Be patient and seduce, but if enough time goes by and the irritation is extreme, let it go. I had a friend who was a model, drop dead handsome, and I asked him what his success rate was at picking up girls: "50 percent." Even the guys that girls turn around to stare at only have a 50 percent success rate. Take heart.

Questions: what's an example in your life of a person that looks like they'll never come around? How are you going to cut them out of your life? What's an example of your patience paying off where they did come around? Lastly, what do you think you need to do to gain the wisdom to know the difference?

# 34 BILL GATES AND THE 10 DARK YEARS: OVERCOMING THE MEDIA COGNITIVE BIAS.

Exactly one website existed in August, 1991. Today the world has 1.1 billion, with about 5 billion pages all over the internet. That's one website for about every six souls on the earth.

Why is this relevant? Because you and I are bombarded by stimuli. Your car plays music. Your house has a TV. Your smartphone begs for your attention. You're getting bombarded by stories, morality, value systems, consumer goods, talking heads.

This begs the question "who's in charge of your brain?" We are sensory creatures, and as such, we crave and respond to sensory material in all its forms: seeing, hearing, touching, smelling, tasting. Certainly when AI can offer YouTube tasting, it will. We naturally gravitate toward material that touches more of our senses. When MTV came out August 1, 1981, it revolutionized the music industry from audio to audio plus video.. About 40 percent of YouTube activity today is watching music.

Certainly entertainment has its place, but if you are no different than most people, your brain will not be your own. We can't detach from our senses, according to Jim Davies in his book *Riveted*. My grandma was born in 1918 and her media was all printed: books and newspapers. You can filter printed material because it's not touching multiple senses simultaneously. All this stimulus creates an impatience, an instant gratification bias in our brain.

Try to imagine Bill Gates' rise to being the richest man in the world for more than a decade. All the news is about Bill Gates today. We have a hard time imagining backwards. But here's the back story. He started at 12 years old tinkering with computers and essentially hunkered down completely outside public view until 31. He said from age 20 to 30, he never took a day off; not even one. That's 3,650 days, locked in a cubicle, trying to figure out Microsoft.

The literature often refers to this time as the 10 dark years. Picasso, Mozart, and Beethoven only did memorable work after producing nothing memorable for a decade. You have to learn how to live before you can enjoy the good life. Michael Jordan was cut from one of his high school basketball teams because he hadn't yet gone through that time of learning. Allan Nation always said those things you don't learn young you're doomed to learn old or not at all.

These days we grow up with the lottery ticket mentality that we're going to hit on a good idea and it's all going to fall together quickly. Think about diets, about fitness programs. If you're out of shape, you don't get in shape instantaneously. But look at the magazines at the grocery store checkout counter. Lose 10 pounds in 10 days. The Amish have a saying that a fence you build fast falls down fast. A fence that you build slowly and surely stays up for a long time. How many people have been on a fitness yoyo, jumping from one into another and losing ground in between?

All big picture things like health, wealth, romance and solid social relationships take time. Time plus adversity creates the deepest, most stable friendships. That's why I encourage folks to reconnect with high school friends. If you want a work out program that works, you need to stay with it long enough for your muscles to develop what's known as muscle memory.

Relationships develop the same way.

Warren Buffet says the key to a good marriage is the same as the key to a good investor, business partner or any other relationship: "low expectations." That's humorous but quite profound. Most of the time your discomfort with your situation is simply impatience and an inability to enjoy the 10 dark years. Your timeframe is out of whack. So think about where you are in life right now and ask yourself if your short-term expectations are too high. Lofty long- term expectations are great; it's all about the timeframe.

` Remember Allan Nation's description of the business as infant, teenager, and adult. You have to change a lot of diapers in the early stage of your business before you can enjoy its maturity. You read stories about big investment returns, but those are all aberrations and usually look at a little slice of time. Virtually all investments, from real estate to the stock market, return about 6 percent over the long haul.

Joel Salatin used to tell me that fast growth, like cancer, is not always good. Whenever you come across some successful person, read their biography. Invariably you will discover the 10 dark years in their history. Look at the full story before you think somebody whizzed to the top. I've known numerous people who climbed unusually fast and then lost it all on a bad decision. People who advance more slowly learn to live, to make good decisions, to be discerning and tend to hang onto their wealth.

I was in Germany to do a talk for the company of perhaps the wealthiest guy in Europe. He's in the publishing business. As we walked to his office, I asked him when he started. He quickly replied "12." He explained that when he was in elementary school, somebody asked him if he'd like to run a school newspaper and he said yes. That was the beginning of it all. He stuck with it and never changed for the next half century.

` Warren Buffet started at 7. Ray Kroc started a restaurant in his 20s but did not start McDonald's until he was 52. Mahatma Gandhi was an attorney in South Africa before he ever went to India and led it out of colonialism. Nelson Mandela went to prison for 27 years. Yes, occasionally a Mark Zuckerberg comes along and pulls it off young, but that's not the way to bet for your life.

The problem is the media bombards us primarily with success stories. Business magazines don't feature flops on their covers; they feature whiz kids. Nobody filmed Bill Gates when he was 21 hunkered down in his computer bunker. Everybody wants to watch the reward, the harvest, the grown up. They don't want to see the diapers and the 10 dark years. Give yourself time to succeed.

Questions: what is an example of something for which you had an unrealistic timeframe, especially regarding your health or body? Ditto wealth. Ditto dating, romance, friendships, social life. Ditto training your mind to have happiness, peace. Now, what is the more realistic timeframe for all of these?

# 35 IGNORING THE 99 AND THE 1/10TH RULE

I'm deeply grateful for all the key pieces of advice I've received from smart people. I don't know what would have happened to me if people hadn't gone to the effort and put in the energy to pass on their learning, smarts, judgment, ideas and wisdom. That's what inspired me to do these 67 steps.

Allan Nation told me "Tai, the secret to life is ignoring 99 out of 100 people. But when you find that one person, do everything they say." It's counterintuitive for us because what's natural for us, for our brains, is to be democratic. If you ask advice of 10 friends you'll usually run with what most say, not what the maverick says.

Allan's point was not to ask 99 people. Rather, find the one person with expertise, insight, and knowledge in that area. Then you test them. Test their advice. Once they stand that test of time, start to really listen. That's why I'm trying to narrow down the 130 million books printed over time to the 150 that embody the most profound wisdom. Nobody knows it all, but by selecting expertise and experience, you can assemble a composite reference group of books or people who can speak into almost every area of your life. Stephen Hawking, the renowned physicist and perhaps the smartest person in the world during his lifetime, said "I don't understand women." Even he doesn't know it all.

I practice this principle with books. When you go to Barnes and Noble, ignore 99 out of 100 books. But when you find that one with all the nuggets, read it over and over. For me, Will Durant is one of those authors. I revisit his history set time after time and I'm much wiser for it. If I tried to read every book, indiscriminately, democratically, I'd be dumber.

I did a talk for several hundred young aspiring entrepreneurs recently and asked how many had read the *4-Hour Workweek*. All the hands went up. Then I held up Sam Walton's book, *Made in America* and asked the same question. One hand went up. Why would you read the other books? Why be egalitarian? You want to be a selective elitist when it comes to investing in your wisdom and knowledge. You must become elitist when it comes to who you let into your brain.

You need discernment about who gets to put stuff in your mental attic. Certainly experts can be wrong; even people with a good track record can be wrong. But that's not the way to bet. I want you to become pickier. I bought a business recently that was floundering because the owners were letting the employees make decisions that were above their understanding. In fact, these employees, early in their learning, were influencing the more experienced owners to do stupid things. I have a long time friend, great guy, but he's always broke. I don't ask him questions about business. You don't have time to listen to non-credible advice or people who will lead you astray. Remember, you can overcome lost money, but you can never get back lost time.

The 10 percent rule means you will probably only achieve 10 percent of the success of whoever you listen to, whoever you copy, whoever you emulate, whoever mentors you. That's scary to think about. My brother Ben got interested in basketball and we have a mutual friend who's pretty good. Ben figured this fellow could mentor him. I suggested he go straight to the top and start studying YouTube videos from Kobe Bryant and Michael Jordan because even 10 percent as good as them would still be pretty good. He did that and progressed much faster than he was with our pretty good basketball playing friend.

The 10 percent rule is why I study billionaires. I might never be one, but if I only emulate millionaires, I'll probably never even become one. I do a lot of entrepreneur coaching and I routinely see people get bogged down at the 100 to 150 grand in business. Why? They're reading books by people who make $500,000 to $1 million dollars of revenue in their business. They're hitting the 10 percent emulation ratio. Happens all the time.

Go straight to the top. If you want to understand the universe, read Stephen Hawking; he doesn't have all the answers, but he has the most trustworthy track record. Who's your alternative? The next door neighbor who spouts a thing or two he read in some pop psychology book or thinks he understands the string theory because he read about it in Wikipedia? If you watch a YouTube video by Stephen Hawking, it'll be way over your head but if you can grasp 10 percent of him, it's going to be way above 100 percent of the guy next door with a Walmart telescope.

My brother advanced slowly when the neighbor mentored him. He advanced slowly when he did self-learning. I even showed him a few tricks. But when he started listening to Kobe Bryant and Michael Jordan, he doubled his skill in a month. It was almost unbelievable. Why? Because being 10 percent as good as Michael Jordan is probably 10 times better than I am. He's now rounded out his life with a skill and understanding in a sport that brings happiness and affirmation in his life.

The point here is to limit your informational intake sources. That's hard to do because it's hard to ignore our senses. If I walked up to you and started screaming in your ears, you'd be hard pressed to tune me out. Your ears have no choice. The truth is that not only do you need to be pickier about who you listen to, you also have to be picker about who you allow in your space at all. I recommend you go to your bookshelf and throw out some books. I'm not big on book burning, but if you have a horrible book, burn it.

My rule for cutting out people or books is how do I feel after reading it or listening to them? A person that chatters away all day spewing negative gossip about people will make you depressed, dislike your friends, and generally hate the world. Cut that person out. Slice the cancer out of your life. I challenge you to rank on a scale of 1 to 10 where you are in wealth, health, happiness, and love. Go ahead; take a minute to do it. Now add those numbers up and divide by four.

Congratulations; you've just pegged your life's average goodness index to a number. How do you feel about that number? Most people are average, around 5, but that's not where you want to be, is it? Remember that the enemy of greatness in your life is settling for good.

Be judicious here. Sometimes you have people in your life that are blah or even negative that you just have to abide. You can't pick your family. But you can pick who you follow, what you read, who mentors you.

Questions: what or who are you listening to relative to your health that should be ignored? Ditto wealth. Ditto building friendships. Ditto satisfaction. Now, who's worth listening to or following in each of these areas such that even if you only achieve 10 percent of their performance, you'll be successful?

# 36 THE SUCKER IN THE ROOM AND THE LOLLAPALOOZA EFFECT

Everything you do must originate in the mind first. If you want to move your finger, a millisecond before you move your finger, your brain has to decide and send a signal for your finger to move. Christopher Reeve, who played superman and became a quadriplegic as a result of a horse riding accident, eventually overcame the doctors' prognoses by willing some movement.

He never regained what you and I would consider real movement, but he did get to where he could swim in a pool and somewhat move his fingers. He called it mind over matter and became a poster child for the capacity of the mind to overcome physical limitations. We know that all physical movement must originate in the mind. The same is true about success. If your mind is not aligned with success due to poor mental habits, then you will stay impoverished in every area of your life. Most people suffer from poor mental habits.

I love the old saying that if you're in a room playing poker with a bunch of people and after 30 minutes you don't know who the sucker is, you are probably the sucker. Life is competitive. Don't be naive and think forces aren't trying to take advantage of you. Every person you encounter, certainly outside your closest social circle, has their best interests at heart more than yours. That means you need to take control, not in a cocky or bossy way, but like Rabbi Hillel said centuries ago, "if I don't love me, who will?" You have to take the reins of your life and move it forward.

Someone is always trying to persuade you, every moment of every day. Most of us see several thousand ads per day. In a century, we've gone from seeing a few ads a day in a newspaper to thousands on multiple media platforms. We've gone from being relatively autonomous in our subconscious to thousands of people trying to make us a sucker. I was at a Lakers basketball game with my friend Alex and he said "do you realize how many ads we're seeing?" The cheerleaders wore Carl's Jr. brand on their outfits. Even the arena where they play is the Staples Center, named for the office supply company.

The average young person today has 6-8 hours a day of media exposure. What's that doing to our thought process? Probably more than we think. Some of the greatest business people of our time, like Charlie Munger and Warren Buffet, never go to an auction. They say you always lose at an auction. Think of what happens to you at an auction. You walk in and somebody is on the stage which automatically makes your subconscious assume they are an authority, since they are in charge and physically positioned above you.

Then all the banter about going once, going twice creates scarcity and urgency. You're sitting in a room with a whole bunch of other people focused on that item, which creates social bias. If you weren't interested, you wouldn't be there, so you have reward bias if you buy it. Of course, if you miss out, you suffer mental anguish (pain). All of those things together create the Lollapalooza effect. We can withstand one of these cognitive biases, but taken together they are too powerful to overcome. When these multiple biases coalesce they are almost irresistible.

Realize that irresistible forces are at work, all the time, persuading you to think a certain way. You can't detach from them. You can't go live in a cave, become a hermit, and have a happy life. Part of Buddhism is learning how to detach from the senses, but succeeding at this is rare indeed. I think a more practical solution is to quit consuming as much media. Turn it off.

News. It's full of biases, seeking ratings and sponsorships. Do you think news reporters really want to give you information out of the goodness of their hearts? No, they're in business to make a profit, to increase customers, and to attract advertisers. Nothing is wrong with that; it just is. The sooner you're aware of it, though, the better you'll be able to appreciate the competition for your mind.

Most organisms are trying to take advantage of other organisms. The bacteria and viruses in your body are not evil or bad; they're just living out their own agenda in your body. If your immune system quits working, they could kill you. They're trying to thrive and survive. You can't get angry at them. What do you do? You wash your hands and clean the kitchen. You stay away from sick people. Avoid the things that will hurt you, including those things that will persuade you to think or do harmful things.

Besides avoidance, you must strengthen your resistance, your immune system. You avoid as much as possible, but at some point, you'll probably be exposed. In this context, that means strengthening the mind. Feed your mind wisdom and understanding. Reading this book right now is part of strengthening your mind. Congratulations.

Next, flip the persuasion to your advantage. This is the Alexander the Great approach.

You take the offensive and become the persuader, the convincer of better ideas and better thinking. Use what you know to move the crowd in a different direction than the orthodox narrative.

Finally, force yourself to realize how competitive life is. The world doesn't care if you succeed. People don't care if you get what's fair. Too many of us get caught up in trying to divide the world into good and evil. That works great to finger the bad guy in the movies. It's even a convenient way to study history, fingering the black hats versus the white hats. The truth is that rather than good and evil the world is competitive.

War. People love to blame good and evil, religion or whatever for the cause of war. Those might masquerade as the reason, but generally the real reason is competition. Japan attacked Pearl Harbor not because they were evil, but because their island nation was starving for raw materials like lumber, iron, rubber and petroleum. They were desperate to take over Asia to get more things. The same general need drove Germany because it was concerned about resources. It saw Russia, France and Great Britain taking over resources and felt pushed out. Germany wasn't evil; it was just competitive.

Even when you were a baby in your mother's womb, you were competing with her energy. When she weaned you, she was competing for her health. Nursing takes precious energy so to protect herself, she weaned you. You don't get ahead by labeling corporations evil or marching in the street against wealthy people. You and I and everyone else on the planet are competing for resources, space, and success. The sucker blames other people and takes the bait of persuasion.

Questions: what is a time when you were just sitting in a room with other people and you thought they all had your best interests at heart but you turned out to be the sucker?

What's an example of you being persuaded? How does understanding the world as competitive more than good and evil change your outlook?

# 37 WHY RESTAURANTS FAIL; C0NTROLLING ALL THREE OF THE CLASSIC FACTORS OF PRODUCTION

Perhaps you've heard the classic ditty about "how do you make a million dollars with a restaurant?" Answer: "Start with three million." Restaurants suffer the stigma of fast ways to lose money.

I don't know if restaurants have a higher failure rate than other businesses, but they certainly have that reputation. Why do they fail? Everybody eats. It's a huge market. You could say it's because of leases, overheads, labor, cost of ingredients. My answer is that it involves the three classic factors of production.

Aristotle said that to be angry is easy, but to be angry at the right person at the right time for the right reason is hard. It's kind of like going to college. I don't have a college degree, but I read textbooks. I went ahead and started a business and used mentors and books to learn what I need to know to be successful. If you're going to be a doctor, you should probably go to college.

I'm not anti-college or pro-college; it's a multi-factor decision. I can say for certain that if you're going to college because that's what everyone expects, it's a bad decision. You'll owe

$80,000 for nothingness. I bought a college textbook on economics and I learned about the three classic factors of production: land, labor, and capital.

In the modern world, land isn't just real estate. It represents connections. It's positional advantage and who you know. Labor is your skill and the skill of the team around you. The final one that almost everybody forgets--especially people starting restaurants--is capital, or cash that can be invested.

These apply to all four of our pillars. Think about eating right. Land would be the relationships you have surrounding your food, like "know your farmer, know your food." Labor is what you know, how to prepare, your culinary skill. And capital is being able to afford the good stuff. When I was on the farm with Joel Salatin, his pastured eggs were more expensive than factory farmed eggs. People would complain about the price and he'd say "there's more nutrition in one of my eggs than in that can of Coke you're drinking."

Think about your social life. Land is the people with whom you spend your time. Labor is what you know about those people, how to win friends, how to be an interesting person. And you need capital to be able to buy your friends gifts. Maybe you have long lost friends that live across the country; buy a plane ticket and go visit them. You can see how these three factors apply to every area of life. So why do restaurants fail? Simply put, they fail because they don't have all three of these components. Generally we have one of these. Perhaps you're great at networking, have a lot of friends, good people connections. This puts you in positional advantage. On a battle field, if you're on high ground and the enemy is on low ground, you have an advantage. In a world of 7 billion people, if you don't create some sort of advantage for yourself you'll never win.

Notice I didn't tell you to take advantage. I'm suggesting you see where your advantage is and exploit it. If you're tall and coordinated, you might play basketball. If you're short and quick, you might play soccer. Play to your advantages. The more time you spend in your areas of weakness, the less happy and successful you'll be. You want to get in your own zone, flowing with your own strengths.

The labor component deals with what you know, what you bring to the table in skill and ability. As Warren Buffet says, the more you learn, the more you earn. Charlie Munger, remember, says you have to deserve your reward. You need lots of skill in what you set out to do. That means you apprentice yourself, either physically or through books and other curricula, to the masters of your universe. That's why I stress reading. If you don't understand more than your competitors, you'll never stand out. Your edge can be knowing just a little bit more.

Capital requires you to get your hands on cash. How do you get capital when you don't have cash? The old cliche that it takes money to make money is absolutely true. You can't get a return on investment if you don't have the capital to make an investment. Certainly exceptions exist, where people started from nothing and over time became wealthy, but most people need a nest egg to launch.

I'm not going to address all the ways you can raise capital here because it's outside the scope of these 67 steps. You can raise capital through investment, private, public, private placements, bonds, debt, credit cards, franchise fees, licensing fees, consulting. In the end, the best way to come up with money is to be a good steward of the money you have.

I've talked about my first mentor Joel Salatin, on the farm, in regards to the time it takes to see a fledgling idea actually turn into a profitable business. But in this discussion, I want to point out that not only was he faithful in persevering and patience, he was a good steward of his pennies. He and his wife lived in the farmhouse attic. They drove a $50 car, never ate out, grew all their own food. He literally lived happily on about 10 percent of his friends' salaries.

Today, he's reaping the benefits of that early frugality.

He's still frugal. When other farmers buy side-by-side all-terrain vehicles for $15,000, he bought a high mileage 30-year old Ford Bronco for $1,800. It's stronger, more powerful, carries more people, and has a roof and windshield to keep him dry in the rain. If you don't learn how to stretch pennies, to be satisfied with function over form, you will never accumulate capital. Let's bring this together with a hypothetical example. Let's say you come to me with an idea to compete with Berkshire Hathaway, Warren Buffet and Charlie Munger's investment company. worth nearly half a trillion dollars. They own outright or have large interests in GEICO, Coca Cola, Gillette, NetJets, Dairy Queen and many others.

Compared to them, where are we on land, positioning? Not good. They can call up the president of any country in the world and get information. How about labor? Are we more skilled? These guys have been devouring and digesting P&L statements and stock trades since grade school, 70 years ago. Well, maybe we could compete on capital. Yeah, right. We don't have billions of dollars. These guys keep $20-$30 billion in cash on hand just to jump on deals.

But--and it's a big but--they stay completely away from investing in things involving the internet. They didn't grow up with it and admit to being ignorant and frightened about making investment decisions in that arena. So perhaps you and I could start an investment fund that invested and taught folks how to invest in internet companies. Perhaps you and I have lots of smart internet-savvy connections, are avid students of internet companies, and invite some friends to invest in our start-up. Now we've found and leveraged an advantage.

Questions: what are you doing right now and what is your land, labor, and capital advantage? What is a potential business you could do in which you would have an advantage in all three of these areas? As you've gone through this exercise, what keeps coming up as your weakest component: land, labor, or capital?

# 38 THROWING IDIOTS TO THE CROCODILES

In the modern world we have many choices about who we're going to date, marry, befriend and avoid. A field of study called bounded rationality tries to reduce options when you have unlimited choice.

Let's say you want to go to a restaurant. If you're in any kind of urban area, you have unlimited choices. In fact, you have so many choices they paralyze you. If you drop it to options within 15 minutes, that narrows it down substantially. That's called putting bounds on your rationality. It's a way to constrain your choices, to get the options down to something you can work with.

Think about your family. You can't spend equal amounts of time with everyone, including distant cousins. You prioritize who is most needful of your time and that helps you allocate the hours you devote to family time. How do you make that decision? It starts by deciding who you want as an ally and who you're going to compete against. If you don't think life's competitive, read *The Lessons of History* by Pulitzer Price winner Will Durant, one of my favorite authors. He says the first rule of biology is that life is competitive.

Mother nature has not read the Declaration of Independence or the French Human Rights of Men. Nature does not see all people equally. As a civilized person you may not be operating on the primal animalistic understanding of people, but still you have people with whom you compete. You're not only competing with other people; you're competing with the forces of nature, like heat, drought, hurricanes and blizzards. All organisms compete for resources.

To pick our competitor, we want to be realistic. Charlie Munger tells the story that when he was in his late teens he wanted to be an aeronautical engineer. But one of his friends in class was always quicker at the answer, quicker at the calculus, and it dawned on him that he would never be able to compete against this other fellow. Munger said "when I came to grips with that, that was the day where I realized I don't want to be in aeronautical engineering because I don't have any advantage. I'll never catch up with this guy."

He switched to business and economics where he excelled. A young man asked Charlie Munger what he should do with his life; after telling him the story, Munger said "what you really want to do is compete with a bunch of idiots. And fortunately idiots are in large supply." If you're good at math and numbers, perhaps you're cut out for something in the finance industry. Then look for niches of opportunity that aren't filled with geniuses. That's thinking like an entrepreneur. But let's say you want to go into research, perhaps medicine or neurobiology and you're going to change the world. You wouldn't necessarily want to follow this competition advice because in the research field, you need allies, not competitors.

When I went to GE financial services, I picked a sector within the business industry that was dominated by people in their 60s. The agents were all on their way out and almost no young people were entering the field. The key is finding your competitive advantage. Oranges grow easily in Mexico. Apples grow well in Canada. You could probably grow apples in Mexico and oranges in Canada, but you'd need special infrastructure and techniques. By growing oranges in Mexico and apples in Canada, the world gets more of both and Canada can sell its apples to Mexico and Mexico can sell its oranges to Canada.

The reason most people never find their life's destiny or their comparative advantage is because they quit searching too early. Jesus said to ask, seek and knock. If you feel like the door isn't opening, just keep asking, seeking, and knocking. Discovering your niche takes time. Nietzsche said your mind is like a fortress and it takes both friends and enemies to find out who you are.

Once you find your advantage and you begin building your castle, you want a moat around it. Competitors will see your success and start trying to either take your castle down or build one next door. My advantage castle is reading. Sure, somebody might try to compete with me, but it won't be many. My head start creates a big protective moat around my information business. I want only idiots trying to cross my moat where the crocodiles will get them.

Who do you not want in your castle? Primarily, people with a distorted sense of self esteem. You want to be surrounded by accurate people. Dr. David Buss writes about this in *Evolutionary Psychology* regarding men who are violent toward women. They usually have a distorted sense of who they are. My experience with people who have a distorted sense of self is that they're erratic; they surprise you. You invest in them in business or romance and they come back and bite you. They're backbiters because in their view the world's constantly giving them feedback that they're not as good as they think they are.

My mentor Allan Nation said "Tai, everybody at the end of the day thinks they're better than you, even if they don't want to let on. That's part of the drive to be the humans they want to be." When they think they're amazing and the world's not giving them that feedback, it creates a neurosis and kind of pent up anger. If they find a chance where they can spring up to a higher level on your back at your expense they'll do it in a minute. I've seen it over and over in friends, family, and business. They see themselves as high and they want to get acknowledged by other people.

The opposite is sometimes true too. Some folks see themselves as much worse than they are. They don't realize how smart or good looking they are but then one day they're going to make the jump out of their doldrums and that will leave casualties. Of course, we all have a bit of delusion about ourselves, but in general, we want stable people to be our allies.

Stability is more important than intelligence or looks. For allies, you want people you can count on. Getting enough information to make the choice sometimes takes time.

Sometimes the blonde turns out to be a brunette with died hair. You need to get close and dig a little deeper before you can be sure she's a true blonde.

Telltale signs of distortion are phrases like "I'm the best" or "I'm the worst." Either extreme is unstable. If a person says "I'm not the best but I'm working on it and hope to get there some day," that's not delusional; it's healthy optimism. Healthy optimism is a good thing.

Questions: what is an example in your life socially or romantically where you allied yourself with unstable people? How can you adjust your career so you're competing against idiots? What are your advantages?

# 39 ALIENATING THE 82 PERCENT WITH YOUR MESSY MESSAGE: THE PROPER USE OF THE NICHE

You and I are not good at everything. People come up to me routinely wondering what they ought to do with their life and finish the question with the statement "I'm good at so many things." No, you aren't, actually. I'm not either.

At one of my early Knowledge Society conferences during a question/answer session after Joel Salatin's presentation, a lady asked him "I'm good at almost everything; how do I choose what path to take?" He smiled and said "you probably aren't as good as you think you are." It was a classic well-mannered rebuff.

About every 500 years a Leonardo da Vinci comes along. But rarity is not normality. Even the greatest names historically are remembered for one thing. Shakespeare was a great writer.

Einstein was a physicist. He's not remembered for his looks--he had crazy hair. He's not remembered for his politics, although he did have political ideas. He's not remembered for his religion or his charity. He's remembered for one thing.

I'm pulling material from Peter Thiel's book *Zero to One*. He says that if you go after the broad market, you will fail. In general, if you get 18 percent engagement in your product, your friendship, your service, you will be well on your way to finding the good life. You don't have to look for universal acceptance, engagement, or interest. You don't have to create a business that interests a billion people.

Thiel said most innovation comes form people who just do a small, narrow niche. Through technology or demographics, some of these grow larger. Bill gates started trying to solve one small problem for a small segment of the world. Few people even had personal computers when he started. Steve Jobs said software would never be more than a $100 million business for him. The underestimation is what allowed these innovators to focus and build the skill to eventually leverage worldwide sweeping changes that catapulted their discoveries in to the stratosphere.

Whatever you're doing, set 18 percent as your target. People who like you. People interested in your idea. You can have a big idea, but set it aside in your day-to-day activity. Think globally; act locally applies here. In his fascinating book *Crossing the Chasm*, Geoffrey Moore drills down into the early phases of disruptive ideas. Your first market is friends and family, but you soon run out of those and have to generate interest from more disinterested people. If you start a fashion line, take one of your shirts to strangers on the street and see if they're interested. Your family and friends will be interested automatically; until you interest others you haven't crossed over to something that has legs. The WWII landing at Normandy concentrated all the allied power on one little beachhead; it was not a broad landing. This is the 18 percent rule. The goal was complete domination, but it had to start with a tiny concentrated effort. If you're at a social event, don't try to talk to everyone; pick 18 percent and invest your time in them. You can't do every diet or fitness workout available. Pick one or two things you can do and concentrate on them. Don't fret about the ones you're not doing. If you succeed with 18 percent, you'll see big changes.

The other end of this step is to not be so strongly focused on the 18 percent that you alienate the other 82 percent. It doesn't even mean you ignore the 82 percent. What you do is concentrate and let the rest go; don't beat yourself up because you didn't "work the crowd." Don't go on a guilt trip because you didn't try diet number 5 and 6. Enjoy the 18 percent, leveraging it, becoming a master in it, developing a network in it. If you try to please everybody, as the saying goes, you'll please nobody.

Find and enjoy the people who like you for who you are, what you stand for, what you want to do with your life. The folks who aren't interested have their 18 percent somewhere else. Good for them. Let them fall off, pursue their own interests and do their own things. Social media has probably created our modern obsession with being liked by everyone; get over it. You'll get offended and probably grow ulcers if you fret about disinterested folks; cultivate folks, acts, and ideas of interest.

What makes you happy? According to Freud, it's 10 things; 18 percent of that is about two. So pick two. Art? Music? Relationships? Computers? That doesn't mean you throw eclectic understanding to the wind; it means simply that you concentrate on some areas and don't obsess about others.

Now the messy message. Enjoy the difficulties and hardships of your life; the problems, and turn them into assets. Adversity is messy. Problems are messy. My mess is reading. I've been reading since I was two. For me reading is such an interest it's almost an obsession which makes it difficult to find my shoes; my mind is consumed with all this cool stuff I'm reading. My mind is in that world to such an extent that it's hard to keep a schedule, to keep my mind on daily tasks. But that messiness gives me the message bandwidth to fascinate 18 percent of people.

The folks who don't care a lick about entrepreneurship and living a better life? Let them be. Lots of people think they've arrived if they have beer in the refrigerator, NFL on TV, clothes on their back and a roof over their heads. Some people want much more than that, and those are the ones who enjoy my messy message.

Michael Leahy captured this principle in his book *When Nothing Else Matters: Michael Jordan's Last Comeback* when he wrote "Michael Jordan invented himself out of fantasies, not as delusions, but prelude, visions to be realized, destiny at the end of that lane. Everything derived from his sense of fate, the conviction that good things are meant to happen to him on a court, a gift unaffected by his struggles. . . . He knew that basketball was an aggregation of disappointments. What distinguished Michael Jordan from mortals by then was less his talent than his refusal to back down." When it comes to challenges in life, most people just give up. But you can embrace the difficulty or disappointment as a mess that gives you a niche to go after.

You don't listen to music from average singers. You listen to music from the top 18 percent, and often from people who write songs about messes. You don't want an average surgeon; you want one in the top 18 percent. You want expertise. Working with the 82 percent is a mirage; it's fool's gold. You'll never get the crowd, but you can get 18 percent.

Questions: what's the 18 percent you're going to focus on? Who have you been trying to please that you're going to stop trying to please? What is your messy message?

# 40 PRACTICAL PESSIMISM, PARIS HILSTON'S GRANDFATHER, AND CONTEMPLATING THE DOWNSIDE: THE FINE BALANCE OF PROPER PERSPECTIVE

We are bombarded today by two schools of thought regarding outlook. The first is the negative, which I call the default mode. It's where we naturally end up when we're not thinking. If our minds are disengaged, we tend to fall into the "woe is me" and "I've got a world of problems" or "I'm stuck" mentality. If you quit steering a car, it tends to go downhill, not uphill.

The other school is positive, and it's been especially bolstered recently with Norman Vincent Peale's *Power of Positive Thinking* message. While I like positivity, this kind of thinking is incomplete.

Like many things, we need to find a balance between the two. I find that middle ground in practical pessimism. Paris Hilton's great- grandfather, Conrad Hilton, started the Hilton hotel brand in the early 1900s. J. Randy

Taraborrelli captured Hilton's business saga in *The Hilton's: The True Story of an American Dynasty* which took off during the roaring 1920s and underwent substantial expansion and leverage right before 1929, the great depression.

Suddenly nobody had money. He had leveraged himself in a rapid expansion phase and suddenly didn't have any cash coming in. He closed hotel after hotel until he was down to one. He pleaded with the dairy farmer who delivered milk to his hotel to bear with him. He pleaded with his employees to bear with him. He promised he'd weather the storm and make it work. They agreed to forego payments and wages in order to keep the lights on. He was bankrupt.

He was able to hold onto that one hotel during the depression and from that seed, he built the Hilton hospitality dynasty. He became one of the wealthiest men in the world. In the biography, Taraborrelli said Hilton always remembered a book he saw on his mother's kitchen table. It was a book by Helen Keller about optimism; he read it and it changed his life because he started thinking about the end game rather than all the difficult points between now and the end game.

You meet people who advise you to never talk about or mention negative things, like it's bad luck. No, that's superstition. Hilton had end game optimism while making the pessimistic practical decisions he had to make to get there. That's faith. It's what powered Helen Keller.

Kobe Bryant said he watched a guy shooting baskets; when he missed 9 in a row, the guy quit. Kobe remarked that he would never walk away after missing 9 shots. He'd keep shooting until he made one, even if he had to shoot 30 or more. He didn't say he'd never miss. He didn't say he'd make the next one. He just said he'd keep going until he made one. That's a practical and balanced view of the end game.

In order to rise above the crowd you have to have more faith, more optimism than average. You have to see the future when no one else does. This is not delusional as long as you appreciate reality. In truth, you aren't the best . . . yet. You have lots of adversity and practice and disappointment on your way to mastery. That's practical pessimism. If you don't appreciate the difficulties coming your way tomorrow and next year, you'll get derailed. You'll despair and quit.

The point is that your end goal is optimism. But what gets you there is practical pessimism. That's the irony. That's what most people can't get their mind around. Pessimism is not negativity. Remember Charlie Munger's ditty "I've spent my whole life preparing for the worst every day. And I'm happier for it."

If you want to not have bad things happen to you, you need to prepare for bad things to happen to you. This isn't negativity or superstition. It's ultimately practical. That's why you wear a seatbelt. The way some people think about negativity and bad luck you'd think the thought and act of putting on the seatbelt dooms you to a wreck. That's silly. The fear of dying in a car wreck makes you be proactive; that's an ultimately positive outlook.

Every emotional mode in your brain--fear, happiness, surprise, mischief, joy, depression-

-is a tool to be harnessed for good outcomes. Don't be paralyzed by them; use them to be practical. Hilton didn't wallow in depression and pity when he couldn't pay his workers or buy his milk. He sat down and contrived a plan and persuaded people to hang with him. He even found people who would invest in his floundering hotel.

When things turned around, those investors received massive returns on their investments when most folks lost money. His pessimism drove him to plan for an optimistic future. Think about Helen Keller, unable to see or hear. After her years of anger, she finally figured out that she wanted to connect with humanity. She didn't say "my eyes are going to get better through the power of positive thinking."

Instead, she recognized her limitation and innovated, working with braille. Eventually she developed a whole series of ideas and innovations that benefitted handicapped people around the world. She replaced her hearing with touch. She realized her difficulty was a stepping stone to a an end game called connection.

Be ready and willing to contemplate the downside now. What if you were laid off? What if you were disabled? What if you couldn't make payroll? What if a massive economic depression came? Your end game is solid, but what if things catastrophically change on your roadmap getting there? Being pessimistic now will make sure you don't derail when these unseen things come along. Make a detour plan. Think through your responses to various bad things happening.

Bravery means being ready and willing to face these obstacles. Refusing to think about them or plan for them is foolhardy. Don't be either extreme positive or extreme negative. Don't be afraid to create a wonderful end game in your head; meanwhile buckle down to the hard practical pessimism that will get you there. Such thinking has a much higher chance of success than extreme outlooks.

While most of our personalities tend toward one outlook versus the other, we need to balance both to be truly functional. I like to assume I won't get to my optimistic goal unless I expect the unexpected, unless I prepare for the things that everybody else is just pretending about. Kind of like a child sticking his head under the covers assuming that the goblins under the bed can't see him as long as he can't see out. Life is not a peek-a-boo game.

Most folks don't save because they don't expect a financial disaster. The ones who have a better chance of surviving financial downturns or health downturns are the ones who assumed they would eventually come: practical pessimism.

Questions: which imbalance side have you been on--too optimistic or too pessimistic? What's the root of that imbalance? What are you going to do differently to find the balance?

# 41 SAM CHUPP AND MAKING, WATCHING, WONDERING: MOVING BEYOND THE THREE TYPES INTO JUST THE TWO TYPES

The background of this step is the time I spent with the Amish, primarily in southwest Virginia after my apprenticeship with the farmer and author Joel Salatin. If you're not familiar with the Amish, they are not a cult. They came from Germany after suffering persecution and settled primarily in Pennsylvania first. Now they've established communities in other states; they live and dress essentially like people did 200 years ago. They are Christians and practice an extremely community-based lifestyle.

I lived with an Amish man named Sam Chupp, and his wife and 6 kids. He was a carpenter and one of the nicest, most gracious, selfless people I've ever met. We were working together in his wood shop one day and he said "Tai, there are three types of people in the world. The first make things happen; the second watch things happen and the third wonder what happened." He said it as a joke, kind of tongue in cheek, but I've always believed it was a profound insight.

The difference between rich folks and poor folks is often their awareness level. Poor people, and I don't mean just money, tend to go through life almost unresponsively. I call it zombies chasing mirages. What Sam Chupp identified is what I call three modalities to life. The default modality is wondering what happened. In other words, if you're not in the thinking crowd, which means the masses, this is the type of person you'll be.

If you don't believe me, just go out and ask somebody something. You can even test yourself. Look at your computer keyboard. See F5? What does it do? That's the wondering state. If you've stayed with me to this point in the book, you know I'm big on knowing stuff. If you're running a business, what's your monthly income? Your monthly payroll? You monthly expense? Your biggest expense? The biggest income opportunity that got away? The biggest income opportunity you haven't yet pursued?

When I was a toddler I would ask my grandpa "what is fire?" We'd be sitting by the fireplace. He was a scientist and he would explain it to me. He knew stuff because he loved researching, acquiring information. I'd ask him how the bricks around the fireplace were made and he'd tell me they came from clay and then had to be baked in a fire. Liz Wiseman in *Rookie Smarts* said we're outsourcing our knowledge because there's so much to learn, the rate of knowledge in the world is doubling every few months.

I'm not suggesting here that you need to be a walking encyclopedia; I agree that you can't memorize it all and it's most important to know where to find it. The point here is to be curious. Perhaps one of the most basic characteristics of people who leave legacies is that they are curious. They want to solve problems. This is a mentality you cultivate in your life to keep you from being a zombie carried through life by other people's agenda and activities.

I think you should be operating in one of two modalities. You should either be making things happen, meaning overtly and explicitly directly contributing to the conversation, thinking about solving the problem. The second acceptable modality is to be watching things happen, observing, learning, taking it all in. This includes attentively taking in the knowledge from the group of people around you.

Sam Chupp was not advocating that we be alpha all the time, making things happen. He thought it was important to have people who observe and learn; not everybody has to be a mover and shaker. The book *The Power of Introverts* talks about people like Bill Gates, introverts who changed the world. They go inward, watch, innovate, make changes. The others are the makers, the talkers and CEOs that are the alphas and that's okay too.

But when you look for people who changed the world, you don't find the people who wonder what happened. You don't read about wonderers in history. The wonderers are the people who have no impact, who don't get the good life, who don't find the health, wealth, love and happiness that they want. They just pass through and don't really live.

To live, you must dissect. Test yourself. What's the difference between a stock and a bond? Do you understand anything about the stock market? What's the difference between cash accounting and accrual accounting? What's the difference between common stock and preferred stock? Where does fire come from? Why does gravity work? How far away is the moon? You might wonder what that has to do with anything.

To get ahead, you need to be impressive. Unimpressive people miss important relationship opportunities. If you want to attract impressive people, you need to be an interesting, impressive person. Like attracts like in social circles. Beyond that, you should know things just because that's part of what makes us human. A dog never asks why that fire is there. A dog never asks why. To understand something, you have to ask why.

Have you ever missed out on something because you lacked what it would take to leverage the idea? I read all the *Lord of the Rings* books as a youngster and thought "somebody should turn this into a movie." I had no money, no skill in video, and no connections, so I didn't do it. But I had the idea--like I'm sure many others had at the time.

How do you impress people who have the capital, network, and knowledge to take your idea to the next level? You do it by being interesting. As you go up the ladder, impressing people becomes harder and harder. That's what keeps me challenged, always reaching for that next idea that will make more attractive to an engine that can pull me farther than I could ever go myself. Be one or both of the two modalities. Be a mover and get things done or be an observer, learner, problem solver. Be that bright-eyed, always curious, ready to jump in kind of person and you'll make the connections you need to get where you want to go. The future isn't bright if you're dull and bleary-eyed, just passing through. You have one shot at life; make it count.

Take your smart phone and click through every button to find out what it does. Next time you're on your computer, click every button or Google it. Start with the tools around you; learn how to use them, leverage them. Cultivate curiosity about everything. Goodness, learn about your body. Carbohydrates, fats, proteins, enzymes, immune function, how to live long. Read *The Five Love Languages* so you understand the differences between people in romantic relationships. Either make things happen, or learn why they happen. Preferably, do some of both.

Questions: what is something you've always been bad about being in a state of just wondering? What are you going to do about that? What's something you've been really good at and how can you double down on it?

# 42 DONUTS, A $250,000 CHECK AND GENERAL EISENHOWER: THE TENDENCY TO MISS WEIGHT

As you know by now, I'm quite a fan of Charlie Munger's 25 cognitive biases because they are foundational to explaining why we think the way we think. I watched a movie recently where a dad did something he regretted and his wife was angry with him. At one point he admits to his wife "I hate myself; I hate myself that I don't have enough courage. I hate that I've done things that I regret now and I didn't have the courage and the character."

I'm sure like me you've been upset with yourself because you knew better and went ahead anyway. It could be a business partner, something you bought, someone you dated, or a situation where you should have been more patient but flew off the handle.

The reason I titled this step "Donuts" is because it's best illustrated by a real story that describes Munger's cognitive bias named miss weighing. Years ago I started a wealth management company with a partner. I hired an assistant that I'll call Suzie (not her real name). One morning we needed to get a $250,000 check from a customer but he couldn't come into the office. My partner decided to send Suzie to pick it up.

When she came into work, he said she needed to do two things: pick up the check and get a box of donuts for the office. My partner liked donuts. About mid-afternoon I saw Suzie walk by my office and I said "Hey Suzie, how are things going?" I expected her to come in and give me the check from the client. She responded "I got the donuts." I replied "well, what about the check?"

"Oh, yeah, I'll get that later," she said. But I explained, incredulously, that the client might not be home if she went too late. She replied nonchalantly "Oh yeah, well, maybe I'll have to get it tomorrow." I couldn't believe it. My partner and I took her into the conference room, assembled the whole staff, and proceeded to explain that you can't have donut prioritization.

One of the most important skills you need to learn is how to prioritize. We've talked about media persuasion and that you can't have everything. If you think about game theory, your mind is acting out priority scenarios all the time. Someone bumps your chair in a restaurant. Your mind immediately goes into social games. If it was an accident and you react ungraciously, people in the room will consider you gauche. If someone strides up to you and punches you, if you react graciously people around will consider you a wimp. This is how your mind runs through social priorities and it's an ongoing program in your head.

Inept prioritization complicates your life and you don't want that. As Einstein said, "you should make things simpler, but not simpler than they can be." It sounds contradictory, but it's not. We all need or want health, wealth, happiness and love--those are simple things. But achieving them is not simple and you'll never get them if you have donut prioritization. Suzie got the donuts and not the check because it was easier to do. Always do the hardest things early in the morning while you have more energy in your physical and mental tank.

If you fail to prioritize properly, you'll fall into procrastination. Always knock out the hard stuff first and early in the morning. Next is to make a list. Don't go crazy with lists because they can get too long, but you need a running tally of what needs to be done. Every day, and sometimes every year, you must be willing to change it. Doing things out of priority order is just as bad as not doing the important thing at all because you won't get to the important thing.

Dwight Eisenhower led the Allied forces during WWII and was a master of organization and management. Think of what he was overseeing to launch the Normandy invasion. To pull off something like that took extraordinary planning, prioritization, scheduling, and lists. Don't you know he had a checklist, just like pilots getting ready to take off.

Think about your day today. What were the three things you wanted to do? Did you do them? Were they in the right order? Did you think about their order? I want you to constantly say to yourself "is this as important as I thought it was?" Secondly, be willing to shift importance; get excited about changing the priority of your to-do list. Don't be afraid to throw out what's not important any more.

We've talked about reading books a lot in this book. A book screams at you "read every word of me; don't cheat. Don't get ahead and don't scan. If you don't read every word you know you can't tell someone you read this book." We have all these assumptions and guilt trips welling up inside us and it pulls us off the most important agenda, which is to acquaint ourselves with as many interesting ideas as we can as fast as we can. That's why reading one interesting profound chapter from two different books generally gets you farther faster than reading the whole book.

The exception to the above rule, of course, is this one. Ha! All joking aside, though, this is why I've done my best to make each of these steps--or chapters--a stand-alone snippet. You can take this as a 67-day self-improvement course, or you can do it one step a week for 67 weeks. Segmenting encourages dancing around with the material.

Don't juggle too many balls or you won't do any of them well. But do more than one or you'll be imbalanced and a bore. A fine line exists between doing too many things and being too focused to the exclusion of other important things. Sometimes when people try to get wealthy, they make it their one goal. That's all they do, but they sacrifice friends, family, health, and happiness. That's too extreme, but yet other people do too much. They do their own shopping; they clean the own house; they like to fix their own car. They want to start their own business. They want to go to movies whenever and eat junk food--it's too much. It's all over the place. The world is throwing things at them and they're just reactive; you can't be that person. You take life by the horns; you set a minimalistic amount of goals. Pick one goal in each pillar: health, wealth, happiness, love.

I have a friend who just turned 40 and became a billionaire. He sent me an article about him and it included a picture. He's morbidly obese. I told him to lose some weight so he wouldn't die before he could enjoy his billions. He needs to make less money and put some attention on his health. Maybe you have a great family, really close, but you're broke. Focus more on wealth and maybe a bit less on social. Don't be buying donuts before you pick up the

$250,000 check for your business.

Questions: what is an example recently of something you miss weighted? Of the four areas--health, wealth, happiness, love--which one needs your attention the most right now and what will you do to prioritize it? How do you need to alter your day to do some of the challenging and hard things first?

# 43 20 PERCENT WEIRD FACTOR: THE CABBAGE MIND AND THE TREACHERY OF SCOUNDRELS

How you interact with people will make or break your life. In fact, Freud in *Civilization is Discontent*, says "of all the eight or nine ways that humans seek happiness, the one that brings you the most highs is your interaction with people." But he says, "this doesn't suffice to give us all happiness because when these things go bad, they're enough to spin you off into a massive depression."

Of these areas--health, wealth, love, happiness--love is the hardest to balance. We need principles and the first one is the 20 percent weird factor. Many years ago my business partner, John, was trying to hire some people while I was out of town. I asked him about one applicant whose resume looked superb and he responded: "20 percent weird factor." I asked him what that meant and he explained that everybody can be 20 percent weird, but more than that and you get into trouble.

I also call this the treachery of scoundrels. I had one guy who worked for me for many years. Reliable, sharp, but a little weird, quiet, almost to the point of being antisocial. If you wrote down on a piece of paper the things he was off on, it would be about 50 percent. John and I continued to let him work for us despite the fact that he exceeded the 20 percent weird factor.

This guy came to me one day, said he wanted to move to another state, and asked if he could keep handling our administrative financial work. I assured him he could do this work from anywhere so he left, along with extremely important financial paperwork. Very soon he started becoming hard to contact, not returning calls or emails. We heard less and less from him until he just disappeared. He handled hundreds of thousands of dollars worth of deals for us and we never heard from him again.

He wasn't a bad person; we always treated him well, but we ignored the 20 percent weird rule. We never had a tense conversation or anything; he just faded away. He was insecure, became treacherous, and bit us in the back. Think about the friends that bite you in the back, family members, spouse, girlfriend or boyfriend--weirdness and insecurity go together.

Certainly weirdness is subjective. In the 1700s judges wore white wigs. That's not normal now. We have a guy on Sunset Boulevard who tries to come off like Jesus Christ every day. He wears these long white robes, wears his hair the way you see in pictures of Jesus, and it's not Halloween, dude. That's not normal; it's weird. Trust me; the kind of people who will treat you like a scoundrel, who are going to betray your trust, often originate in that pool of people who are most weird and most insecure. One type of weirdness is okay: out of the box thinkers. Mad scientists, crazy inventors, and people who push the creative envelope are okay. That's good weird, not bad weird. We've all bumped into someone that was 80 percent weird--don't hire that person. We're all a tad weird, but we're socially geared to assess the environment we're in. Wearing a long robe 2,000 years ago was fine, but today it's weird.

Nonconformity can be expressed in your ideas and innovations; if you add your attire to that, you're too weird. The robe matters because people do assess on the basis of exterior appearance. If I stepped up to speak at a business conference drunk, wearing a tank top, no shoes, what credibility would I have? People making a statement with their life is fine, but that doesn't mean you wear weirdness on your sleeve.

That brings us to the cabbage mind that Charlie Munger talks about. That's a person who believes something just because that's what his mom believed. You and anybody worth partnering with should be able to give reasons and intelligently defend beliefs. Strong unfounded, indefensible beliefs and the inability to question what you grew up with is a sign of weirdness and insecurity. "Because Mom believed it" isn't a rational answer to anything.

Those kinds of answers show insecurity. Everybody has a different weirdness tolerance level. You may be fairly conservative and straight-laced and only be able to handle a 5 percent weird person. My Mom is pretty open to new ideas and can probably tolerate a 30 percent weird factor. But at some point if a person is weird in their dress, how they do business, how they talk, how they eat food, they're too weird to function in society.

To be sure, normal people are not better than weird people. Sometimes weird is better, but most of the time weird is just stupid. Certainly some people are weird because they're out ahead in creativity and innovation. Vincent Van Gogh chopped off his ear, but at least his weirdness was creative and his madness productive. Einstein often smelled terrible because he wouldn't take a shower. That's weird. And it's unnecessary.

Normal human conventions are to take a shower. Clean up. Somebody that wants to push counterculture by stinking is often insecure, which is the root of treachery. Among the people I know, the more secure ones have a much lower risk of biting me in the back.

I'm not talking here about people who have different skills than you, or even different personalities. We want well-rounded teams, which require different types of people. People can complement each other, like in a marriage when opposites attract. That's positive. But Dear Abby is full of questions from spouses whose partner over time became weird. Or perhaps they didn't spot the weirdness early on.

If a spouse can't say "I love you" routinely, that's weird in a functional marriage.

Weirdness includes never being able to compromise, to let the other person have a win. One of my friends married her "Mr. Right" and a year later lamented she didn't want a "Mr. Always Right." Inability to give credence to another side indicates insecurity which will end up in treachery.

Questions: what is the weird factor of one of your key business partners? What's your weird factor? Who is someone in your life you would call extremely secure, trustworthy?

# 44 THE SIX PACK OF THE MIND: FOCUSING ON FIRST THINGS FIRST

We must remember that hard times in life are not just external like hurricanes, car accidents, drunk drivers, bad bosses, plane crashes, terrorists or disease. The more important aspect of each of these is how they play out in your mind. All of our reactions and how we handle things begins in the mind.

When Louis Zamperini's plane crashed in WWII and he was on that raft in the Pacific, being shot at, attacked by sharks, he survived because his mind was in the right place. One of the other crew went nuts, ate all the provisions in a night, and didn't last but a couple of days. Identical circumstances. The same external forces hit these guys, but two survived and one didn't. The difference was the mind.

As he tells his story in *Unbroken*, it's clear that he focused on the most important thing every single second. He wasn't distracted. Today, as you go through life, were your thoughts aligned with spending the majority of your day thinking on the biggest bang for the buck concept that's needed in your life? Or were you distracted?

Did you maybe think a lot about what you should wear for the day? Perhaps what a stranger thinks about you? Perhaps some pop song? Did you watch TV that's completely unrelated to your life? None of these is wrong or evil. But isn't it more important to think about how you can double your income, double down on your own brain, become sharper, build more skills, learn a new language?

Did you think about your childhood dreams you've never fulfilled? Learning how to become a better public speaker? Make better friendships, have a better romance, or cultivate better allies? Did you think deeply about philosophical ideas that could affect your whole perspective on how you see the world? How many minutes today did you think about these kinds of things?

Everybody has about 16 waking hours a day. How much of that time did you invest in your short-term and long-term future regarding health, wealth, happiness and love? Elliot Hulse has a million YouTube subscribers and I asked him about his routine. He married his high school sweetheart and they have four kids. He gets up, exercises (power lifting), takes a walk while listening to audio books that inspire him. Then he gets the kids ready for their day before investing in his business: relationships, ideas. And he has a date night with his wife one night every week, investing in their relationship. "I believe in rituals," he says. He has prioritized his life. I have a cousin with an amazing memory. She could name every celebrity name and relationship. I challenged her to use her memory gift for purposeful things. Memorize E = MC2. Mentally, this is being penny wise and dollar foolish. If you find gas for 10 cents a gallon cheaper, great. But if I looked at your financial records, are you squandering dollars while trying to save 10 cents?

I had a really smart business partner once. We decided we needed to cut costs. He looked at our financials and decided we could cut our spending on pencils from $46 to $26. It took him 30 minutes to figure out how to save $20. Meanwhile, I was looking at stuff we spent 50 grand a month on; why not start there? How about thinking how we can increase marketing by 20 percent? First things first is about attacking the big leverages first.

Invest time thinking about bang for the buck. What is the opportunity cost when you think about saving $20 when in the same amount of time a six pack mind could think of a way to save $1,000; or make an additional $1,000? In the time it takes to drive across town to the cheap gas station, could you think of a way to save $1,000 instead of a few cents?

One of my clients was a smart businessman, married to a doctor, equally smart woman. He said she impulsively installed a $50,000 swimming pool they never use but cuts out coupons to save a few pennies at the grocery store. That's penny wise and dollar foolish. We're all guilty of this misdirected thinking to some extent. Nobody does this perfectly.

But we have to think about our investments--money, time, and energy--as opportunity costs that can yield different dividends. Most people don't think like this; it's a real weakness. If you don't believe me, take anyone to a bookstore and see how they respond to a $50 book with all the secrets of a billionaire in it. While they stomp and fume about a $50 book, they're wearing $100 shoes.

I know many people that treat all their friends and alliances the same. That's foolish. Massage your top friends and alliances. Spend time building your relationship equity. Take them to dinner. Send a gift box, maybe a flower bouquet. Don't go to a ho-hum person's birthday party. Take that opportunity cost and invest in a better friend; take that day, that hour, that birthday present, and buy it for somebody who's truly going to be in your life and make a difference.

Invest deep rather than wide. People in a bad job often stew about quitting, wondering if things will work out or what people at the old job will think. I say it's time to think about living a horrible life, where every day, you can't wait for it to be Friday. Refusing to upgrade to a situation that gives you mental sanity is always a better investment than staying in a bad situation in the name of job security.

People routinely worry about the wrong things. Some bird flu or swine flu pops up in two people and the country goes nuts, but nobody even talks about the 10,000 people who die annually from being obese. Instead of being worried about some exotic disease, it would be better to worry about eating processed food. In health, be dollar wise and penny foolish. The odds of contracting an exotic disease are far less than having a heart attack or getting diabetes from consuming too much sugar.

In your business, spend 15 minutes a day sitting in a dark room, by yourself, thinking about things that are dragging you down or things that could launch your business into the next level. Think through your life and prioritize. This reprograms your mind to concentrate on the dollars and let the pennies go. That is how you create a six pack brain.

Questions: what is something you put a lot of time or money into that later you realize was not the best investment? What is in area you've underinvested in that you know would make a big difference in your life were you to devote more attention to it? How much time are you going to spend today prioritizing your life?

# 45 BONES THUGS-N-HARMONY AND THE TYRANNY OF THE FIRST AND THE 15TH: UNDOING THE CHAINS OF THE RAT RACE

Okay, the Bones Thugs-N-Harmony has a song about the rat race, so I put them in just for fun. What's really on my mind here is the tyranny of the first and 15th. Most people are captive to some cycle. In money, it's generally the first and the 15th--rent, car payment, credit cards, taxes. Having financial independence means the days begin to blur together and you're not just living for the first or the 15th.

Getting out of this cyclic tyranny can be done two ways. One is simple and one is hard. The simplest way to extract yourself from thinking "can I scrape by until the first?" is to increase your income. My business partner John gave me this breakthrough by asking the question "Tai, what's the opposite of monthly bills, monthly expense?" The answer is simple: income. The simple solution is to increase your income.

Nobody escapes this grind of life, the bill cycle. Even Native Americans accumulated tradable goods. The average person's life is dominated by this bill paying cycle; this grind. But we don't want to be the average person. We want to, as Frederick Nietzsche said, rise above the crowd, to be extraordinary.

Your bills come like clockwork. You can't pay them with credit or your credit will soon run out. In addition, the bank doesn't care if you lost your job or your mom is sick or your car broke down. When the first and 15th roll around, they want their money, like clockwork. The answer is the nine-to-five, memorialized by Dolly Parton in her song by that title. The work grind fit hand in glove with the expense cycle.

If you grew up in a household dominated by the nine-to-five and the first and 15th, chances are your mentality is subconsciously shaped by that tyranny. Just like if you grew up in a family that ate junk food, you probably have big belly problems. Our historical reference shapes our mind. If we're going to create a different reality, we have to change the way we look at things. That means we need to think of our income as clockwork, as a regular in-flow that exceeds the outflow.

Increasing income is a simplistic way of looking at this issue. The harder solution involves rethinking wealth. Historically, who had the money? It was warriors like Genghis Khan or Alexander the Great who took the money. Then it was kings who dominated. That may have been the worst because you had to be born into royalty to enjoy abundance. Then it moved to the explorers like Vasco de Gama or Magellan. Goodness, these Spanish explorers took enough gold and silver from the Incas to finance Spain's rise to world domination.

After that, the banking phase took over with the Medicis and Rothschilds; even the Hapsburgs in Austria. Those moneyed people had tremendous power. Today banking has much more competition so the wealth is not as concentrated in familial dynasties. Then you had the robber barons, the Rockefellers and Carnegies. And then came the industrialists, building factories which gave way to the corporatists. Today, it's the entrepreneur and especially the entrepreneur investor.

The entrepreneur is how you climb that financial ladder, starting with scarcity, then to independence, then prosperity, then wealth and impact. Each rung in that ladder has an income range and you learn how to advance by studying and mimicking the protocols and habits of the people on the rung above. This is not about materialism; it's about having lots of people at your funeral who are sad to see you go because you've inspired, encouraged, helped them in some way.

The problem is that most people are stuck in that outdated corporate mentality of nine-to- five. Certainly nothing is wrong with working nine-to-five per se. Even wealthy people have bills, but the tyranny is what you want to avoid. It's worrying whether or not you can pay the bills that is a continual stress. You may be in that spot right now, wondering how you're going to pay bills on the first.

Please understand that never before in history has the opportunity to exit this tyranny been more doable. Goodness, I know young people, entrepreneurs, lots of them, who are worth millions and these folks aren't even out of their thirties. One of my associates is worth half a billion and still in his twenties.

As we traced the historical evolution of money and impact from warriors to corporations, it was highly concentrated, normally didn't come early in life, and often involved genetics and family dynasties. And forget it if you were a woman. But today is completely different. We have millions of millionaires. And Oprah Winfrey, a black woman born in poverty, worth billions? When in history would this have been possible?

On one of his visit Joel Salatin said "Tai, I don't know how people can sleep today with all the opportunity. I can hardly sleep with all the opportunities coming across my desk of things I could do. From money-making options to changing the world, it's all there." In order to get there, you have to adopt the mindset of entrepreneur investor.

When I say investor, I'm not talking about real estate, the stock market, or precious metals.

In its simplest terms, investment is putting time and money in something today to reap a future reward. Your best investment might be to read a book when everybody else is watching TV or playing video games. That's the investor mentality.

You're going to maybe not drive a nice car today so that in the future you can drive three nice cars. You need to defer today's gratification for tomorrow's benefit. That's the investor mentality. The opposite is consumer mentality, and that's trumpeted from most of society.

Somebody is always ready to take your money. The investor takes control and says "no, my life is going to be played on my terms and I'll put my time and money on future benefits."

An entrepreneur is a creative innovator who reshapes the world in their own image. You might be a sole entrepreneur or work for an organization, but the idea of creating something that didn't exist before is at the heart of entrepreneurship. Today's answer to the first and 15th grind is best answered with the entrepreneur investor combination. Remember, Jeff Bezos said you have to innovate yourself out of whatever situation you're in.

Questions: in what ways are you or were you under the tyranny of the first and 15th? In what ways have you adopted the past ways of nine-to-five making money? What's something tangible you can do immediately to start becoming an investor entrepreneur?

# 46 ALLAN NATION'S 1,000 SHEEP AND NOT DOING IT SMALL: SCALABILITY AND EXPANSION

Traction in life requires scale. When Apple first began developing the iPhone, they put millions of dollars in design, sourcing the plastic, molding the plastic and each of the electronic parts, the operating codes, color schemes, and marketing message. Once they had a prototype, they had to test it. That first one was really expensive. Today, a quarter of the world has an iPhone, which has become affordable for most and changed the world in dramatic ways. That's scalability.

While scalability applies to business, it also applies in other areas of life. All the effort learning how to read is not leveraged if you only read one book. You want to scale your reading to where you're eventually reading a book a month, then a book a week, and eventually a book a day. You figure out a methodology and then you grow it.

In exercising, the hard part is figuring out what kind fits with your body and personality.

Do you like individual competition or team sports? Are you a runner or power lifter? Arnold Schwarzenegger figured out what worked for him and then scaled it up to six hours a day, which gave him a huge impact in the field.

My first introduction to this idea came from Allan Nation when I was 20 years old: "Tai, it's kind of like raising sheep on a farm. Assume you're working a town job and you want to become a sheep farmer. So you buy 50 sheep as a starter flock, but you're inexperienced and those sheep take a lot of time because you don't know what you're doing. You're juggling your town job and trying to fit in the sheep, but you don't have enough sheep to pay you to quit your town job. You have to take care of two full-time things and you run out of time in a day. So you end up failing. You can't start out with 50 or 100 sheep; it's too much. Start with five."

I see this a lot in business: people biting off more than they can chew. People tell me they have a billion dollar idea when they've never actually succeeded at a thousand dollar idea. They're trying to start with 500 sheep when they've never even raised one. If you're morbidly obese and want to lose 200 pounds, just set a goal of 10 pounds. As soon as you've hit 10 pounds, set a new goal of 20 so you can maintain excitement and momentum.

You see, 30 sheep isn't enough to get excited about but just enough to be annoying. So start with five sheep; they don't take much time and can be handled with your town job. But don't do five sheep like most people do. They name their sheep and treat them like pets. If you pet their heads and spend five minutes a day loving on each one, you can't scale to 500 that way. You have to treat the five is if they're 500. Most people, when they start small, make the mistake of not treating things as if they're going to grow.

That means with even five, you start thinking about how to feed efficiently. You put numbered ear tags in them preparing for the day when you can't remember their names. You develop your fencing systems and rotation systems. You could graze five in your backyard and your friends might make fun of you going to all that unnecessary effort of fencing and automatic water systems for five sheep, but you're setting yourself prepared for 500; that's why your overkill on five makes sense. At some point, you'll realize these five sheep are only taking five seconds a day per sheep and at that point you can quit your town job and make the leap to 500 sheep.

What is a good exercise that you can do for one minute a day? Once you find that, then you can scale it to something that actually changes your body. You need the systems in place, though, before you can be successful in growth. If you want to enter a business, miniaturize it fist and don't treat it like a hobby.

Is speaking in front of people keeping you from moving forward with a business idea?

Practice on five people. Roll play. Tell them to be hostile to your message and practice responding to challenges and even hecklers; that's the way you get comfortable speaking in front of 500 people.

Think about happiness. If you're depressed, think about something that can give you five minutes of happiness a day. Even the most depressed person can find something that makes them smile for five minutes a day. When you find what works, scale it up to 1,000 minutes of happiness.

While Allan Nation's story about the thousand sheep applied primarily to business, I've learned that the same principle applies in every area of life. It's all about embryonic prototypes and then creating systems. I read about a business guy who found making connections at parties was frustrating because a party is all about the host or hostess and it was hard to be remembered as a simple guest. As a result, he began hosting parties at his house every Monday. That put him in the limelight and suddenly he had all sorts of profitable business connections.

He started throwing parties with five friends. Then he asked each of them to bring a friend. Within a couple of years, he had a thousand acquaintances. When I started out buying night clubs in North Carolina, I knew I needed connections and acquaintances, so even though I shared an apartment with a guy, I began inviting friends over to watch a UFC ultimate fighter fight. That initial trial went well so I decided to scale it up.

But the snacks and drinks and big screen TV rental was $300 and I didn't have $300, so I asked everyone for a $5 or $10 donation. Sure enough, it paid for the pizzas, TV, and everybody had fun. At that point, it outgrew my apartment. The apartment manager said I couldn't have that many people. So I reached out to a friend who owned a restaurant and asked if I could host a party there. I had 200 people and charged them, but learned I needed bouncers to make sure people paid. I made my mistakes small so they weren't disasters.

I put out an ad for bouncers and a lady responded. She ran a security company and sent over Chris. He was seven foot two and 500 pounds. I'll never forget the first time I saw him step through a door. He fixed my problem, enabled me to scale, and before long I was getting 1,000, 2,000 people. Scale came with the system. I made my mistakes in my apartment. Then at the little restaurant. When I made the jump to 1,000, I had my systems behind me and was able to quit my other job in finance with almost no risk because I had the kinks worked out; I had my security team; I knew how to market and what kind of things people liked. This works in every area of life.

Questions: what is an example where you ignored this rule and it stayed so small that eventually you got discouraged? What's an example where you jumped right in to a thousand sheep and got burned or crashed? What's a simple idea you can start practicing on five sheep?

# 47 THE 5 PERCENT TWEAK, NOTHING JANKY, WHEN GOOD ENOUGH IS PERFECT

Rather than being perfectly balanced, most of us tend toward extremes. One is jumping into things, getting stuff done even if it's sloppy, always being in a hurry like life is a whirlwind.

You have trouble following up with thank you notes after a dinner social because your to-do list beckons.

The other extreme is more like an engineer. You analyze and research, create spreadsheets and do business plans ad nauseum but more often than not, your grandiose schemes never really launch because, well, "what am I missing?" You love being precise, keeping your gratitude journal up to date, but you struggle getting stuff off the ground.

You've had this new idea gnawing at you for a decade. It's still a great idea. You intend to do it. You know it would work. It's right there, close enough to see, but you just can't act on it. Yet. It still needs more fleshing out; perfectionism holds you back. That's what this step is about.

This momentum killing fault is wrapped up in the fear of being wrong. Realize that life is full of a lot more gray than absolute right and wrong. A lion eating a gazelle: is that good or bad? That's a hard judgment call, isn't it? A lion on the savannah, the right animal in the right setting, is as close to perfection as you're going to get in a natural, biological ecosystem. The lion culls the weak, which in turn strengthens the gazelle herd.

If that same lion escaped his pen in a zoo and ate a child, we'd say that's a really bad situation. Same lion, different context. Even with a context change, the lion is still a lion. Our personalities are a bit like that; we can't change our personality types like being an extrovert or an introvert.

I like to find natural, biological solutions to our human problems. If you're a perfectionist, don't try to be sloppy; it'll just frustrate you. Don't feel guilty for being a perfectionist; that's a strength in some contexts and a weakness in others. Lions aren't strong in the ocean. You can never order your life to give you contexts that appeal to your strengths. It's impossible and egocentric. Inevitably, life throws you curve balls where you will be out of your element from time to time, where your perfectionism is a liability rather than an asset.

With that in mind, let's examine a few tools to help you thrive in the face of a hurdle, like an idea launch. The first tool is the 5 percent Tweak. Too often we think success requires massive shifts in action or outlook. The Navy seal training book *No Hero* explains that in rock climbing, the key is to "just focus on your three-foot world." Perfectionists tend to consume their energy on "what ifs" rather than concentrating on what is doable right now at hand. If you start thinking you're going to fall and die, just a 5 percent change in perspective will bring the next rock into view, the next toehold. Massive changes like losing a hundred pounds, quitting your job, changing who you're dating are full of trepidation and long-term what- ifs. If you start looking way down into the future, trying to eliminate every unknown, you'll be paralyzed. The 5 percent tweak is to lose five pounds, spend one day without dating that person.

The hard part is the first step. Like they say, "the hard part in life is making your first million." Once you make your first million, the next 5 million is easier; the hard part is the initial momentum. You don't need to find a thousand customers; you only need to find one today.

The next point is nothing janky. Professor E.A. Ferguson in the 1960s developed a mathematical formula for how much information you should take in before you begin. He called it bounded rationality, or optimal stopping. Colin Powell called it the 40/70 rule. If you tend toward perfectionism, once you have 40 percent of the information, start.

But if you're an impulsive starter, you need to wait until you have at least 40 percent of the information. The word janky is slang for thrown together, slip shod, half baked. Impulsive starters often launch a business without even spending a week or a day doing research on competitors. Why do they do what they do? You just got the idea today and five minutes later you start. Preparation is half the recipe to success. Do some research.

My friend Joel Salatin used to say "Good enough is perfect." And he added: "Do something, even if it turns out to be the wrong thing." Are you the impulsive type or the perfectionist type?

I'm convinced that the foundational principle of living a good life has its roots in the old school mentors Aristotle, Plato, Socrates, the Oracle Delfi: "Know thyself." If you are a perfectionist, paralyzed and unable to act, you must learn how to build momentum by looking at which rock you can grab right now--the three foot rule. Get one customer; lose five pounds, boom, boom, boom. Janky is not your problem. You need good enough is perfect.

But if you're an impulsive starter, you need to stop being janky. I had some guys put together a desk and it wobbled and fell apart because they didn't put in the screws all the way. Great momentum, but the legs fell off. Don't be sloppy and build a business that has no customer base, or tries to compete with someone who provides the service or widget better than you.

Action question: Write down one time when you failed to start because you were paralyzed with future unknowns?

Action question: Write down one time when you jumped in too fast too early and the legs fell off?

Action question: Name one situation facing you, or one decision you need to make, and how you'll take this step into account as you adapt to this unique context.

# 48 MICHAEL JORDAN SWAGGER AND AMERICAN IDOL SYNDROME: THE TRUTH ABOUT HUMILITY, PRIDE, AND DELUSION

Confidence is foundational to the good life, but too many people view confidence as cockiness. Balance is everything. Confidence is what makes your brain say it's okay to take a risk. When you know enough to be truly confident, you can take a smart risk. But confidence is like a tool that when wielded properly is wonderful, but when wielded by fools causes all sorts of problems.

Michael Jordan, arguably the best basketball player of all time, even maybe the greatest athlete of all time, exuded confidence but he was also one of the most teachable players ever. Roland Lazenby, who wrote the definitive biography about Michael Jordan, quoted Coach Dean Smith, Jordan's college basketball coach, as noting that he'd never met somebody more teachable than Michael Jordan.

Although Michael Jordan had tremendous confidence--enough for some people to call him arrogant--it didn't sabotage his teachability. Phil Jackson, his pro basketball coach, agreed with Dean Smith about Jordan's teachability. When interviewing his coaches, Lazenby found a recurring theme that this player listened better than anyone else, even when he questioned the advice.

Allan Nation told me "Tai, the secret to life is to ignore 99 out of 100 people. But when you find that one that truly knows what they're talking about, that true expert, listen and do everything they say." Michael Jordan had an ability to tune out almost all the noise. If you're not careful, you'll find yourself doing what I call "democratic listening." Democracy might work well in government, but it sure doesn't in listening.

Democratic means everyone gets one vote. If you're trying to lose weight, you want to only listen to the person who lost 100 pounds and is in great shape. Want to be happily married? Don't ask the secret of a guy who's been divorced 10 times. My aunt was happily married 65 years--she's the person to ask about how to have a happy marriage. Listen to the people who have the outcome you want. It will give you confidence going forward, which can be misinterpreted as cockiness.

I call my mentors honorary advisors and I pick them for having already gone where I want to go. That gives me confidence that isn't delusional. That's Michael Jordan swagger. See, Michael Jordan learned from Coach Dean Smith, one of the most famous and recognized and accomplished basketball coaches, and he's been able to coach a lot of people to success. Michael Jordan looked at that track record and said "this is somebody that I can listen to." Even when he thought Coach Dean Smith was wrong, he still listened to him. When you find the right people, you defer to them, in humility. From that will emanate non-delusional confidence that to some people, especially to people who fail a lot, will come off as cocky, but it's not cocky if you're proceeding with knowledge. It's simply the confidence that if you follow the tried-and-true path and follow the recipe, you'll get the same cake as they did.

You don't want to go overboard in the bias of over-optimism. Alan Greenspan in his book *The Map and the Territory 2.0*, notes that over-optimism is the most prevalent human cognitive bias. That is arrogance. As I travel around the world, I meet people who say "Tai, I know I'm going to make it." Why do you know you're going to make it? No universal law of physics says you will succeed because your mom patted you on the back or because you appear to yourself to be likely to succeed. That bias bothers me.

In the book *Bounce*, Matthew Syed writes about research showing that parents who compliment their children for being intelligent actually harm their child's future potential. Why? Because the child falls back on arrogance that's not proceeding from reality. It's delusional.

High IQ is not enough. IQ is like a glass. High IQ is a bigger glass, but if it's half full, it's not better than a smaller IQ glass that's full because the person exercised everything to achieve more.

I've heard stories about how Magic Johnson, when he played his last game with the Lakers, went around to all the front row seat holders in the stadium and asked if he could take them to lunch sometime in the next couple of months to ask advice on how to proceed in retirement. The wealthiest people in town always occupy the court side seats. He was teachable, but then confidently leveraged his money and their advice, going on to buy the Dodgers baseball team, a bunch of movie theaters, and even bought Starbucks. He's confident but he's not delusional.

The opposite of this proper confidence is what I call American Idol Syndrome. This came to me after watching a couple of episodes and thinking about the bloopers. "Can't they hear themselves?" I would ask. Maybe they don't. Maybe their mother told them they could sing beautifully and didn't need singing lessons. Delusion is okay if you're the only person on the planet, but you're not and eventually people are going to notice you're not that good. You can't fool all the people all the time.

To be sure, I could be over-arrogant, walk into a room and say I'm a great singer and through the power of persuasion get some people to say "yeah, he's really good." I've actually seen that work before. But it doesn't work on more than 10 or 20 percent of people. The other 90 percent will boo you off the stage; it doesn't work.

If you're not healthy, admit it and go find someone who can help you. Look for the best, like Michael Jordan. When you're healthy, you can tell your story with confidence and people will listen. You can have a little swagger because you did it. You put in the time, the effort, the trial and error, and made it happen. Wait until you do the hard stuff before you tell your story. When Michael Jordan was cut from his high school basketball team, he used that failure to propel him forward. He practiced more, sought better mentors, and worked harder than anybody else to be the best.

Finally, displays of faith in the process are okay. "I'm on a journey and I've got a mentor who told me how to proceed and I'm going to follow their advice with confidence and look forward to success" is not offensive. But if you say "I guarantee you I'm going to be successful because I know how to do this" you've crossed the line into arrogance.

If you cross the line from confidence to arrogance, you end up with people militating against you, meaning people will work to prove you wrong. They'll work to tear you down. In Scandinavia they call it "Jantelagen" which is something like "tall poppy." If you get too arrogant, people will try to pull you down. Be confident, but not cocky.

Questions: what is an example of you being democratic in who you listen to? What is an example of you proceeding and going beyond Michael Jordan swagger and confidence into the realm of delusion and arrogance? How are you going to proceed with knowledge, an area you need to go out and seek better information?

# 49 WHY JAY-Z AND WARREN BUFFET LIKE BASEBALL

Let’s discuss making mistakes. Everyone makes mistakes; you just want to make fewer than most. How do you reduce the number of mistakes you make? This is a tricky discussion because one of the best ways to learn is from your mistakes. If you’re setting up experiments, you’re going to have failures. The number and severity are what’s relative.

A mistake like not looking both ways at a street crossing and walking into the path of a tractor trailer is a pretty severe mistake. Being a day late on your electric bill payment is not that severe. Charlie Munger said that looking back, Warren Buffet and he made mistakes, but “we just made a heck of a lot less than most people.”

Warren Buffet’s mentor was a guy named Benjamin Graham, a professor at Wharton and author of numerous books about successful stock trading. Buffet said Graham taught him “that what you really want to do is not make a lot of mistakes in life.”

The average entrepreneur starts and goes out of business in 18-36 months by making, let’s say, 100 mistakes. If you can start and make only 20 mistakes, your chances of success increase dramatically. So how do you reduce your mistake count? Buffet said Graham told him “Warren, what you want to do is hit a whole bunch of base hits.” As you know, in baseball, you have three bases and then home plate; you only score if you get home.

Some batters want to be heroic and hit a home run every time. The problem is that when you swing for all you’re worth, your accuracy goes down. Benjamin Graham said in business, you don’t try for home runs; you just want to get on base. This is true in every aspect of life—health, wealth, love, and happiness. Swinging for home runs every time at every available opportunity is a good way for you to end up in bad physical health, broke, lonely and unhappy. That’s the opposite of the good life.

I had a new employee start working for me who was extremely overweight and suddenly decided to work out. I told him to just start by walking 30 minutes a day. No, he wanted it all at once and went to the weight room, pulled a muscle in his back, and was unable to do much of anything for two months. If you lose half a pound of weight a week, that’s 25 pounds in a year and gives your body—joints, ligaments, metabolism—time to adjust to the new you.

Buffet said all his success could be attributed to about ten good decisions, but one catastrophic one could have undone all those smaller good ones. This is the principle of the one-base hit. If every time you step up to bat you get a one-base hit, you’ll be the favorite player on your team. Now that we have this principle established, let’s examine how to ratchet. A ratchet is a mechanism that locks in tension and a handle that lets you take a small movement and amplify it. If you’re rolling a rock up a hill and it rolls back on you, inertia makes it really hard to stop.

But if you have the ball going in the right direction and inertia is in your favor, you can ratchet up the positive movement. The first step in moving the right direction is to stop moving in the wrong direction. If you’re hemorrhaging cash, you need to stop the hemorrhage first. This is simply basic business triage.

You need to know your income and expense to know if you’re bleeding cash. If you’re lonely, invest in the friends you do have. Surely you have one friend. Or turn an acquaintance into a friend. You can invest with a meal, some flowers, a gracious note, an unexpected gift.

Stop the ball rolling backwards; step up to the plate. Then just get to first.

If you’re depressed, get out of your room. You don’t have to jump for joy, but you need to get out of your room; circulate; step up to the plate. In business, first base is stopping the bleeding, stopping any negative momentum. Now ratchet it up by locking in where you are and repeating what reversed the negative momentum. If you’re not even hitting the ball, dreaming about a home run is foolish.

All that does is make you angry, frustrated, and depressed because you don’t have positive momentum to feed your dreams. If you’re striking out, don’t concentrate on a home run; just concentrate on a base hit. I’ve mentioned before about how many people come to me all excited about a billion dollar idea when they haven’t even had a successful thousand dollar idea. Life doesn’t work by starting with billion dollar ideas. I’m not trying to slow you down; I’m trying to increase your odds of getting on base. Striking out trying to wallop a home run is far less gratifying than getting on first. The odds are you won’t hit a home run; you have much better odds of getting on first.

Getting to first on your weight loss program is simply stopping the gain. Going to second base is beginning the weight loss. If you don’t lose for a few weeks, be happy you’re not gaining. Lock that in with new habits and new gratitude. You don’t have to advance to second immediately. If you’re depressed, spend five minutes a day being grateful. Think about Stephen Hawking who could only use ten percent of his body and wrote books by blinking his eyes. I look at that and realize I have no reason to be unhappy.

Once you get to second with some positive momentum, going to third doesn’t seem as difficult, as daunting. Now the excitement and anticipation of scoring begin to kick in. You’ve had some success; your ratchet is holding positive momentum and you’re seeing progress.

Now you’re ready to leverage and head to third, which is only one base away from scoring.

The first person who notices you’ve lost weight or that your countenance is brighter or that you’re not complaining about money all the time—these first notices supercharge your momentum as you head to third base. The first time you can comfortably say “the meal’s on me” you know you’re heading toward a score. The happiness twinkle comes to your eye and you realize you’re not just forcing gratitude five minutes a day; you’re naturally grateful all day.

On third base, you start hosting things at your house. Your circle of friends expands.

Your business opportunities expand. But again, don’t move too fast. Let your brain, your body, your business catch up with you at third base. How many people go for home and get thrown out at the plate? That’s a catastrophic mistake. Metabolize your incremental base advancement and let the behaviors that got you to third lock into your life.

Princeton University did a happiness study and identified two sources: momentary and memory. Moment by moment happiness is real but fleeting; memory happiness is when you can look back at accomplishments, at goals successfully met. Most goals aren’t unrealistic if you give them enough time.

Jim Rohn said “almost everybody can do better than they’re doing now.” The way to improve is not to strike out trying to hit the elusive home run; it’s to get on base. And when you get on first base, you can advance, in proper time, slow and steady. Next time you’re up at bat, first base is easier to get to. That’s life momentum. Jay-Z and Warren Buffet did a video with Steve Forbes of *Forbes* magazine and used the baseball analogy to describe success. I want you excited about this formula too because it works.

Questions: What is an example of you trying to hit a home run in health, wealth, happiness, or love? What was the end result of you going too fast? What’s something you want to change in your life, in one of these four areas, that is more like a base hit?

# 50 MASTERING THE WRONG THINGS AND BLUE EYESHADOW NUMBNUTS: THE HOW AND WHY OF SELF-RELIANCE

My business partner and I have different tendencies regarding delegation. I tend to be the one that says “if you want it done right, do it yourself.” I tend toward the self-reliance side. He tends toward the “if you want to grow, you need to duplicate yourself.” He tends toward the delegation side. Being extreme on either of these tendencies is destructive.

The problem with my tendency is that I don’t have enough hours in the day to do it all, even though it’s all done right. The problem with my partner’s tendency is that normally you delegate too early to inexperienced people and everything turns to chaos.

Mastery is more important than self-reliance. Mastery of yourself, mastery of your mind, mastery of your environment. Will Durant says mastery is what makes humans, human, that “at some level we’ve learned to master the environment.” The house you sleep in tonight is a way to master the environment. Our advanced medical services have, in many ways, mastered the risk of childbirth, which used to be the leading cause of death among women. We’ve mastered transportation with the automobile. You must either be a master or delegate to masters. You didn’t build your house, become an obstetrician, or design your car.

The first step in mastery is inversion. If you want to know how to do something, first figure out how to not do it. You must know what you can’t do; the first thing you can’t do is master the wrong thing. Most people don’t aspire to master flipping hamburgers at McDonald’s. Who wants the highest accolades at their funeral to be “he mastered hamburger flipping at McDonald’s?” I would call that mastering the wrong thing.

Allan Nation used to tell me “Tai, before you try to solve anything or become good at anything, you have to first understand why it is like it is now.” Getting a grip on what’s wrong is the first step in mastery. Michael Jackson looked just fine. He didn’t need plastic surgeons to rebuild his face. That’s mastering the wrong thing. Michael Jackson needed to master the demons that wouldn’t let him sleep at night and got him addicted to pills, not remake his face.

I heard a great story about a plane that crashed in the Amazon jungle with 50 survivors.

They all had machetes and decided to hack their way out of the jungle toward a village they knew existed not too far off. The engineers sharpened the machetes and showed everyone how to cut efficiently at 45 degrees. One philosopher in the group shinnied up a tree to see if he could pinpoint the village and determine its direction. Sure enough, he yelled down that they were hacking in the wrong direction. But rather than changing direction, they cursed him for upsetting their progress. That’s mastering the wrong things.

Joel Salatin always told me mastering the wrong thing is a tragedy. Think about marrying the wrong person. You can develop mastery in a relationship that’s not a good match for you. Nietzsche said “most people are obstinate about the path once it’s taken; few people about the destination.” The plane crash victims hacking through the jungle weren’t stubborn about the goal; they were stubborn about the path.

I knew a super athlete who read somewhere that monkeys and gorillas got strong eating bananas, so he decided to become a fruitarian and eat only bananas. Pretty soon his health deteriorated and I encouraged him to ditch the experiment and try something else. His goal was to be a better athlete. But he wouldn’t change and kept deteriorating. His ego wouldn’t let him see that his path was shutting down his health.

If your experiment isn’t working, ditch it; don’t be stubborn. Keep your goal front and center but flex the path as you experiment better ways to get there. If Edison needed a thousand experiments to get to his next patent then what’s wrong with you and me needing a thousand different tries on diet and exercise? Why not try a thousand different business angles?

In what I think is Freud’s best piece of writing *Civilization and its Discontents*, he noted “you have to know your constitution and you have to experiment with those things that make you happy.” Different people are wired for different reactions to things. For one person, art inspires happiness and they can spend all day in an art museum happy as can be. Other people can spend five minutes in there and have all they can take for a week. That’s why you have to intentionally set up experiments to find what works.

As you develop mastery with experiments you want to avoid what I call Blue Eyeshadow Numbnuts. When I was working in finance with General Electric and then spun off my own company I had a business partner named Chuck who was more than 70 years old. As we negotiated income splits, he wanted a little more than a normal pairing in what we were doing. He said “Tai, the reason you’re going to pay me a higher commission is that I get things done. I’m a master. If you want to go call some bureaucratic group sales company that will help you talk to some blue eyeshadow (I know it sounds sexist, but this was his direct quote) then go ahead. When you want to call a master and get things done, you call me.”

Sure enough, with his help I closed a big deal and he earned that fat commission. Blue eyeshadow was his way of saying “do you want someone experienced or inexperienced to be partnering with you?” He believed in the value of some gray hair, some facial scars from life’s battles, meaning he made it; he survived. When you pick masters, pick the ones with experience. Don’t be a young doctor’s first surgery. A Yiddish saying is “the young doctor fattens the graveyard.”

If you work with an expert that gives you bad advice, you might want to move on. If they’re no good, they’re a numbnut; staying with numbnuts is stupid. Don’t be stupid. When you’re experimenting, don’t be the numbnut and don’t stay with numbnuts once you discover who they are. I had a guy come fix a lock in my house and he had no clue what he was doing. I wanted to give him a second chance. Why are we so inclined to want to give numbnuts a second chance? He wasn’t the only guy in town. And by not calling him the second time I needed a lock repaired I didn’t make him homeless. Don’t be heartless in this; sometimes you need to give the second chance. But for most things, once you spot a numbnut, they’re always going to be a numbnut. If I’d called him a second time, I would have been a numbnut.

A good rule of thumb if you’re hiring people, whether it be a maid or someone to build your house, or fix your car, if they’re not good the very first time just move on. One of my most successful business friends says “I hire fast and fire fast. I like to fire at the beginning. That way I don’t build them up and they quit their other job or they don’t get momentum and then it’s harder to get rid of them later.” Do your experiments early and small.

Peter Thiel said “always err on the side of starting too small. The reason is simple; it’s easier to dominate a small market than a large one. If you think your initial market might be too big, it almost certainly is.” Find your experienced, tried and true masters to help you become one yourself.

Questions: What is an example where you have been a master in the wrong thing? What’s an example of a time when you trusted someone who did not have the experience? What’s an example where you should have moved on because they were a numbnut but you kept with them and it turned you into the numbnut or the joke was played on you?

# 51 CHATTING WITH WITTGENSTEIN’S LION: THE POWER AND EFFECTIVENESS OF LANGUGE

Considered by many the greatest philosopher of modern times, Wittgenstein said “if a lion could speak, we wouldn’t understand him.” Without getting bogged down in the academic nuances of this statement, I would suggest that at its most fundamental level, Wittgenstein was saying that a lion’s ideas, its mentalities are not human so the words are meaningless.

People attach all sorts of almost mystical meanings to words. Someone offhandedly says “It’s raining so the road will be slick and I hope we don’t have a wreck.” One person thinks nothing of it but another person takes it like some sort of hex looming over the car that will bring all sorts of catastrophes because a bad thought was verbalized. All of us know people who choose words carefully, meticulously, and others who shoot off at the mouth with sloppy language.

If two people who didn’t have a clue about the other’s language met and one began cursing the other but with a happy smile on his face, the one being cursed wouldn’t think anything of the words. In fact, if a lion could speak, he might say “red for hi loud” because he’s not even thinking like a human. You wouldn’t have a clue what he was talking about. It would be pure gobbledygook. The point is that words in and of themselves are meaningless; they are only impactful in shared contexts. By themselves, words don’t make the future.

Do you think Warren Buffett got what he wanted just by saying “I’m going to be wealthy” or that Michael Jordan became good at basketball because he began chatting about how to dribble? Actuality and reality are not crated simply by words because words are conduits, meaningful only in light of their ability to transmit.

The point here is that words should not be underestimated or overestimated. Eighty percent of human communication is not verbal. Perhaps the most important thing to note about the lion is whether he has his mouth open or is purring. Communication is far more important than vocabulary and words. The most important thing is to be understood.

The lion’s impediment to being understood is his own ego. He’s trapped in his head.

He’s not thinking 50 years out and how his behavior or eating habits will affect the future ecosystem. My friend has an office dog named Madonna and although she can be affectionate and do nice things, she’s not thinking about her health three years down the road. If she gets food, she gobbles it up. She’s completely egocentric, trapped in her head in real time. As humans, though, we do think into the future and need to speak an intelligible language, using conduits of information that can be understood by the other party. Being understood is the foundation of persuasion. You don’t need just words to do it.

For example, when I spent a few weeks in India, I didn’t know Hindi or the other languages, but I could communicate to a rickshaw driver “please open the door and give me a ride.” This may all sound elementary, but it’s quite profound.

I blew up at a business partner once when I tried to get him to copy me on a string of emails with a client. I just wanted to be in the loop so I could intervene and shepherd things if they needed it. I must have asked him 20 times to copy me and he wouldn’t. It was easy, but somehow I wasn’t getting through. When I blew up at him I realized that even though he was negligent, for whatever reason I was not communicating in a way that persuaded him to do what I felt like I needed. The onus was on me.

As we talked it out, it became painfully obvious to me that I was talking to him like Wittgenstein’s lion. What made perfect sense to me made absolutely no sense to him. He wasn’t comprehending the level of importance and the rationale I had for what I was trying to do. This wasn’t manipulative; it was simply trying to achieve business success. We certainly shared that goal but I did not communicate what I thought we needed to get there.

Digging a little deeper on this topic, we realize that language is more sophisticated than our comprehension capacity. Our ability to create languages outpaces the ability of our brains to learn them. Nobody knows every language on the planet. Furthermore, a word you don’t know in your own language is as unintelligible as a word in a foreign language. If you don’t know what it means, you’re lost. In this way, language is an acquired skill, not a natural skill.

You aren’t born knowing the dictionary of your own language, much less the dictionary of every other language.

That means in communicating you have to share commonality of words. If the person you’re talking to doesn’t know the words you use, even though you speak the same language, you’re not communicating. In addition, you need to agree on how to order the words—do adjectives come before nouns or after? The tone of voice you use may trigger something in their brain that causes a different part of their brain to shut down and impede your message. None of us is born pre-programmed to speak a certain language or to know a certain set of words.

Hypothetically, if you dropped 10 babies off on an island, they would all get up and walk at some point. But they wouldn’t talk in language as we know it. Yes, they’d figure out how to communicate, but they wouldn’t be using language words. That’s my point about natural and not natural. When you’re arguing with someone, then, remember you might be coming off like Wittgenstein’s lion, saying “ouch, couch, door, handle, red, please, for.” Hearing and understanding are two different things. Raising the volume on unintelligible communication does not make it more understandable.

A great part of the violence and war in society is simply due to misunderstandings. Certainly sometimes it’s due to resource availability, but often it’s failing to communicate effectively. I have a favorite *Far Side* cartoon that pictures a hobo standing outside a castle and all the turrets are full of soldiers shooting arrows down at him. The caption reads “No, you’re confused. My name is Attila the Bum.” Have you ever started a war because you thought the guy said “my name is Attila the Hun?”

How many times have we fought over things we thought someone else said that upon further discussion we realized we missed their meaning, or the other way around? You were sure what they meant was this, but then you found out that’s not what they meant and feel stupid. You have to learn to raise and lower your voice, speed up or pause your delivery, make complimentary facial expressions and tone. Then you add in posture, gestures, setting— communication is an art as much as a science and we need to appreciate all its nuances in order to be effective. Timing, cadence—it’s all a communication dance.

Questions: What is a time when you took words too seriously? What’s an example of a time when words were more important than you thought? What can you do to be a better communicator and more persuasive in vocabulary or word support like body language, demeanor, or timing?

# 52 PARETO EFFICIENCIES AND THE BUSINESS TRIPLE ENTENTE: ACHIEVING THE ULTIMATE WIN-WIN WITH A LEVEL-THREE APPROACH TO LIFE

We’re already acquainted with the Pareto principle, also known as the 80/20 rule, that says 80 percent of your results come from 20 percent of your activities. This applies in every area of life. In business, 80 percent of your income is from 20 percent of your customers. In love, 20 percent of laser-focused strategic effort can yield 80 percent of the results.

Although we’re dealing with all four pillars of the good life, you can’t totally focus on one and lose the others. What good is making money if you lose your health or your marriage?

While we work on them individually, we also have to think of them as a whole. Pareto also talked about efficiency; I call inefficiency the Pareto opposite inverted.

Taking a little poetic license with the Pareto principle, I suggest that it’s really about win- win. Manipulation is a win-lose and will generally turn into lose-lose. You cannot win at someone else’s expense. Life doesn’t give you that kind of liberty. Competition is perfectly fine, but you certainly don’t want to go to war unless you have to. Even the great conquerors like Philip of Macedon and his son Alexander the Great, and Genghis Khan always tried to compromise. They used bribes, treasure chests, and friendships to buy win-win. What you want to do is in every area of life enjoy Pareto efficiencies.

How are you going to structure your career or your business with Pareto efficiencies in mind? You can pursue three kinds of careers, which I call the business triple entente. During WWI, the term triple entente applied to the three original big allied powers: France, Russia, and the United Kingdom. I use this mnemonic technique to remember the principle.

Level one is where only one party wins, which is a Pareto inefficiency. Many businesses are structured this way. The most obvious example is a bank robber, who wins at the expense of others. If he continues in his business, though, he’ll eventually get caught and society extracts its retribution. Let’s think about a less extreme example, like the fast food industry.

You’re making burgers and a lot of money, but at what expense to society?

You could argue that you’re providing cheap food so society is winning, but is it really?

That cheap food comes at a price. What’s it doing to soil erosion, health problems from diabetes to obesity, animal welfare and farmers? Lots of losers there, making it a level one business. I believe level one businesses are constantly threatened by other people going “hey, we’re going to boycott your business. We’re going to shut you down. We’re going to sue you. We’re going to create tremendous amounts of ill will and try to get rid of you.” Fast food seems to be getting healthier, which is a response to this societal threat. I suggest you neither start nor work in a level one business. Too many better options exist to get caught up in that win-lose model. Humans have a built-in fairness ethic. Immanuel Kant talked about the fact that we’re born with a sense of what qualifies as injustice. Guess who tends to work at level one businesses and who becomes their customers? You guessed it: people with lower consciousness, less interesting, more stupid, less good people. Look at your co-workers at McDonald’s.

Level two businesses are neutral, neither Pareto efficient or inefficient. An example might be a hotel chain, which doesn’t harm the world but neither massively helps the world. You’re not revolutionizing the world with a hotel. The mark of a level two business is for everything you could argue that’s good about it, you can find an opposing issue with it.

Level three businesses are win-win. This means people will give you money for reciprocal altruism. They’re excited to give you the money; they love you. An example is Oprah Winfrey, loved by millions, with eight million likes. Through all of her enterprises, she’s worth

$2.2 billion but does anyone begrudge it of her? Of course not; they can’t throw money her way fast enough, proving that a level three business does not mean you have to sacrifice income.

I have a friend who makes a million bucks a month. He told me he wakes up every day angry and unhappy. I think it’s because, either consciously or subconsciously, he realizes he doesn’t believe in the career he’s in.

If you’re in a level two business, like a hotel, you can turn it into a level three personally by being extra kind, doing extra services for people. You could be creative, like a valet giving everyone a fortune cookie. I’ll bet a valet who did that, or had a joke or profound quote for every customer would see his tips double or triple. When people start voluntarily throwing money at you, that’s a sure sign you’ve discovered level three.

You can’t turn a level one into a level three. Nobody is going to respond favorably to a bank robber patting them on the back and saying “have a nice day.” Sometimes you’ve invested in a level one business and you’re stuck for now. But over time, if you move away from that, and if everyone would move away from those businesses, society would be a much happier place.

Indeed, in level three businesses the forgiveness from your customers quadruples. At level one, the slightest mistake reaps vengeance. At level two, you might weather a mistake at break even. But at level three, your customers say “you’ve done so much good for us. You’ve invested so much into us. We’re going to give you a pass.” And that lets you sleep good at night, knowing you enjoy tremendous forgiveness.

Joel Salatin used to say a good system has forgiveness built into it. A good farm, where you have a lot of fertility because you’ve managed the land well, can weather a drought or flood better. More organic matter in the soil means it’s more absorptive to either hold more water longer or absorb it faster in a downpour. Floods and droughts will come in your business; we call them dark days. Good will is like the carbon in the soil, acting like a buffer. Warren Buffett calls this his margin of safety. If he calculates an investment is worth $20 a share and he can buy it for $21, he defers because it’s too close. He wants it to be $14 to give some wiggle room.

I’ve done all three level businesses, and I know it’s easy to moralize about level three. That’s not necessary; level three is good for you and that’s okay. Don’t attach some moral or spiritual framework around it. Do it because it’s better for you—more money, less stress, in less time, with less risk. No downside means no downside.

I don’t eat fish on the endangered list—that’s a level one business. I’m not a super environmentalist, but I do care about a downside in my diet. Don’t eat things that degrade the environment. You can apply this principle to anything. Think about alcohol abuse. That’s definitely a win-lose. Find another outlet for your chemical bias, like running or playing basketball. Those endorphins will give you all the rush you need.

Questions: Is your current career in level one, two, or three? What’s the transition plan to move to level three? Besides your career, what are things you could do in other areas of your life to move to a level three win-win?

# 53 THE SECOND RULE IS TO NEVER FORGET THE FIRST RULE: THE PROFIT MOTIVE

Money represents a tool or represents scarce resources that can be traded. You don’t have to build your house, but you trade this unit of exchange (money) to someone who does that for you while someone else trades you the unit for what you do for them. That’s pretty basic economics.

Trading value is one thing; capturing value is the next step. If you practice your profession in a room and never trade it, you can’t capture its value. Someone asked Warren Buffett his first rule of business and he said “don’t lose money.” When they asked him for the second rule, he said “don’t forget the first rule.” That might seem nonsensical because it’s obvious, but even Michael Jordan, at the peak of his career, during daily practice, went back over the basics. Sometimes the obvious things are the easiest to forget and we have to remind ourselves about those basic principles.

The Dalai Lama talks about three levels of learning: hearing, understanding, instinctual. Most people stop at the second level, but to get to instinctual you have to really practice and live the basics. Sure, we can get real sophisticated about money and trade, but it’s better to make the basics instinctual. Too often in business we hear about growth, growth, growth, but that’s not financial value. Real value is what’s captured, what’s left over, whether it’s the savings you put in the bank from your paycheck for flipping hamburgers or from your business at the end of the year.

When you buy a stock for $50 a share and you own 1 millionth of the company, because there’s a million shares, the way that price was calculated at some level is that’s what other people are saying they think the total lifetime earnings of that company are going to be that would be distributed to the owners divided by the million shares with a discount rate applied back. That might sound complicated, but the main thing you need to know is that at the end of the day things have to capture financial value.

Although many people have different views about money, the fundamentals don’t change. Whether you’re capitalist, socialist, or fascist, the basics span all types of societies and businesses. Even Mother Teresa who took a vow of poverty convinced millions of people to donate to her cause—that’s capturing value. Once she had pneumonia while traveling and convinced a doctor in San Diego to donate his services to her by shaming him into a gratis service—that’s capturing value.

She didn’t just sit in a room and pray and expect $50 million to come in. If you look at almost all the world’s religions, they all say you must have faith and trust, but you also have to get up and act. That principle applies even if you’re an atheist. That’s what I call fundamentals. Another fundamental is laying aside for the future. You know you’re going to have hard times. You know you’re going to age. So creating a nest egg is fundamental to financial capture.

Many people are in financial scarcity because they don’t have a vehicle to get paid. You can’t blame money not going into your bank account by simply saying “I must not be good at business.” That’s disempowering and not true. You have to realize that business isn’t any different than life in general and you need a vehicle that generates income.

Nobody is going to pay you for doing nothing. You need something to get people to separate from their coins. We could debate the value of video games, but obviously lots of people are willing to give their coins to someone who makes video games. The vehicle is the value of your service, product, or time. When you understand that fundamental, a lot of business makes sense. Get rich quick schemes don’t work because value never comes out of thin air. It doesn’t come from promises; it comes from real things.

And in order to keep real things flowing, you have to make a profit. Joel Salatin’s dad used to say “you may as well do nothing for nothing as something for nothing.” Value must be perceived and then duplicated. You can test your value, which is what American Idol is all about—that’s a fundamental to the program. Statisticians call this veracity testing. An ex- girlfriend of mine almost won American Idol, and she said when she started she was one of 15,000 at an Orlando stadium. They all had to sing and by the end of the day the judges culled it down to a handful. That’s a great analogy for business.

Stephen Hawking was broke and spending all his time at universities. He decided to write a book about time for the layman to understand. It sold millions and he became wealthy. First he had to have value in his head, then he had to write the book, which was the vehicle, and finally he had to write it in such a way that millions could understand it, which offered a broad perception of value (satisfaction).

Why does a professional athlete make more money than an elementary school teacher? Many folks think that’s not fair. The disparate pay is reasonable because 18,000 people show up at the stadium to watch the professional basketball player. Have you ever seen 18,000 people pay to watch an elementary school teacher? The reason people pay for the athlete is because that value is rare and in demand. Write that down—rare and in demand.

Ideas don’t capture value. If you don’t have a marketing plan, a vehicle for your good idea, it might as well be locked up in a closet somewhere. If Pavarotti only sang in the shower, he would have lost out because he would have had no profit from his value. I know many people who say they’re valuable, great for the world, but they don’t have a vehicle, a business, a business plan, a marketing plan.

If the roof in your house is leaking, you can’t stop the leak by wishing for it any more than you can stop financial leaks by wishing. Jim Rowan, the great self-help coach said “the world doesn’t respond to need. It only responds to seed.” You plant seeds in your own brain. Create more value. Get more insight; practice stuff a little more; read a little more; develop some skills; focus instead of being all over the place. Get good at one thing, really good at one thing. Comedian Steve Martin said “be so good they can’t ignore you.” Then you’re like a beacon and nobody can ignore you.

This value development, obviously, takes work and time. If it were easy, it wouldn’t be rare and in demand. The fact that most people won’t put in the effort to develop compelling value is why the opportunity is great for those who do, who are willing. That person can be you.

Questions: What’s your kind of superpower you can offer to the world? How well are you capturing it now? What’s one thing you could do to add more value to what you do?

# 54 CHESS-LIKE ASSIDUITY AND ARMCHAIR MEDITATION: THE REAL USE FOR DEEP THINKING

Someone asked Charlie Munger what it took to be successful, and he said assiduity: “you got to have your butt, your ass in a chair.” I’m playing with words here; assiduity means attention, diligence, perseverance; it doesn’t have anything to do with where you’re sitting. What Munger meant was that what it takes to be successful is more practical than most people think.

To me Munger was saying you have to be reading, thinking, a mindset of not always being in the rat race. One of my favorite business principles is understanding the difference between WITB (Working In The Business) and WOTB (Working On The Business). You can’t be always caught up in the day-to-day; you have to step back, see the big picture.

I’ve benefitted a lot from meditation, and I’m not talking about woo-woo mystical stuff. I mean just armchair meditation by letting go of the helter skelter. Let your brain go into non- logical thinking mode; calm down. I think you need 10-15 minutes of this every day, preferably in a room with no electronics and no music. I have a library upstairs with no TV, no laptop; just a couple of chairs and books. Step one is to physically step away from everything. Don’t do this at the Grand Canyon; you’ll be distracted.

Step two is what I call chess-like daydreaming. Sometimes I read a little just to stimulate some thinking. This is not the emptying meditation you do before bed, where you’re trying to relax. This is an acute interaction with your innermost thoughts. Focus on a problem in your life and just start meditating on it.

Step three is the hardest part and the one most people don’t do. The temptation at this point is to just let your mind wander. To get any benefit from this exercise, you have to stay focused and imagine you’re in a chess match. You’re making moves and your opponent makes a move. You don’t know what move your opponent will make, but you need to imagine several scenarios so you can make your best move. As you flip your problem around, imagine different actions, reactions, and then your adjustments.

Don’t think about 38 different problems; concentrate on one. Confucius said the man who chases two rabbits catches none. I have a wealthy friend, extremely successful, who focuses on one problem by getting in his car and taking a long drive. You can do this anywhere, but you have to let your mind wander within the one issue. You’re focused while wandering, thinking multiple moves deep.

Maybe you’re having a relationship problem. Maybe you’re not getting along with Bob or Suzie. Start letting your mind wander: “why am I not getting along with Bob or Suzie?” Maybe I did something wrong—that’s one move deep. “What could I have done wrong?” That’s chess move deep. Go one move deeper: “What if I didn’t do anything wrong and it has nothing to do with me and it’s somebody else?” Perhaps the next step is “Well, if it is something I did, what are all the things I did in the last week?” Or “what’s the thing I did right before I noticed the change?”

Bounce this around in your head: “Was it a sudden change in a day or a slow change over time?” If it’s slow over time, look at habits. Maybe you conclude it’s something else and not you at all. What could it be? What if it has to do with work, family, kids, other stress. What other family issues could there be? Go one step deeper. Maybe it’s their mom isn’t doing well, or maybe Bob hates his job. What job does he have that he hates? Your deep analysis leads you toward a diagnosis, and as you diagnose you’re 20 moves deep.

As you’re thinking all these different branching things, you start getting into some solutions. You develop a hypothesis that Bob doesn’t like his job so he feels stressed. When he comes home, it’s affecting our friendship. At the end of your meditation session, you come out with an actionable idea to ask Bob next time you see him. “I’ve been thinking about you and it seems like you’re not enjoying life as much as you used to and I was thinking about a few different things, like maybe it was something I did or something with your parents. But then I was thinking man, you work hard and your boss is always mean to you and you’re not making enough money.”

See how this is not confrontational? You’re coming from a bird’s eye view and with an empathetic demeanor. Even if you’re missed the situation and it is in fact you that’s the problem, you’ve come from an open-handed posture that leads to a good conversation. This is the kind of work-through that this armchair meditation facilitates and it’s life changing.

Maybe you’re overweight. Okay, sit down and think it through. Maybe you need to read a book about health. Then you start thinking about when this started, why. Maybe you twisted your ankle and quit exercising and fundamentally altered your habits. Or maybe you’re scared of twisting your ankle again. Perhaps a different regimen that is less risky to ankle sprain would work. What would that be? You gradually work through the issue, making your moves, and letting your mind wander on a focused problem.

Just to show you no problem is too small for this exercise, I had a problem with salad dressing. Why did I like that salad dressing? I don’t know, I just did. My friend Mark, a top celebrity trainer, noticed this almost addiction and pointed out that my favorite had a ton of sugar. Is that why I liked it? He said to try another one and it turned out I couldn’t tell the difference. I had to step away, analyze, approach someone else for advice, and got a solution out of my harmful regimen. You have to develop solutions; without them, you’re just stuck with diagnoses or conjecture.

This process is multi-step. By going multi-step, it forces you toward solutions. It’ll be hard at first, but the more you practice, just like any skill, the easier it becomes; the more proficient you’ll be. Just like lifting weights or dribbling a basketball. The athlete Kermit Washington jumps rope. He says at first you’ll be tired after a minute. But then you go two minutes. And if you jump 15 minutes a day you’ll be in the best shape you can imagine. You have to have action plans, real solutions.

Remember your life is a product of your decisions and this process is all about making better decisions. It’ll be hard to do at first, but try on something. Remember it only works if you stay focused on one thing. Finally, get to a solution. Don’t just stop at the diagnosis, like “I’m fat because I eat too many Twinkies.” Dare to ask why, and ask it over and over again until you get to a baseline that gives you an action point.

“Why am I poor?” Perhaps it’s because you don’t get paid enough; perhaps it’s because you spend too much on silly things; perhaps it’s because your debt load is too high. If you approach this with a disciplined, multi-step mindset, you’ll unravel the threads that hold you back and unleash unfettered energy to achieve check-mate on all those opponents.

Questions: What is the number one reason you’ve never done this before? Where are you going to do this? What is the one problem in front of you now in health, wealth, happiness, or love that you should confront today?

# 55 THE SEVEN HABITS OF HIGHLY UNSUCCESSFUL PEOPLE AND THE TARDY TREE SLOTH: HOW TO INVERT YOUR WAY INTO GETTING WHAT YOU WANT

This title is of course a play on Stephen Covey’s iconic book *The Seven Habits of Highly Effective People*, which is a must read for anyone wanting to achieve the good life. But Abraham Lincoln said “I learned from everybody that I met, but sometimes I learned what not to do.” He was talking about the principle of inversion.

Lots of books tell you how to be successful, but it’s also helpful to think about how to not be successful. This is kind of the Sherlock Holmes idea, where you try to figure out all the things that it couldn’t be, and by process of elimination you come up with an answer. Arthur Conan Doyle, who of course invented Sherlock Holmes, said “when you remove all that can’t be true what you’re left with is true, even if it seems unlikely.”

Life is a discovery process and unfortunately most people never figure out what they should be doing in life. It’s not easy knowing what you should be doing in life. You have to make hard decisions when you don’t have all the available information. That’s called optimal stopping. It means putting bounds on your rationality because you can research everything before you act to the point that you’ll spend your whole life in analysis and you’ll be paralyzed— analysis paralysis.

On the other hand, you don’t want to do the opposite and jump into things without knowing what you’re doing. One of the ways to arrive at answers to big questions like how to make more money, how to be healthy is to invert—ask the opposite. How do I become poorer? How do I become unhealthy? How could I find a horrible relationship? How could I be sure I’m going to get divorced?

So let’s take one: how to be unhealthy fast. Ever watch the movie *Supersize Me*?

Fantastic. Guy ate nothing but McDonald’s and almost killed himself. By inference, if eating McDonald’s three times a day will kill me should I even eat it once a day? If you’re eating McDonald’s three or four times a week, just cut back to two. Then cut back to one and before you know it, you’ll be at none. That’s kind of what I did and I feel great and don’t miss it at all.

Now apply this to wealth. I call this the tardy tree sloth. Charlie Munger said “before you ask yourself what to do to be successful, ask yourself what you have to do to not be successful.” He said someone asked him one time how to not be successful and he answered “easy; sloth and unreliability.” Want to be poor? Be lazy and unreliable. Unreliability is not just with other people or other commitments; it can often be with yourself, like starting something and not following through.

In my experience, unreliability is the number one killer of financial dreams. If you save 10 percent of what you make from 16 years old and onward, you’ll retire just fine. But most people save a bit and then take a couple of years off. All of a sudden they’re 55 and realize they’d better start saving. You have to stay with it for it to stay with you.

My aunt’s secret for her 65-year happy marriage was trust and communication. Trust runs deep. If you want to kill a relationship or friendship, do something shady, even if it’s teeny. Steal a penny from somebody’s wallet. It might be just a penny, but you’ve sowed the seeds of distrust. Most divorces are over little things, not big things. The husband wouldn’t put the toilet seat down. I kid you not; these things destroy relationships.

Happiness. Mother Teresa said most people aren’t happy because they’re focused on their own happiness instead of others’ happiness. Isn’t that profound? In her opinion, you get happy by focusing on other people. If you want to be unhappy, just start focusing on yourself. Assume the party revolves around you; the world revolves around you. If you’re an introvert, double down on being anti-social. Don’t go out. Don’t develop friendships with extroverts. It’s a sure road to unhappiness.

My favorite thing for unsuccess is don’t know yourself. I’ve finally come to a point where I know myself. I’m more extrovert than introvert, but not nearly as extroverted as full blown extroverts. I’ve analyzed myself in this light up, down and sideways and it’s been one of the most helpful things to find my groove. If you want to discover your superpower, what floats your boat, you have to put attention on knowing yourself.

I used to think since I was an extrovert I needed to go to every conference and seminar.

Now I realize that’s not healthy; I need a couple of months to recharge, spend time with my ideas in solitude. That’s where my best ideas come from. I didn’t always know myself; I didn’t know how to extract my Tainess, if you will. This isn’t moral stuff; it’s style stuff.

How do you learn? Are you visual or verbal? Tactile or cerebral? I stopped taking notes from books because I don’t learn that way. I learn by being in a group and talking it out. I need instant idea feedback, to take what I’ve read and bounce it around a table of people. I don’t just pull ideas out of my head, from scratch. They develop as a result of lively interactions with others. You might be the opposite. You might need to get alone and write it out. Some people get their inspiration alone; others like me get it in group settings. You have to know yourself enough to know your flourishing context.

Freud writes about this in *Civilization’s Discontents* by noting different constitutions.

Some people need to be surrounded by beauty; others not so much. Some people need to go inward intellectually to solve problems; others need group setting. Some learn in a more Eastern, detached way; others learn with schematics and hard drawings, more materialistic. Our need to love and be loved differ. Some people are cut out for families and parenthood; some aren’t.

Some people are great at leading teams. Others are much better in the side cubicle pondering all day. This isn’t about morality or right or wrong; it’s about knowing your fit, knowing who you are and what makes you thrive.

How do you not get investors? Well, you never talk about your idea. You have no contact with anybody. You never lay out a plan that’s credible. Want to know how not to launch a business? Spend 10 years in a room just planning. Or invest all your money on day one in something you know nothing about. Lots of life is common sense, but you’d be surprised how few people really develop common sense.

This inversion principle is powerful because it articulates the pitfalls clearly. Once you see all the mudholes you don’t want to step in, you can often more clearly see the pathway you want to pursue.

Questions: What are some things that will not get you wealthy, healthy, happy or in love? What are some of your core constitutions?

# 56 FLOATING ACROSS THE PACIFIC OCEAN ON A RAFT AND WHY SITTING BULL LIKED TO BE SHOT AT: THE MOST IMPORTANT OF ALL PERSONALITY TRAITS

If you start reading books or asking advice about how to be successful, you’ll get a plethora of ideas. Some people say you have to be wise. Others that you need to read books. And yet others say don’t read books; just start doing, kind of trial and error. Some people will tell you to be religious and others will say be atheistic.

You accumulate all this clutter in the brain from advice that started the day you were born. People push their language on you, their ethics, how to walk, how to talk and of course a lot of it is good for you. Be thankful somebody showed you how to feed yourself. Along with all the good advice comes a lot of bad advice baggage, whether intentional or unintentional.

I’ve noted that Charlie Munger says the most important inversion characteristics—for unsuccess--are sloth and unreliability. That means he thinks energetic work and reliability are the most important. Far be it from me to add to Charlie Munger’s wisdom, but I suggest that the greatest thing you need for success is courage.

I don’t mean that in some cheesy sort of Wizard-of-Oz kind of courage. I mean life has momentum, entropy, inertia and you need courage to go against the natural flow. For the first time in history, the world has more obese people than malnourished people. The flow is toward being fat. I read 50 percent of kids are going to have diabetes or pre-diabetes in the next 20 years because of so much sugar and processed foods. According to army recruiters, only 20 percent of young people have enough physical health to join the military.

The average person in the U.S. saves $1 for every hundred, meaning they’re not investing in themselves. They’re consumers giving all their wealth to somebody else. That’s the flow. Allan Nation said “Tai, if you want to be successful or if you want to know if a friend will be successful, a good test is how much they care what their neighbor thinks. If people are afraid of being a little different, striking out on a different path, that’s a good sign they’re not going to be successful because life takes courage.”

My Grandma was born in Berlin, Germany in 1918, right at the end of WWI. She said after the Treaty of Versailles food was so scarce they essentially survived on carrots until they turned orange. When she got a little older, her friend became a Nazi Youth and encouraged Grandma to go listen to this new guy, Adolf Hitler. Grandma went and met him face to face. She was only 19 or 20, but when she left, she said to her friends “I think this guy is crazy. He’s going to start a war” and they all laughed at her, soaking up his promises of an industrial and economic bright future. She had the courage to trust her intuition. She got on a boat and left Germany to come to the U.S., where she didn’t know a soul.

She didn’t float across the Atlantic on a raft, but another guy floated for months on a raft.

*Unbroken* is the story of Louis Zamperini who got shot down in the Pacific during WWII. He survived in the ocean and then survived a couple of years as a POW under horrific Japanese interment conditions. At every stage, his courage kept him alive while others died from their hardships. You should read books about courage because for the most part, that’s what gets some people farther than most.

I’ve lived in Hollywood among the biggest celebrities in the world and while once in awhile luck got them there, I’ve found that nearly all were willing to do stuff other people wouldn’t do. They put in longer hours. They worked at their craft harder. They tried something different. If you look back on your life, I guarantee there’s a time when you met someone and knew you should go up and introduce yourself but you didn’t because you were afraid. And you’ve regretted it ever since. You didn’t do it. The people who make it in Hollywood are the people who do what others are afraid or unwilling to do.

Most people don’t do unusual things because they’re afraid of failure. Remember Sitting Bull’s instructions that “today is a good day to die.” He came out from behind the hill, walked toward the U.S. sharpshooters, and calmly smoked his pipe while bullets flew all around. To be sure, you don’t have to do that to show courage, but you have to appreciate Sitting Bull’s bold courage in the face of crazy odds. Remember Sitting Bull had grown up in a culture where moms dunked their babies in ice water to toughen them up, to teach them how to be brave.

Certainly there are times to retreat. And Sitting Bull retreated strategically from time to time. It’s like the Kenny Rodgers song, The Gambler, “you’ve got to know when to hold them and know when to fold them.” To me, courage is folding and retreating only when it’s the obvious logical choice.

Let’s assume you’re in a networking setting, perhaps at a conference, and you know you should go up and talk to someone. Ask yourself if there is anything wrong with talking to that person. Obviously you don’t interrupt the person if he’s on stage giving his presentation. If you go up to him there everyone will think you’re an idiot and you’ll be in worse shape than if you sat on your hands. But when things are informal, during a break, seize the moment. Why not?

What’s the worst thing that can happen? Think about the fear of public speaking. That’s the number one phobia among people, higher than cancer and sharks. But what’s the worst thing that could happen? Fall off the stage? That’s funny; everybody will laugh and you’ll be a YouTube sensation. You don’t want too much courage or you’ll be foolhardy. The best way I know to find the balance is to read some biography before bed every night. Biographies about real people and their decisions offer the stories for this balance. As you see how they responded to things, you’ll develop a better sense of the right response. Then when things happen to you, you won’t be paralyzed in fear or foolhardy in courage.

Now some practical ideas. Take a cold shower routinely. Be like the Native Americans—turn it completely cold. If it’s too much, yell out the word “COURAGE!” to amp your bravery. If you have room mates, they’ll think you’re crazy, but who cares? You’re on your way to success. Is that worth some jokes and snickering? Absolutely.

Courage has a genetic component. Some people are born with more courage than others. I’m not saying it’s in your DNA, but brain pathways absolutely vary in the amount of courage someone exhibits. The way you calculate fight or flight risks happens at a genetic level. Take some steps to tweak your courage.

Go to Toastmasters to sharpen your public speaking capacity. Go to open mic night somewhere and let yourself go in front of some folks. Take an acting class. When everyone else is afraid, you be the person who can do stuff. When I was very young, a friend told me “Tai, I’ve worked with countless millionaires over my 40-year career. In my experience, the only difference between millionaires and everyone else is that they had the courage to do the same stuff everybody knew they should do, but these folks actually did it.”

In life, people constantly look for the magic formula. The formula is simple. It’s doing the stuff you already know you should probably be doing.

Questions: What’s an example of an opportunity, something big, that you missed out on in life because you were afraid? Who is somebody you look up to that you can study, even in a book or a movie? What’s a practical action you could take today to show courage?

# 57 UNSTUMPABILITY AND SHERLOCK HOLMES SLEUTHING: UNCOVERING ALL THE KNOWLEDGE AT YOUR FINGERTIPS

In many ways, these steps are principles I use to train my employees. They’ve been graciously handed to me by mentors, either personally or through their writings, and I’ve condensed them from about 300 to these 67 steps.

Optimism is good, but over-optimism is deadly. Most of us do trend toward optimism; we hope tomorrow will be better than today. But just like drinking water, you can have too much optimism. Forcing prisoners to drink water was a torture mechanism; it could actually kill you.

One of my favorite tests to determine if I’m over-optimistic is what I call unstumpability or the stumble factor.

I spoke about this at a conference in Florida and you know how people follow speakers into the lobby after a presentation. I mentioned that an architect should know pretty much everything about joist angles and load bearing dimensions. It should be hard to stump him with architecture questions. One guy in the group said “well, you can’t stump me. Ask me any question about what I’m in. I’m knowledgeable and have been studying this for 20 years.” I asked him his field and he said the health industry. I simply asked him “how many bones are in the human body?” He had no clue. Totally stumped.

To be sure, everyone in the health industry doesn’t need to know how many bones are in the human body, but this teased out a couple of things. First, he was over-confident, and that’s always concerning. Secondly, you want people to be inquisitive about more than their little specialty. If you were getting heart surgery, wouldn’t you want a surgeon who is curious about bones, lungs, and kneecaps? Knowing more general information indicates curiosity, passion, competence, expertise.

Want customers? Be the kind of person you’d want for a customer. Want investors? Be the kind of person someone wants to invest in. Want mentors? Be the kind of person that would energize a mentor. Want to marry someone amazing? Look in the mirror and determine if you’d be an amazing person to marry. When that little voice tells you things to work on, you can work on those and sure enough will begin to attract what you’re looking for.

If somebody wants me to invest in their business, I’m going to ask hard questions. I want to know things. Test yourself. Before you seek investors, have a couple of friends ask you three of the hardest questions they can think of about your business. If you can’t answer one, then as the saying goes check yourself before you wreck yourself. You need to up the curiosity factor.

If you asked Bill Gates about computers or Oprah Winfrey about daytime TV shows, do you think you would be able to stump them? If you want to be on the receiving end of the kind of success these successful people have enjoyed, you need to duplicate that curiosity mindset. If you aren’t curious, you won’t be able to generate the passion and energy it takes to solve hard problems. If you don’t fall asleep immediately, you’re not exercising your brain enough; it’s not tired enough. I learned that on a farm—I never had trouble going to sleep immediately because I was tired. Your curiosity should be intense enough to wear you out mentally.

Sherlock Holmes was the kind of sleuth. I’ve mentioned before how few people know what all the keys on their computer do. Don’t you think it’s important to know what every key does on a tool you use every day and probably will for the rest of your life? This is part of the awareness factor. Sherlock Holmes was hard to stump because he observed everything about his surroundings. I guarantee you he would know what F8 on his laptop would do.

When you get a new phone, spend some time just playing on it. Click every button. If you visit a website, click every button and see how it’s constructed and what information they’re trying to convey. Our short attention span means we never really sleuth our surroundings; we don’t know our contexts and that makes our responses shallow.

Curiosity should become such a habit that even when you encounter things outside your daily need to know, you still pursue knowledge for the sheer joy of satisfying inquisitiveness.

Not so you can win at trivia games or be filled with a bunch of head knowledge. Even if you can’t see a benefit in knowing something, pursing the information inadvertently and indirectly benefits you because it rewires the neural pathways in your brain, enabling you to approach a problem with more curiosity because you’re already wired that way.

You don’t need to know everything about everything, obviously. Nobody can do that.

But being a Renaissance man or Renaissance woman empowers you toward success because you have at least a perfunctory knowledge about a lot of different things. It makes you a more complete person, a more interesting person, rounding out your life. Knowing a little about a lot of things is just as important as drilling deep on the one thing in which you’re an expert. Your career or vocation or business—that’s where you drill deep and become unstumpable.

Think about your body. How many grams of sugar are okay for you at your body weight? What’s your resting metabolism, or what’s called your Basal Resting Metabolism (BRM)—the amount of calories your body uses if it doesn’t move at all? How many grams of protein should you eat? What ideal waist size should you have? What’s your ideal weight? You need to know these about your health; it’s just basic. I don’t care if you’re in the health business or not; you should know this about you to stay healthy. Knowing these things can yield tremendous benefits for your overall energy and vitality, don’t you think? If any of these stumped you, basic things for good functioning of your own body, then you need to up your curiosity factor.

Let’s look at wealth. What’s cash versus accrual accounting? You need to know that even if you’re an artist so you can have an intelligent conversation with your accountant. What’s the difference between ROI and IRR? Can you name some of the 25 cognitive biases so you can read people better and figure out why a person thinks the way she does? What is beauty? What is happiness? What did Mihály Csíkszentmihályi say in the book *Flow*—what is flow? If these are stumping you, I hope you’re motivated to become unstumpable in order to enjoy a life that is beyond belief.

You and I are rarely around people whose life is at the pinnacle that we can aspire to; I’ve seen it in people like Joel Salatin. It exists. I see it in people behind the scenes, people who have health, wealth, happiness and love living the dream. Never has it been easier to satisfy curiosity and to sleuth information. Use the tools and opportunities to become unstumpable, to be like Sherlock Holmes.

Questions: What is a question you asked yourself recently that you realize you should have known the answer but it stumped you? What keeps you from searching harder? What’s a practical area you’re going to learn a little bit more about today?

# 58 DEATH BY FAINT PRAISE AND CHARLIE MUNGER’S GRANDFATHER: WHAT YOU NEVER WANT TO HEAR SOMEONE SAY ABOUT YOU

Charlie Munger, one of the most successful business people ever, had the privilege of a grandfather mentor who said “real opportunities that come to you are few. It’s a very fortunate life that is bathed in opportunity all the way. Most people just get a few times where they can make a huge difference by seizing a huge job or a huge activity.” Then he said “when you find one of these, my dear grandson, and you can clearly recognize it, seize it boldly and don’t do it small.”

Most of us are patiently impatient. We have 10 year, 20 year, 30 year goals. Wait until the new year to make a resolution. Instead, we need to be impatiently patient—do it now. We don’t do stuff today; we procrastinate. Charlie Munger’s grandfather’s advice is that you don’t have a lot of opportunities and when you have a good one, you need to jump on it. Don’t wait. Don’t be patient. Seize it because it may never come your way again.

For sake of discussion, let’s say you have three big opportunities in life. Realistically, they’ll be placed between about 15 years old and 60, in that window of life. Certainly you’ll have lots of small opportunities. If we put opportunities on the scale of 1-10, most are 5 and under.

We’re talking here about the 8s, 9s, and 10s. They’re rare.

Add in the fact that most days you’re not at your best. You missed the simple yes or no, the smile, the hello to a person, looking good on the day when somebody walks by and could be attracted to you because you stand out in the crowd. If you discard all the days when you’re not at your peak, you’re left with precious few to intersect with the big opportunity.

My definition of a big opportunity is one where for the same amount of effort you get a much bigger reward. Most things you put in 100 units of energy and effort and get 100 units of reward. The ones you’re looking for are the ones where you put in 100 units and get back 1,000.

My business partner John’s dad was a colonel in the army, and according to John never made general due to faint praise. That was a new phrase to me and I asked him what he meant. He explained “the way you become a general is a whole bunch of other generals are sitting around at a table and they’re talking and thinking and one guy goes ‘hey, what do you think of that Colonel Jack guy?’ And the generals look at each other and they go ‘yeah, he’s a pretty good guy. Pretty nice guy.’ You see, that’s faint praise; it’s not over abundant. It’s not like that guy is the greatest guy known to mankind. No, it’s more like ‘yeah, he’s pretty good.’”

We miss opportunities because we don’t fully miss them. What happens is we are passed by for just being pretty good and nobody wants to be around or promote pretty good. I bet if I could go back and be a fly on the wall to see all the opportunities I missed, they wouldn’t be the result of being incorrect or out of step; they would simply be because I wasn’t impressive enough. Furthermore, you only have a few chances to be impressive. You’re not guaranteed a long life; you’re not guaranteed unending opportunities. Remember Seneca said life is long if you know how to use it.

He went on to say that only a small part of life is really living; the rest is just passing time. Men and women are occupied by either pursuing other people’s money or complaining about their own. Many pursue no fixed goal but are tossed about in ever-changing design by fickleness, which is shifting, inconstant, never satisfied with itself. Some have no aims at all for their life course. People are frugal with their money but not their time. They spend time as if it's limitless. You would never spend money like you spend time. That’s profound.

Seneca said the reason this is true is because most of us live as if we’re destined to live forever. Our own frailty doesn’t occur to us. We don’t appreciate how much time has passed; how much we’ve already squandered. He said you act like mortals in all that you fear and immortals in all that you desire. We don’t put in the time and effort to be impressive enough to be noticed. We think we can be impressive next year. But chances are running out like grains of sand in an hourglass. You need to live as if you’re mortal; as if you could die tomorrow; as if today’s opportunity is the only one you’ll ever have.

You don’t put opportunities on a calendar. You can’t predict them. I need to be impressive before I cross paths with that person who has the opportunity for me. Once I’m passed over due to faint praise, it’s too late to impress. Arnold Schwarzenegger didn’t get he- man movie roles because he could become a body builder. No, he became a body builder and the roles came to him. See how that works?

Remember Lao Tzu said prepare for what’s difficult when it’s easy. Arnold Schwarzenegger at 15, 16, 17 didn’t know the opportunities to star in he-man movies would ever present itself. He didn’t act like he was immortal with his desires. He prepared. I want you to aspire to be so good at something that, like Steve Martin, you can’t be ignored. You won’t have death by faint praise because you’re too good to ignore. When the generals are sitting around talking about you, they should say “best, most skilled person I ever met.”

Fear can be a great catalyst. The fear that an opportunity could pass you buy should petrify you. You don’t need to be concerned about starving or being homeless. What should scare you more than anything is being unprepared for the opportunity when it knocks.

Impressive people are charismatic, magnetic. People notice them, want to hang around them. My assistant picked up Joel Osteen from the airport and couldn’t quit talking about him. He had an energy that drew people like magnets.

Go out and make a commitment to one simple thing. “I will not be overlooked due to any luck, passion, curiosity, knowledge, stumpability, lack of awareness, lack of mentors, lack of reading, lack of spending on my personal improvement, lack of all those myriad things I’ve just gone through in these 67 steps.” This is your time. You’re as young as you’ll ever be. Your real age is not backwards to your birth certificate, but forward to your death. That’s your real age. That means today, double down on yourself, whatever skill you have, to give yourself the chance to be impressive in the rare opportunities that will pop up in your life.

Double down now. Learn more. Get better mentors. Read more. Put in more hours, more reps and sets. Become unstoppable. This is about excellence today, not tomorrow and not next year. You may not have the privilege of those days or years. The Greek word *eudaimonia* means excellence to life. That’s what beauty is—symmetry; the refinement of craft. When you hear Bach, you intuitively understand musical excellence.

I’d rather fail than be ignored. Everybody can die with impact and more importantly, you can live with impact. But impact is an opportunity game, and the big ones don’t come around very often. The winners are the ones who prepare to win. It’s the people already ready.

Questions: What is an example of a big opportunity you’re pretty sure you missed at some point in your life? What is the reason you think you missed that opportunity? In that area of your life, what do you need to do to double down in order to be impressive?

# 59 THE DILIGENT CELEBRITY AND MEETING THE KING: HOW TO GET LOCAL CELEBRITY STATUS

An ancient proverb says “See a man diligent and skilled in what he does. He will stand before Kings, not before average men.” That’s a pretty profound statement if you think about it.

Everybody wants to be a star; even introverts. At some point, almost everybody dreams—even if it’s fleeting—about what it would be like to be on top of the world. Just to be known as someone important in the group that you care about.

We all search for significance and meaning. Why do we not get it? You’ll hear all sorts of reason: the economy, the recession, bad parenting, the times we live in, fate, low IQ. But this proverb indicates something different, that you can reverse your situation. You’re not preprogrammed into your life’s context. It’s talking about diligence and skill, both character traits, not genetic or environmental traits. In many ways it’s like Charlie Munger’s “to get what you want, you have to deserve what you want.” The world is not yet crazy enough to reward a whole bunch of undeserving people.

Let’s assume the proverb is true. Do you think any pro athlete gets there by being picked out of the population at random? Never. Never. If you want to be on the team, you have to be skilled. If you want to be recognized, you need skill. That begs the question what skill?

Obviously it’s easier to become skilled at something you enjoy, something that fits your personality, that you have a natural proclivity toward.

Skills can be divided into soft and hard. In this case, hard doesn’t mean difficult. It means tangible, measurable. Most resumes are heavy on soft skills. “I’m a people person. I’m creative. I’m a team player.” These are hard to measure and easy to exaggerate. What you need are tangible skills, like computer programmer, graphic design, running a chainsaw.

Ideally, you have both hard and soft skills.

You should audit your skills. Divide a paper in half and start listing the intangibles, remember that it’s easy to inflate those. On the other half, start writing your hard skills. Often that list is embarrassingly short. All of us yearn for acknowledgement. We want to be worth something to our peers. Earned respect is a sweet feeling. Acknowledgement is as important to healthy brain function as water and air, both to brain and body. You need people.

Desiring respect and honor among your peers and friends is not narcissistic; it’s natural brain fuel to motivate us to be better. It’s a worthy goal to keep you on track toward a good life.

It’ll protect you from tendencies that could be destructive and instruct you toward tendencies that are important. That’ll keep you healthy, wealthy, happy and in love.

The point here is that celebrity fame or recognition doesn’t fall out of the sky like fairy dust. It’s earned. And your personal tool belt is how you earn it. Diligence is a soft skill; it’s on the intangible side. It’s like a character trait beyond being friendly. It’s more like patience or being a go-getter or being persuasive when you need to be. Diligence is a big one because the opposite is laziness, which we know coupled with unreliability is the fastest way to be unsuccessful, according to Charlie Munger.

On the other side, you need to stack up your life with as many tangible skills as possible. Knowing how to play a musical instrument, even rudimentarily, is a great tool on your skills tool belt. You don’t have to be real good to be a local celebrity. The person who can play a guitar at a birthday party or sit down at a piano at a potluck gathering is the one everyone wants to be around. That feeds your emotional energy.

In health the soft skill would be knowing how to motivate yourself to eat right. The hard skill would be knowing how to cook locally-sourced food into tasty meals, design an exercise program, and measure benchmarks of health. A tangible skill is visceral; you can see it and touch it; sense it.

Tangible skills in the social pillar are things like being able to close a deal or walk into a room of unknown people and be interesting. That’s local celebrity. Be able to stand. in front of an audience and give a presentation that holds them on the edge of their seat. Whether you’re an introvert or an extrovert, don’t be so egocentric that you think the universe has different demands on you because the universe doesn’t figure out your Myers-Briggs INTJ score and give you a speaking pass No, when the time to speak comes, you must speak. When the time to be courageous comes, you must be courageous. Learn how to play some games, from poker to monopoly. And learn a language besides your own. It’s an incredible tool.

In business, have some tangible skills. Know how to read a P&L statement. Do you know the difference between marketing and sales? What are the key components of a functional team? What destroys teams? If in an informal discussion among business folks you can rattle these off, you’ll be the talk of the group. Can you recite the seven habits of highly effective people articulated by Stephen Covey in the self-help book by that name? If you can manipulate business principles and information, that’s a tangible skill.

I don’t want to demean intangibles; they are important to round out your tangibles. If you’re extremely skilled at something tangible but have the personality of a fence post, you’ll never make local celebrity status. How many extremely knowledgeable people are as interesting when they try to teach as watching paint dry? That’s sad. A pro athlete who can’t do an interview is heartbreaking because that person’s influence and status would grow substantially with some social charisma.

If you don’t round yourself out with intangibles, you’ll be like a weapon that can only hit one thing all the time. If you’re a computer geek and you’re just computer, computer, computer and you can be deployed to fix a computer programming problem but don’t know how to make friends, influence people, make an ally, how effective will you be?

If you’re the life of the party with intangible skills, chances are you need to focus on some tangible ones. Learn some math, how to change the oil in your car, how to read a book a day. Knowing how to learn is a soft skill; actual learning is a hard skill. I’m amazed at the average person’s slow pace of learning. It’s like watching a snail. Maybe that’s where the idea of book worms came from—just slow and plodding. I want you to sail through books and learn at race car pace.

Certainly I’m not suggesting you do things just to impress people. But neither should you live just to impress yourself. There’s nothing wrong or prideful about desiring a pat on the back once in awhile. Balance. Desiring someone to say “I respect you” is not arrogant or selfish. It’s positive for everyone. To be respected is important for the human psyche, period. End of story. You can’t change that any more than you can change the natural color of your eyes. We are humans that crave social energy. We are humans that need respect and have to earn that respect.

For me, my intangibles are patience and perseverance. Here are some of my intangibles: Certified Financial Planner, construction, gardening, handle horses, raise livestock, hiring and firing people, marketing, close deals and manage computer programmers, speak a foreign language, and talk to an audience. This is not bragging; it’s a template for you to begin constructing you list.

Questions: What are you intangible skills, like character traits, including both your strongest and weakest? What are your tangible skills? In what area can you start striving to be a local celebrity?

# 60 THE DUTCH BIG GULP: READJUSTING THE PACE OF SUCCESS

This step is like an oxymoron. Often when you get good answers from great people, they have a kind of contradictory character to them. That’s because all wisdom or pithy sayings can be taken to extremes. The basis of this is the Dutch saying “we’re too soon old and too late smart.” No matter how old we are, we wish we knew then what we know now. Oh, if we’d only known. We wish we could learn faster.

How many times do we say “it took me 30 years to learn not to date this kind of person.” Or “it took me 40 years to realize I shouldn’t eat this way.” Or “not until I was 60 years old did I realize I shouldn’t invest my money in that kind of stuff or spend it that way.” Blah, blah, blah. We can all have lots of conversations with our younger self. One guy said he wished wouldn’t have worried so much because he’s learned things usually work out okay. I’ve observed that people who do well tend to have fewer regrets.

Remember that famous poem *My Love* by Chief Tecumseh written in the early 1800s where he said “so live your life that the fear of death never enters into your heart. Don’t be like people who weep and cry when it comes to their time to die and asked to live their life over a little bit better. No, be a hero; die like a hero going home.” Obviously you can’t know everything at 9 that you know at 90; learning has a realistic pace to it. And that’s what this step is all about.

Most people’s pace of learning is patient. The 18-year-old says he doesn’t know much about money but he says that’s fine because 18 year-olds aren’t supposed to know much about money. That’s patience. It’s also acting like you’re immortal. If you think you have 30 years to learn about money, that’s not only presumptive about your immortality but it also means you’re going to have a lot of regrets.

Think about the Big Gulp at a 7-11 store. It’s a massive soda that people buy to chug down. You don’t sip it like fine wine. No, you chug it down. That’s the way we should approach learning, like a Big Gulp. I guarantee you that right now you want enough money to not be worried about paying your monthly bills. You want some happiness. You want to feel good.

You want some love. In fact, you’d probably like to chug down those things. But you’re sipping your way along when it comes to what it takes to have and enjoy these good life benchmarks.

You can’t say you’ll learn it next month. You’ll get in shape next month. You’ll wait until New Year’s and make a resolution about that. Life is slipping by. If you’re going for that mirage of this miraculous time where you’re going to be able to get good at your finances, you’re just going to be sailing around the world chasing a horizon that never ends. They used to think the horizon was a sharp cliff, the edge of the earth but now we know it never ends. If you wait too long to figure out money, you’ll be too old to enjoy it. Success comes to the people who learn how to gulp.

Train yourself to gulp. Be impatiently patient. If everyone else is reading a book a month, read one a week. If everyone else is working 40 hours a week, you be the one that works 60. Certainly you can be a workaholic and there are times to knock off, but if you’re gulping you’re making faster progress toward the good life. Joel Salatin used to quote his Dad when he’d ask one of his kids to run to the shop and get a tool: “Run now; you can rest when you get back.” Don’t act immortal as if you’ve got plenty of time. People who snicker at your effort and say “who’s in a hurry?” as if that’s some sort of noble thing will inevitably and eventually have far more regrets than the go-getter.

Now here’s the contradiction. Nobody can gulp too fast. We have a mechanism that keeps us from taking in anything too fast. We can only take things in as fast as we can swallow. What was healthy at a certain pace becomes unhealthy when it overruns your esophagus and goes down your windpipe into your lungs. Sometimes you need to chug and sometimes you need to throttle, slow things down. Joel Salatin used to tell me “make haste slowly.” If you’re gulping and suddenly don’t feel like you’re making progress, slow down. You won’t learn how to play the piano in a day. If you’re gulping a book and then find it boring, put it down. Idle the engine.

I don’t want to hear about your 10 year goals. Tell me your 10 minute goals. Start quickly and once you’re in, then patiently metabolize, assimilate, digest. Your quick start will turn into daily plodding, and that’s the way life is. Start your business now, but don’t quit your other job. Let the customers build slowly. Develop your skill incrementally and maybe in a year or two it’ll grow to the point you can quit your other job. If you need to lose weight, gulp in right now, but patiently plod along with conservative results. If you keep gulping, you’ll burn out and quit. Or maybe pull a muscle. You don’t go from nothing to running a marathon. You work up to it slowly; but you have to start running today. Maybe it’s only 100 yards, but starting is everything. That’s the gulp versus the plod.

Remember, you can’t go from zero to a $1 billion idea. The gulp is to start with the idea. Along the way you’ll have to be patient. As Sigmund Freud said “you’ll look back on the years of struggle as sometimes the most beautiful times in your life.” You need time to go through the spring, summer, fall and winter seasons of life and business. People who marry too fast usually regret it. People who lose weight too fast usually yo-yo from one program to another, never really sustaining anything.

You can change and start the momentum overnight. That’s the gulp. Nothing built too fast stands the test of time. A fast built fence falls down fast. A quick romance usually falls apart quickly. If you sacrifice long-term revenue for short-term revenue, trying to build wealth too fast, you’ll regret it when things turn down. Rome wasn’t built in a day. But you can start with the first carpenter, hammer and nail in a day. These concepts are polarizing forces that must be allowed to be polarized.

The time you start is when you rewire your brain away from procrastination. There’s a time to just go for it, impatiently. If you’re overweight, don’t wait until January 1 to make your resolution. You might have a heart attack by then. You might be broken bankrupt, in debt; don’t wait to start upping your income. People spiral out of control and do weird things, commit suicide, go into depression. Gulp into your change while you’re still sensible and lucid. Go on a date today. Get together with a friend today. But if you’ve been a hermit, don’t throw a party for 100 people. That’s neither reasonable nor wise. Throttle it to a pace you can metabolize.

Want to start a charity or help some cause? Good, start today. But you won’t be Mother Teresa in a week. Pace yourself and enjoy the journey. But start today.

Questions: What’s an example where you’ve been gulping too fast for too long? What is an example of something you feel good about your pace, that your trajectory is moving steadily toward success? What is something you’ve held back on gulping that you know you should just jump in and start?

# 61 THE $495,000 HONDA ACCORD: THE REAL VALUE OF MONEY

Textbooks are often written by extremely smart people, but they can also be highly regimented and keep you from thinking outside the box. They often make you think you’ve learned all there is to know about a subject. If you read an economics textbook, it will outline the flow of money along about ten different tenets. One is that everything entails a cost, even if it’s given free.

Let’s drill down on one of the most famous tenets: opportunity costs. People wonder if they should go to college. Should they marry that person? Should they quit their job and do something else? Everything has a cost because that time and money could be invested somewhere else. The two hours spent going to a movie is not just the ticket value, but what those hours would return if invested some other way.

A top hedge fund manager gets $2 million an hour. That guy going to see a two hour movie would cost $4 million. That’s a pretty expensive movie, don’t you think? The reason this kind of cost assessment is hard is because our brains are still wired for times when our opportunities were fairly limited. Your distant ancestors lived in a village with relatively limited options. They didn’t have the complexity and sophistication we have. They could eat only local food. The dated only local folks. They worked in a narrow array of vocations.

You and I are stuck. We’re in big trouble because the world now demands that we understand true costs, or what I would call in the moment costs. The long-term opportunity cost is not only the $50 you spent buying your family a movie ticket, but also what you could have been doing in that moment, during those two hours. It’s also the cost of that $50 in capital or the future value of what that $50 could have been. Make no mistake, spending always creates wealth. Nothing else creates wealth, except spending.

When I talk about business, I’m really talking about wealth creation. It’s not what you spend; it’s what the value is. My step-dad always told me to buy good tools, not cheap tools. More expensive, yes, but far more value for the expense. When you spend money, it’s not just the expenditure that’s important; it’s the long-term value of what that expenditure represents if invested another way. For this step, I picked a Honda Accord, but it could be any car.

The average person in the U.S. is in debt between $30,000and $35,000 for their car. The way to make a value comparison for something is a mathematical formula to give me the true cost of something. What if you took that $30,000 debt and instead invested it in a business? Or the stock market? One of Jeff Bezos’ early partners, the attorney, was given the opportunity to buy shares in Amazon when they were nothing more than a gleam in Bezos’ eye but he didn’t get around to it. What were the dollars he didn’t invest worth?

The farm brothers who started McDonald’s sold the name and brand to Ray Kroc for $1 million, not retaining any shares in the new company. What was that decision worth? Billions. Going back to our car, if we took $30,000 and invested it in the stock market at a lifetime average of 8 percent and apply the rule of 72 (divide the interest into 72 and that gives you how many years it takes to double your money) and it’s worth about half a million in 36 years. You just lost half a million on a car. What’s the true value of that car? Half a million.

Opportunity costs are scary to calculate because they’re shocking. The quick opportunity cost number is a factor of 15. In other words, everything you buy, multiply it by 15 and that’s the opportunity cost of those dollars. In our car example, that would be $450,00. See how close that was to our real life calculation?

Realize that while all this carries a cerebral, academic element, it’s meaningless unless we let this knowledge change our instincts. Unless and until we actually apply these numbers, we don’t create change in our decisions or behavior. It’s like going to a doctor who is obese and smokes. What good does all his health knowledge do if he doesn’t act on it?

What’s the real cost of junk food? It depreciates your body at an alarming rate. A fast food taco for $1 isn’t just $1; externalized costs are through the roof. Think about cheap consumer goods made in China with slave labor, or cheap food causing erosion. Almost everything has imbedded costs that don’t show up at the cash register.

Applying a formula to other areas is helpful. You can measure your waist. Beware belly fat. What’s another inch of belly fat worth? Put a figure on it. How about happiness? In the last 30 days, how many times did you get out of bed excited to be alive and eager to take on the day? How about social life? How many birthday parties did you get invited to last year? Put a number on it. How many people can you count on if you lost all your money and your world turned upside down? How about wealth? Just look at your bank book.

Want to change the world? Joel Salatin always said “vote with your checkbook.” Start patronizing businesses that make the world a better place and start withdrawing support for those who don’t. That doesn’t require a law, agency, or protest march. One dollar at a time intentional spending can absolutely change the world. Money is a powerful tool. Money doesn’t come naturally—money is a relatively recent invention, at least the way we use it now. We have to work at allocating these monetary units for better value.

You have to exercise your money; put it to use. If you leave it in the bank, you get 1 percent while the bank loans it out to others at 8 percent. The bank gets wealthy while your money sits there. If you put your money in a mattress, inflation eats it up so that’s not a good option. The best approach is to figure out how to make your money useful, to leverage it, to invest it in things that will work for you. You must deploy your cash.

Train yourself to never assume that the price tag is the cost. It’s never the cost. The question is how much it costs in comparison to something else. I don’t want you to be the guy buying the $30,000 Honda who brags about the fact that it only cost him $30,000. A statement like that illustrates ignorance about money in general and opportunity costs specifically. You probably could have bought a car for $5,000 and invested the other $25,000.

My mentor Joel Salatin said he bought his first car in 1979 for $50 from a neighbor, married a year later (took their honeymoon in that car) and in their first 20 years of marriage spent less than $10,000 total on automobiles. That’s what, $500 a year? He understood the true cost of money and invested all he could in his farm business and watched it flourish.

Parents don’t teach their kids these lessons today. You’ll only find it in dusty economic textbooks that most people never read.

So what about college? Applying these principles, put a true cost on it. Sometimes it’s worth it and often it’s not. Allan Nation used to say that the only reason to go to college is if your vocation demands a license, like being a doctor, lawyer, physical therapist, radiologist. But for most people, experience is the best teacher and on-the-job training the most practical. You can go to cheap colleges rather than expensive ones. When you visit your doctor, do you ever ask what college he attended? Do you care?

When selling, give more value than you charge for. When buying, look for more value than you’re spending. Kyle Rose, a millionaire manufacturing manager, always told me “Tai, if you get your money back in one to three years, you’re crazy not to put it in.” If it takes more than seven years to get your money back, you might want to skip it. Look at every dollar as if it’s building a legacy and treat it with respect and gratitude.

Questions: What is an example of something you bought that when the rule of 15 is applied you realized it was crazy expensive. What percentage of your spending is on depreciating things? What is one change you need to make based on this step in your learning?

# 62 THE $20 BILLION GIFT FROM STRANGERS AND BUILDING FORGIVENESS INTO THE LAND: HOW TO BUILD SYSTEMS THAT PERSIST

One of the worst things that can happen in your life is what I call the Mike Tyson error: creating success and then falling back. If you’re used to making a million dollars a year and all of a sudden your income drops to $100,000, you will freak out. While $100,000 may sound fine to most people, if you’re used to a million, you can’t trick your brain into thinking a 90 percent drop is still pretty good. You have to guard your success by locking it in with ultra attentiveness.

How can you make improvements without falling back? The first thing you need to remember is to keep a little fear. Think about Alcoholics Anonymous saying “once an alcoholic, always an alcoholic.” One drink can make you relapse. You can’t afford to lose your momentum. A little fear is okay and healthy.

Warren Buffett said he keeps $20 billion in cash on hand because “I never want to have to invest in the kindness of strangers.” Most people would think he’s foolish not to invest that money, but he sees it as buying wiggle room, or forgiveness. Joel Salatin told me you have to build forgiveness into the land. Build systems with wide margins of safety. Buffett didn’t want to depend on a bank and a committee to green light a purchase; he wanted to be able to make that decision himself.

Joel would tell me “Tai, if you’re a farmer you don’t want to have a situation where all your crops die if it doesn’t rain for a week. In biological systems, there will be a time when it doesn’t rain for a week, maybe a month; maybe a whole year.” With your wealth, prepare for a drought with some cash. Invest most of it, but keep a forgiveness factor on hand. Your cash buffer should be your monthly expenses multiplied by three. If your monthly expenses are

$5,000, you want $15,000 in your drought fund. I don’t know why they call it a rainy day fund; droughts are far more devastating than rainy days, at least for a farmer.

Part of forgiveness is redundancy. Have two accountants, not just one. Have two secretaries, not just one. If you’re completely dependent on one person in your personnel issue and that one person leaves or gets sick, it can be devastating. In health, try to stay a pound or two under your optimum weight. That way if Thanksgiving or Christmas comes around and you splurge, or you travel and don’t get to exercise as much, you can put on a couple of pounds without creating physical havoc.

I watched Joel Salatin on his farm build ponds. Lots of them. Why? Because it might not rain for a month. He built them before he needed them for irrigation. Some years are wet and he doesn’t use them at all. Other years he drains all of them, but the irrigation keeps the grass growing and keeps him from having to liquidate the cows.

When I broke my ankle I couldn’t work out for a month. I read that failing to exercise for a month is the equivalent of aging 20 years. During the Bubonic plague when three of five people died, healthy, high immune systems people were the ones who survived. Your susceptibility to modern viruses is directly related to your overall health. Ever heard of co- morbidities? Building up some wiggle room in your health, wealth, happiness and love can enable you to ride out the droughts without withering. Keep a gratitude journal to record the happenings of a particularly happy day so you can refer to it when things aren’t going as well.

In the social pillar, you need to store up emotional equity in others. Think about storing up goodwill by sharing events, material and stories. Prior to refrigeration eating became communal because you couldn’t store a deer or bison. One person couldn’t eat it all before it spoiled. In modern times we still enjoy those ancient eating rituals and habits not because we have to, but because it was practical and created emotional goodwill in the clan.

Give gifts for no reason other than grateful friendship. Don’t wait for birthdays and Christmas; shower your friends with gifts. Then when you’re a jerk and they tell you you’re a jerk, they’ll forgive you because they remember the hundred kind and gracious things you did for them. In your love life, you will encounter rocky times. Guaranteed. How much goodwill equity is in the relationship, as an insurance policy against one or both being jerks?

You don’t need a million friends. You don’t need to make a new one every day.

Cultivate a handful of good ones. And go back to rekindle long lost friendships. Double down on them and they’ll be the ones that come through in crisis.

Nelson Mandela was unjustly imprisoned for 27 years. But during that time, he kept corresponding, kept cultivating friendship and allies. When he finally came out, he literally had an army of partners ready to implement his agenda. If you live long enough, you will have a winter. Maybe it’s your fault or somebody else’s’, but you’ll need to call in some favors. What are you doing today to build that forgiveness into your social safety net so you can activate it should the need arise?

You also need a mental happiness bank. Go to some comedy clubs. Why? Because there will probably be a time in your life when you can’t go to comedy clubs, or when you don’t want to go to comedy clubs. Maybe a friend dies and you’re in grief. When unhappiness comes those memories will be like the pond water on Joel’s farm. What would happen in the world if everyone went to comedy once a week? I guarantee you crime would drop; divorce would drop.

Daniel Kahneman said “part of our happiness comes from looking back and seeing we’ve achieved stuff.” Right now, while you’re healthy and in your right mind and physically capable, do stuff. When you slow down or get incapacitated, you’ll derive immense pleasure over looking back at those legacy accomplishments. Touch people now. Encourage friends now. Build a better world now.

What about health? Get in shape. Now. You’re as young as you’ll ever be right now. I read about a guy in India who’s 101 and has a six pack. He still works out, lifts weights, and is probably healthier than a lot of people half his age. Kareem Abdul-Jabbar played basketball in the 60s, 70s, and 80s. Most pro basketball players that tall (7’2”) never come close to playing for 20 years because their joints give out. When asked his secret of longevity, he said he stretched. He did yoga in the 70s long before it was hip and people knew about it. What was he really doing? He was investing in his joints, building forgiveness into his body.

Most people have a thin, thin, thin band of forgiveness. Today the average American can’t put their hand on $400 cash. No financial cushion. No health cushion. Walking down some stairs carrying a box of books they wrench their back and they’re laid up for two months. No social forgiveness with deep friendships cultivated over time. And they’re never ever really that happy, so a bobble comes along and they immediately sink into depression and debilitating frustration.

I want you to be resilient, to have forgiveness in all these areas of your life. All these investments will be like Joel’s pond water through sprinklers when the rain shuts off. You’ll have green grass even in the drought.

Questions: What’s an example of not having enough forgiveness built into your physical body and what can you do to change that? What’s an area of wealth you don’t have enough forgiveness in? How are you growing equity in your happiness account?

# 63 ALEXANDER THE GREAT’S AGGRESSION AND THE TRUTH ABOUT YOUR AGE: THE BEST WAY TO COUNTER ANY OPPOSITION

While you and I may not share Alexander the Great’s penchant for pillaging cities and conquering nations, we certainly can share the need to conquer our fears and pillage the obstacles that are in front of us. In that, we can learn quite a bit from the ancient warrior.

One is the value of a mentor. From 14-16 he was mentored by Aristotle, in person, one of the greatest philosophers of all time. That’s an interesting side note, but not the real topic of this discussion. The main point I want to bring to your attention is that he started out at 19 to expand his father’s empire. His father, Philip of Macedon from Macedonia in the north of Italy, didn’t want to travel and was quite content in his relatively small kingdom. Alexander had bigger aspirations.

Without a doubt, you and I should strive for huge aspirations. While we need to be realistic and not set objectives we have zero chance of attaining, we normally sell ourselves short of what we can do. He set out at 19 and died at 32 probably from typhoid fever, but in roughly a decade he conquered half the world. Think about that for a minute. To this day historians can’t agree on whether he ever lost a battle. At the time of his death, he was preparing for yet another invasion which he certainly would have won.

Who could have guessed his life would be that brief? That’s why I don’t want to hear about 10 and 20-year goals. I want to hear about tomorrow’s goals. Chances are you’ll survive until tomorrow. According to Poincare, the great French mathematician who developed chaos theory, the farther away you get from this moment, the less predictable the circumstances.

That’s why your plans for today and tomorrow carry much more weight than plans a year out. The potential for chaos increases dramatically as your timeline lengthens.

One time I was thinking about starting a talent agency in Hollywood and I had this lady come over to the house to play and sing for me. She sat down at the Steinway and started belting out beautiful music, most of which she’d written. I’ve heard a lot of people in Hollywood who think they’re good, but this gal was really good. A couple days later, on my follow-up, I asked her how much she had practiced that day. “Oh no, I haven’t done it today,” she said.

That was all I needed to hear. She wasn’t hungry. She didn’t aspire to something big. You don’t get places by assuming your innate talent is simply going to carry you. Life is too competitive for that, especially in Hollywood.

Alexander the Great didn’t wait. He set out at 19 and even took India. He didn’t have trains and planes and cars to get there; he got there by slogging through marshes, hacking through forests, and fighting through hostile nations. This guy got stuff done. He didn’t wait until it suited. He didn’t wait until he had more information. He had today and he had enough to start. That’s all he needed. Your age is not how long you’ve lived, but how long you have left.

If he had waited to start when he was 30, he would have only had two years. A 95-year-old with five more years to live is younger than a 20-year-old who gets killed in a car crash at 21.

Measuring life by what you have left is the way to light a fire in your belly.

If you want to form habits, you want to start with small bits routinely. If you want to start a work-out regimen, it’s much easier to start with 10 minutes a day than a 3-hour mega-workout. One is the platform for a habit; the other will leave you too tired to repeat. One of the reasons we don’t start things is too much fear and too much abundance. Hunger drives people like few other things. How hungry are you? Not just in food, but in cash, in friends, in happiness.

The longer you tolerate a bad habit, the longer it takes to unravel it. Warren Buffett said the chains of habit are too weak to be felt until they’re too strong to be broken. If you wait four months to get started on weight loss or reading an hour a day, you just increased the likelihood that you’ll never be able to break that habit. You don’t break a 20-year habit in 20 days. This is the Impatient Patient (IP) mentality versus the Patient Impatient (PI) that we introduced before.

You can’t just be P because then you only plan and never accomplish anything. You can’t just be an I or you rush into things and jump from one thing to another. Neither of those is acceptable. The only strategy that works is the IP, where you start fast but then hang on for the long term.

Alexander the Great came to a big city called Tyre and they wouldn’t surrender. He told them they should surrender because if they didn’t, he would lay siege to them. They still wouldn’t. For the next three years he would attack and be repulsed. He’d regroup and try a different tactic and they’d repulse him. Finally, after three years he broke through and he was so angry that they had thwarted him for so long he crucified everyone in the city. I don’t advocate that kind of violence, but I do advocate the patience to stay with the program and see it through. He wouldn’t let adversity win. His single mindedness finally won the day. Alexander the Great exemplifies an IP.

Let’s agree that health, wealth, happiness and love are the destination you’re seeking, like Tyre was the destination for Alexander the Great. Health is divided into cardio, diet, and weights. Certainly sleep, water, and stress removal are also important, but the cardio, diet, and weights sectors are the pro-active parts of health. If you master these, you’ll go a long way to your destination. And you can start something in this regimen today.

In the wealth category, you need to master investing, insurance, and protecting against risk. Investing is growing money; insurance is protecting against loss and protecting against risk is some sort of entrepreneurialism—the creativity to come up with new wealth by ingenuity and innovation.

On the social end, drop somebody a written note or text saying “how are you doing?” Give them a call; take them out to dinner.

On the happiness side, I divide it into three areas: intangibles like music, art, language and travel; wisdom and balance like reading and mentoring, assessing how many friends you have or birthday parties you’ve attended; fulfillment like knowing yourself and those things that fulfill you.

If you set aside an hour, you could knock out a couple minutes in each of these areas today. That’s how you form habits. The ultimate goal is abundance, and that comes from mastery, which comes from cultivating good habits. What are the cities you want to conquer? Fear is conquered by abundance. If you buy a keyboard for $50 and find you don’t like playing it, you won’t be impoverished for the rest of your life because you blew $50 pursing something that could bring satisfaction. The opposite of fear is not courage; it’s abundance. You’ve got to realize you won’t be on the street if you try some things.

Through every generation there’s been a constant war, a war with fear. Those who have the courage to conquer it are made free and those who are conquered by it are made to suffer until they have the courage to defeat it or death takes them. Prepare for abundance. Prepare for a life where fear is there but it’s used to drive you.

My favorite Alexander the Great story is the one where he attacked a fortress and his army built a tower to scale the wall. He and three bodyguards led the charge over the wall but as soon as they entered the fortress, the tower fell and all his soldiers tumbled down on the outside of the wall. There’s Alexander and his three bodyguards facing the whole enemy army. Most people would have jumped back over the wall; prisoners in those days often suffered torturous deaths. But Alexander leveraged fear in that moment to charge pell mell into that army. All three of his bodyguards were killed but it bought enough time for his men to get the tower back up and get over the wall. Alexander took an arrow, but he lived to fight another day.

Questions: What’s an example of a long term goal you’ve had for health, wealth, love, or happiness that should have been done much quicker? What is something you can do right now that you will impatiently begin on and then patiently commit to?

# 64 FORGETTING WHO’S IN THE ROOM: AVOID THIS SUCCESS FAUX PAS

You and I have both been burned at some point in our lives by listening to other people’s advice. For most of us, we can remember a time when we made ourselves vulnerable, trying to seek advice about how to succeed. You may have been in elementary school or close to retirement. But somewhere, seeking the good life, you asked directions on what way to go.

When you took the advice, you realized later it was bad advice. Whether purposely betrayed or just wrong-headed direction because they didn’t know better (most common) you felt foolish or burned or both. Because we humans are the most adaptable species on earth, you took that experience into your brain as part of your future survival: “Don’t listen to people; listen to yourself.” It’s a protective reprogramming that happens subconsciously.

That’s how we get to the place where almost everyone is listening to themselves. They occasionally pretend and play lip service to listening to mentors or advisors. But if you looked at how they live, they aren’t doing much of it. Charlie Munger said what you do changes how you think. Most of us have it backwards; we assume that what we think changes what we do. This step is about the profound idea that what we do changes how we think.

We think we can think and then it’s created. Then we do it. But it it’s not that way. I’ve been guilty of spurning excellent counsel because somewhere in my experience somebody gave me bad advice. I’ve seen this play out countless times. Somebody comes into a room who’s a free spirit but not successful. They talk away and don’t realize this was their chance to get input from somebody way wiser than they are.

When I was about 20 I had an opportunity to go to dinner with Dr. Gordon Hazard, along with Allan Nation, Mike Murphy and Gary Towns—all extremely successful businessmen. I was nervous and excited and jabbered the whole night. At one point in the evening as I was finishing up my blahblahblah chatter Allan Nation nicely admonished me “Tai, sometimes you just don’t have anything to add.” I’ll never forget it. He said it with a smile and joke, the perfect diplomat.

What he meant and what I understood was that in that room of expertise, I didn’t have much to contribute. I had violated the law of 33 percent. I was the 33 percent in that room that didn’t know as much as the others and I should have shut up. To this day I can’t remember anything that group of wise men said at that extremely special dinner. What a loss.

The flip side of this, of course, is when the majority of people in the room need to learn from you. That’s when you need to talk. In those situations, if they do all the talking, they’ll drag you down, muddle the conversation with foolishness. Knowing who’s in the room determines whether the greatest benefit to society is for you to shut up or to talk.

I met an extremely successful internet marketing entrepreneur and took him out to a steak dinner, way back in 2009. He was 20 or 30 years ahead of me in knowledge and accomplishment. I took notes from that evening and to this day I refer to them from time to time to get new insights. That’s a lot of payback for a dinner tab and an evening’s conversation.

Fortunately, I learned my lesson earlier in Mississippi and knew how to leverage my investment with this mentor.

All of us have traumas. Getting bad advice, following it, and then looking like a fool is traumatizing. We remember it all too well. In fact, we overemphasize our traumas. For the rest of our lives, we’re gun shy about advice, or advice from that personality type. We remember everything associated with that bad advice—type of person, type of situation, type of deodorant. Every couple who’s had kids has a list of names you’d never use because sometime in your history you had a bad encounter with someone by that name.

These traumas keep us from being able to learn. I read a book recently by a neuroscientist who said our brains and minds are belief generating machines. All of us want to generate ideas. That’s why we generate ideas and generally go with our gut, but that’s not always the best approach. You need to know who’s in the room. If you broke your leg and you’re in a room with a bunch of toddlers, you’d start fixing your own leg. You wouldn’t ask a bunch of toddlers to fix your leg.

But if you were in a room with a bunch of doctors, you’d look for an orthopedic surgeon. You’d bypass the gynecologist, osteopath, and internal medicine doctors and buddy up with the bone specialist. Part of this principle, then, is finding out what people do and where they are in life. You’ve got to talk to people, but listen enough to learn how much they can contribute to you. When you find the person above you in life, just start asking questions. And if you find the person below you, be gracious and answer the questions, unless that person comes across as cocky and having all the answers already. Don’t spend any time with that person. It’s a waste. Move on to someone you can either help or someone from whom you can learn.

Listening and talking are two different tools you have. Knowing who’s in the room can help you know which tool to use. The tool you use will determine what you end up doing and what you end up doing frames your future ideas. When I set out to develop these 67 steps, I didn’t conceive of it as a whole idea. I knew that I needed to help my employees achieve better things. As I set out to help them achieve better lives, that activity gradually morphed into this 67 step approach. When I actually did something about the self-development of my team, the ideas began to flow.

That’s why your action steps and how you handle the questions at the end of these steps is critical. If you just blow them off and go to the next step, you’ll forget the idea. It won’t grow out of your action. Doing the questions, if you will, is the action that makes the idea live in your brain. Most of our ideas flow naturally out of the actions we take. Want to generate more ideas? Then get busy doing what you know you ought to do. That is the spring that start the river of ideas.

This is a good time to plug reading again. Why is reading so important? Because the ideas and stories you’ll read about are the sum of life experiences, of actions others have taken. Respect that body of wisdom. Respect it enough to read it. Get those books in your room.

Appreciate what they have to offer. You don’t have to accept everything you read as gospel just because it’s a *New York Times* bestseller, but you should respect the perspective and you can learn even if you eventually disagree with it.

Approach every room, every book with the perspective of “hmmm, I wonder if he knows something I don’t know? I wonder what I could learn from her?” That’s the attitude that comes when you know who’s in the room.

Questions: What is an example, like mine in Mississippi, when you squandered a chance to learn with too much yakking from your own mouth? What’s an example of when you were in a room listening to a bunch of foolishness and you let them plant seeds in your brain that bore bad fruit? How can you get yourself around people who deserve your respect?

# 65 THE PIERIAN SPRING AND FROM WHENCE COMETH THE PRIDE: THE SELF-FULLING DELUSION

This step originates from Alexander Pope’s poem: “Drink deep or taste not the Pierian Spring. A little learning is a dangerous thing. Drink deep or taste not the Pierian Spring.” In this poem, knowledge, wisdom, skills, and expertise are represented by that spring. He’s saying be careful about putting too much stock in people who know just enough to be dangerous.

We’ve all run into the dilettante, the dangerous person who knows just enough to get themselves and you into trouble. Have you had the news on watching a president or prime minister talking about some issue and a friend comes up and dismisses the speech as idiocy and immediately spouts off with all the answers? Maybe you responded “have you devoted your life to understanding the complexities of governing large groups of people? If not, why don’t you sit down and become a curious person?”

The dilettante does not drink deeply from the Pierian Spring. He just sips. He has some expertise, but just a little. He read one book, one article, heard one commentary on TV, saw one documentary, and now he goes around speaking as if he’s drunk deeply. You and I can’t control that kind of person. But let’s not focus on that; let’s focus on us.

Pope’s guideline is to go straight to the top. Let’s say you’ve been reading books on health, wealth, love, and happiness. Make sure you don’t go too far with it. Make sure you don’t become a self-proclaimed expert yet. The day will come when you will be an expert. According to *Bounce,* it takes about 14,000 hours to really drink deeply at the well of knowledge that forms your destiny. That doesn’t mean you’re prohibited from talking about a particular issue; it does mean your attitude needs to be tempered.

People around me routinely spout off about the federal reserve and “we’re going into a recession” and all sorts of things. Be careful about thinking you have it all figured out too soon. Most people who think they have it all figured out actually don’t. Wait until you drink deeply.

Certainly times exist where you don’t need to drink; you just need to get expert counsel. When I broke my ankle, I didn’t drink deeply from books on how to fix a broken ankle. I went to the hospital and got a doctor to fix it. I didn’t drink anything at all. Even paramedics go through hundreds of hours of training to know how to touch injured people so they don’t cause any more hurt. You’re not going to find the answer to your health questions, your social life questions, or your business questions in one cursory reading of a book, or from one on-line course. All of us need to appreciate how much knowledge is wrapped up in even rudimentary vocations or seemingly simple issues.

Don’t listen to dilettantes. They’re usually the loudest. Normally, an inverse relationship exists between knowledge and talking; the person who really knows realizes how much there is to know and becomes quieter. As you’ve gone through these steps, you’ve learned things that other people don’t know and it might be easy to feel cocky, like you have the inside track.

Don’t. Stay humble. Put them into practice. I put in way more than 14,000 hours of entrepreneurialism before concocting these 67 steps.

I had the privilege of spending an evening with George Karl, who at the time had 47 years of basketball coaching under his belt, certainly a Hall of Famer, and one of the winningest coaches, at every level, in the history of the game. Earlier that morning, on my Facebook wall I’d seen a posting by a lady starting a personal assistant placing company. I had just spent some time with a highly successful mentor who promoted the idea of being a middleman platform, the connector, in these kinds of things.

Rather than being the final placement agency, be the electronic platform that steers people to numerous placement agencies. I pinged this aspiring entrepreneur on my Facebook wall and encouraged her to modify her business plan to become a clearinghouse for PA agencies rather than the final agency itself. She responded to me in a hateful, condemning post, blocked me from her Facebook, and tore me to pieces for offering a suggestion.

That evening, with George Karl, he asked me what I thought about some trades he was contemplating and some strategies he was trying. The contrast between those two people could not have been more obvious. Here’s Karl, one of the most successful coaches in all the world, asking me questions versus this start-up lady offended at an idea. She didn’t want to hear from anybody; she had not drunk deeply.

Don’t become a teacher right now. Don’t become a lecturer. Keep your attitude in check and drink from that well. Deeper and deeper. Look for counter advice. If you’re vegan, drink some paleo. If you’re a democrat, watch Fox News for awhile. I don’t want to start a movement of dilettantes. All of us are susceptible to being enamored of our own opinions and our own words. We want to feel self-fulfilled; we don’t look for disconfirming evidence and as a result we become delusional.

When I originally presented these steps as a series of podcasts, I sensed the self- assuredness coming back on social media. One guy said he had attempted suicide before he started down these steps and they revolutionized his life. Thank you, but you’re still not an expert. I see this dilettante attitude creeping in and it scares me to death. Sure, congratulations on hanging with these steps, for making the improvements and learning some practical secrets to success. A lot of them.

Now you need to double down on what you’ve learned in order to avoid being a know-it- all. One day you will actually know a lot. But you need to earn your chops, as they say. Wait until you have some scars, some bullet wounds, some time in the trenches. Once you’ve finished this book, the fun begins on your new habits. You have a bunch of them to implement. The new you takes time to metabolize. Habit is not skill; it only becomes skill over time. Quite a lot of time, actually.

Steven Johnson in *Where Good Ideas Come From* wrote that you need deep domain expertise. Practice will bring that to you. Remember, people who know a lot about money always have plenty. That one rule should both determine where you get advice and how you dispense it. The world is full of people who understand subjects shallowly. Just a little sip.

Don’t be a sipper. Drink deeply and taste the satisfaction that comes with confidence built over time, curiosity, and practice.

Questions: What’s an example of something you’ve acted like you know a lot about, a subject you’ve spouted off about before you earned your stripes? What’s something you’re committed to drinking deeply about? How are you going to implement what you’ve learned in these steps?

# 66 ELVIS PRESLEY AND THE PERSISTENT WIDOW: WHAT JERRY WEINTRAUB KNEW

One of my favorite books is Jerry Weintraub’s autobiography *When I Stop Talking, You’ll Know I’m Dead*. He was one of the most successful handler/managers in Hollywood and had a star- studded list of clients like Elvis Presley, Frank Sinatra, The Doors, John Denver and movies like *Karate Kid,* and *Ocean’s Eleven.*

When he was 26 years old living in New York, Jerry Weintraub told his wife he was going to move to Hollywood and start being a publicist for celebrities. His wife laughed at him because he was $60,000 in debt—and remember this was the 1950s—and he was a total unknown. He decided to do what was in his power to do right then. He’d read about the Colonel—Elvis Presley’s manager, and how he got up early in the morning.

Jerry Weintraub called the Colonel at 5 in the morning, “I’d like to take Elvis out on tour.” And of course the Colonel responded “who are you?”

“My name is Jerry Weintraub. You never heard of me, but this is my goal.” The Colonel hung up on him. Next day, Jerry Weintraub called again at 5 a.m. Same conversation. He did that every morning for almost a year. Those were the days before caller ID and texting. The Colonel had no way of knowing who was calling and couldn’t block anything, fortunately for this story.

This story is similar to the Biblical parable that Jesus told about the persistent widow whose husband was treated unfairly and she went to a judge and asked for redress. He blew her off because he was busy and her matter seemed petulant. But she persisted and kept contacting him, just kept showing up day after day, and finally she wore the judge down. He eventually listened to her plea and gave her justice.

Back to the Colonel. Finally, one day the Colonel picked up the phone and asked “do you still want to take my boy Elvis out on the road?” Jerry Weintraub, almost in shock, said “sure.” The Colonel said “meet me in Vegas tomorrow morning with a check for a million dollars.” Now remember, this is 1950s. Jerry Weintraub was 26, had no money, and certainly didn’t live in Las Vegas. But he had the one fundamental thing that’s most important in getting the good life: persistence.

He immediately began calling friends, friends of friends, everyone he knew, all night, asking for a million dollars. At some point in the night, he talked with a friend of a friend of a friend who was a radio broadcaster: “I love Elvis. Do anything to get Elvis back out on tour; I’ll lend you the money.” He wired the money to Jerry Weintraub, who grabbed a plane ticket to Las Vegas. He walked up to the bank teller for the $1 million check. She had to get the manager.

The manager asked “can I come work for you?” He realized this young guy was going places and his dead end job wasn’t. Check in hand, Jerry walked across the street to the casino where the Colonel was finishing a game of roulette. They walked upstairs and “I walked in the room and sure enough, there was Elvis Presley,” perhaps the most famous man in the world at that time. They shook hands and the deal was done. No contract.

But the story didn’t end. Jerry Weintraub put a tour together and before they went to their first gig, Elvis said “I only perform for sold-out auditoriums. If I see empty seats, I’m not coming out.” They’d just upped the ante on Jerry Weintraub. Remember, they didn’t have a contract. This made Jerry nervous. Their first gig was in Miami, a 10,000 seat amphitheater, and Jerry made sure they’d sold 10,000 tickets. Whew!

But when Jerry showed up at the venue the next morning, the amphitheater owner had moved in thousands of additional seats to accommodate the overflow. Jerry said “You just destroyed everything I’ve worked for because now when Elvis comes out on stage, there’s going to be thousands of extra seats empty just because you’re trying to make another buck.” But persistent Jerry wasn’t defeated. He went to a nearby minimum security prison and said to the warden “I’ve got a problem. I need manpower to unbolt all these chairs.” Back in those days, you could do those kinds of things. The warden gave him the men, who removed the chairs, which filled the venue, and Elvis performed to a full house. Jerry took them on tour and went on to become one of the richest men in Hollywood.

Doesn’t this make you want to read biographies? Remember Bill Gates not taking a vacation for a decade. When you read the stories about famous people, they always develop through persistence. Always. But in school, how many classes did you have on persistence? A lot of parents don’t teach persistence. If you could have only five attributes, certainly one would have to be persistence. I was reading something by 50 Cent, the rapper, who said most

people aren’t persistent because they get bored too easily. You need to flip on an excitement or curiosity switch when you feel yourself getting bored.

To be sure, all persistence is not effective. For example, if I decided I wanted to be the next American Idol winner, with my voice all the persistence in the world would be futile. Don’t confuse persistence with stubbornness. Ineffective persistence is stubbornness. The bigger problem, though, is chasing shiny new objects. You need to stick to something committed enough and long enough to see it through.

As you’re developing the thing, be ready to pivot. Kevin Systrom started an app for contacts but partway in realized he could do something better called Instagram. He persisted in his basic idea but wasn’t stubborn enough to refuse a pivot. That’s the balance that comes with wisdom, which is what I call tested judgment.

Benjamin Graham, Warren Buffett’s mentor, wrote a series of books about investing in the stock market and developed the principle of value investing. One of them is titled *The Intelligent Investor*, in which he describes three steps: adequate knowledge, adequate potential, and then test a judgment. My American Idol fantasy won’t pass the adequate potential step. The point is that as you apply these rules, you develop a sixth sense about what works and what doesn’t work.

When you find what works, that’s when to be persistent and then courageous. Until then, just keep poking around, learning and experimenting. Move aggressively only when it’s the right fit for you; but when you find the fit, don’t get sidetracked with anything. That’s the balance and the dance all of us need to learn.

Questions: What is an example of something you were not persistent enough in, in hindsight? What’s an example of something you stuck to for too long? What’s something right now you’re going to persist and stay committed to for the next 67 days?

# 67 ANNIHILATING THE AMYGDALA AND THE MPFC MASTERY

The founder of LinkedIn said if you launch a business and you’re not a little embarrassed by your first product, you waited too long to start the business. Certainly you don’t want to be a lot embarrassed, but a little is fine. The only product that requires perfection the first time is airplane engines.

One of my favorite benchmarks when launching a business is that if 5 percent of people don’t complain and write you nasty comments, you’re a nobody and your business is a nobody. You want some hate. Hopefully most of it is illegitimate, but realize a lot of weird people are out there. Some people thrive on tearing things down.

Goodness, when I started my nightclubs I knew that one of the ingredients was beautiful women. Who goes to a nightclub to see ugly women? A guy wrote me a nasty email saying I was encouraging his lust. He said he was deeply religious and my nightclubs were tempting him to sin. Why is a deeply conservative religious guy going to a nightclub? But this kind of feedback, legitimate or not, can create fear. The amygdala is the part of the brain that’s an emotional center and controls fear.

Aesop wrote a fable about this long ago. A dad and his son were going to town with a donkey to sell their farm goods. The son was riding the donkey and the father was walking along; some people came by and said “what kind of son disrespects his older dad by riding the donkey himself?” The son’s amygdala was stirred up due to the fear of social pressure. That’s natural because in our tribal past, if you got ostracized and kicked out of the village, you’d probably get eaten by lions.

The son, in fear, got down and put his dad up on the donkey. Then a couple of people walked by and said “what kind of a dad, strong and in the prime of his life, doesn’t let his son ride?” Now the dad was fearful of social ostracism so they both got on the donkey. Soon two people came by—probably from PETA (People for the Ethical Treatment of Animals)-- and said “look at those guys, abusing that poor donkey.” So both of them got off and walked along with the donkey. A little later, some people came by and laughed “what jokers, two guys with a donkey and nobody’s riding.”

By the time they got toward the city, the father and son were carrying the donkey. It was heavy and they tripped on the bridge going into the city, tumbled over into the river, and lost everything. The moral of the story is you can’t please all the people all the time. But we all have these brain wirings dating back in time, whispers that keep us from new things. You’re afraid to quit your job and strike out on your own because your mom is afraid you’ll go broke. That in turn dates back to ancestors who eared leaving the plains and heading to the mountains because it might be harder hunting.

The result is that we don’t want to do anything out of the box. We fear making a decision. People ask me if they should attend this conference or that one. Why? What difference does it make? Are you afraid of spending a couple hundred bucks? Fearful of wasting a couple days? Do you know what people don’t fear? They don’t fear living a crappy life, wasting multiple year of their life, destroying their health eating at McDonald’s. Seeing clearly the things you should and should not fear is one of the greatest gifts.

People fear being scammed, but the ultimate scam is what you’re not scared of right now. Most people are more scared about their clothes and their car than wasting time and money. The average person’s business launch requires two failures before they get it right. Go into it excited to learn what you’re going to learn through stumbling and fumbling.

Another part of the brain is the MPFC (Median Pre-Frontal Cortex) that helps you annihilate fears. This is called exposure therapy. The horse and buggy Amish have had to train horses not to be shy of traffic noises. A shy horse will instinctively pull away from the sound of an 18-wheeler and right into the path of oncoming traffic. Not good. They take young horses and tie them up next to a freeway for one month. Those horses don’t become deaf; they literally get so used to traffic noise they never flinch because the noise doesn’t register as a fearful thing.

The only way you and I can annihilate our fears is to chain ourselves to a post to expose ourselves to those fears. If you fear dogs because you got bit by a dog once, you need to get a cuddly dog so when a dog comes toward you, instead of your amygdala memory you have an MPFC memory. When a bad memory comes in, your brain sends it to the MPFC to see if there is a more recent memory about that thing that isn’t bad. Have you had a business deal go bad? Jump into a better one.

Do you fear going broke? Give some money to charity. Nobody goes broke giving to charities. Great therapy. Fear aging? Befriend some folks in their nineties who are still active and sharp. Fear buying the wrong book? Buy two or three. Are you introverted? I was in Barnes and Noble once with an introverted guy and I wanted to show him something. I just started yelling. People looked at me, laughed, and went about their business. Nobody yelled at me; nothing bad happened. He was in stitches laughing when I finished—what’s the worst that can happen?

My stepdad was a huge gregarious Italian and one day when I was 16 we went into a grocery store. What’s the worst thing that can happen to you when you’re 16 with your stepdad? He started singing. He pulled out his harmonica and started playing and singing and I wanted to die: “Don’t do that. You’re drawing attention.” And he said “you know what, Tai? Soon you’re going to be older and you’ll realize nobody cares about you and you’re going to wish everybody was paying attention to what you’re doing.”

Do you fear not being capable enough, not smart enough? Invest in yourself. Go to the conferences and read the books that will make you a better you and you’ll start appreciating the newly discovered talents and passions you have. You’ll start seeing yourself as valuable, as capable. Not in a proud, arrogant way, but as someone who matters because you have gifts you can leverage on people and ideas that matter. Realize that your lack of achieving your potential is denying someone else of not achieving their potential.

Imagine you were in WWI, down in a trench, and you get a new mate in a troop rotation. This guy comes waltzing in, soft hands, holding his gun upside down, doesn’t know his front end from his back end, a real softy. Not good. Wouldn’t you be happier if your new trench buddy had some battle scars, tough hands, and uniform pins for bravery? That’s what you want to be to everyone you meet. You won’t be that favorite trench mate without rerouting your fears. You want to be the person others look to with respect and admiration. You want somebody to eulogize you at your funeral.

You want the story of how you quit your job. How you went broke. How you recovered. How you drove a $50 car and wore Thrift store clothes. How you worked all night and lived in a tent to survive and then eventually thrive. Those are the stories everyone wants to hear; they’re the stories of fearing the right things and conquering the fear of the wrong things.

Happiness is directly tied to accomplishment. You can measure it on an MRI. Give children blocks and they aren’t afraid to build things. Give them paper and crayons and they aren’t afraid to draw. But as we mature, we begin a legacy of bad experiences that make us fear all sorts of goblins that keep us from accomplishing and gradually wear us down. Get out some blocks; get out some paper and crayons; get out some Legos and rebuild, reconnect, redirect your memories from the amygdala to the MPFC.

Fear being less than you could be. Fear encouraging fewer people than you should. Fear not living up to your potential. In contrast, don’t fear what others think. Don’t fear what’s hard or will take a lot of time. Don’t fear failure. Don’t fear not being good enough, smart enough, rich enough. Those are fools’ fears.

Questions: What is your biggest fear and why? What are you being flippant about that you shouldn’t be? What is one thing you can do today to cure a fear by exposure?