

What You Can Learn From Books.

the sh*+
they never
taught you.

Adam Jones & Adam Ashton

THE SH*T THEY NEVER TAUGHT YOU

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The Sh*t They Never Taught You

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INTRODUCTION

The Magic Pill

Limitless, starring Bradley Cooper, is a story about an ordinary bloke named Eddie Morra. At the beginning of the film, he is an all-round loser: he gets dumped by his girlfriend, has bags under his eyes, and is an ignorant alcoholic. Eddie's life is an absolute mess.

Through a series of events, Eddie gets hold of a drug called NZT-47. He pops a pill as he walks up the stairs to his apartment. In an argument with his landlord, he sees himself in an out of body experience. He thinks, "*I was blind, but now I see*".

He opens the door to his apartment, and it's a disgusting mess. Interestingly, the first thing Eddie does is clean the dishes, empty the trash can and tidy his house. With his new found intelligence, he played the stock market and made bank. He goes from a lazy bum to a supercharged genius.

At first, he was in awe at the power of this drug, but he soon realised its effects were quite simple: it made him clear on *what* he needed to do and *how* to do it.

NZT-47 gave Eddie the missing pieces of the puzzle. He now holds all of the ingredients required to achieve 'success' in the modern world: he's happy, rich, hot, smart, a weapon in bed, and doing meaningful work.

Would you take that pill?

This is an important question we all have to ask ourselves. Most people spend their whole life convinced a pill like this doesn't exist. If you want a

similar transformation to Eddie, there is a simple prescription available.

The Deal

Think of what \$25 can get you these days. You might get coffees for a week, a few pints at the pub, an Uber trip to a mate's party, or a movie ticket. These purchases will put a smile on your face and can brighten up a dull week. But the benefit or value of these purchases are of a short-term nature - you drink the coffee, get perked up for a few hours, then it's gone.

Contrast that to something else you could invest your cash in: books. In return for handing over some of your hard-earned, you get to tap into the greatest brains that have ever roamed the planet. Authors devote their entire lives to studying and researching a single topic, and then they bundle up the most important information into a neat little package to share with the world. What bloody legends! Books are the most undervalued commodity on the planet.

But you probably already know this. Telling someone to read more books is like telling someone to make more money or lose weight. *Wanting to do something* and *actually doing it* are two totally different ball games. We're all busy with our jobs, our friends, our kids, plus we have to get some sleep, clean the dishes, go for a jog, and of course, we have to find the time for some Netflix and chill. All of the book recommendations you're getting keep piling up on the nightstand, but when you hit the hay after a long day of dealing with life's obligations, you can't seem to find a good book that will tell you what you need to know to improve your life.

There are so many amazing books out there. But there's also a lot of crap. Some academics know their shit but can't make it digestible for the layperson like you or I. Some authors hit it big with a viral TED Talk or an appearance on Oprah, and a publisher handed them a juicy cheque to turn their 18-minute spiel into a 300-page book, which meant they fluffed it up with a lot of junk. Others just regurgitate the same old platitudes that add no value to your life.

If you can trudge your way through the swamp of crap books to find some gold on the other side, your life could change in an instant. Imagine reading about a brand new idea that was told in an engaging and entertaining way. Imagine taking the best nuggets of gold from the greatest

minds in history and applying it to your own world. *That would be a truly amazing pill.*

The Sh*t They Never Taught You

Have you ever learnt something so simple yet so profound it made you think: why the hell didn't someone tell me this earlier?!

As avid book readers, it happens to us every couple of weeks. Ranging from simple ideas about how to save more money to more complex ideas about how the human brain plays tricks on us, there are a whole host of eye-opening ideas we were never taught when we were growing up.

For our entire adult lives, we've been searching for magic pills that could change the trajectory (and our ultimate destination) of our lives. And we found them hidden inside books. We've packaged up the biggest ideas from over a hundred of the greatest minds on the planet. *The Sh*t They Never Taught You* is a compilation of exactly that - the shit they never taught you:

“The Sh*t”.

Hopefully, we don't have to spell this out, but we're not referring to the stuff that pops out of your digestive tract on a daily basis. We're referring to the near-infinite mass of ideas floating out in the ether that could enter your brain. It is impossible to learn every single thing in one lifetime, but the more ideas you expose yourself to the better off you'll be. Each new idea you pick up increases your chance of achieving your life goals. There's plenty of shit out there to learn, and in this book, we'll be dishing up heaps of new game-changing ideas you've never come across.

“They”.

Who are ‘they’? Who teaches us? This is subjective. For almost everybody, to some extent, we learn from teachers. We spend five days a week at school for 13 years, or more if you go on to further study. Schools, teachers or professors teach us a hell of a lot. But their scope is somewhat limited. Most of us also learn a lot from the people around us as we grow up -

parents, guardians, grandparents, aunts, uncles, neighbours, sports coaches, mentors. Each has their role, and each has a specific scope of what they teach us. Beyond that, we might get lucky with mentors popping up in unexpected places - perhaps a boss, a colleague or a family friend. In any case, the group of *they* that we're exposed to is somewhat limited. By reading this book, we're going to exponentially expand your personal circle of 'they' to now include the smartest people in history. You'll now be learning from CEOs, billionaires, entrepreneurs, marketing gurus, hedge fund managers, philosophers, behavioural psychologists, anthropologists, historians and more. These legends and geniuses, the most influential authors on the planet, will be your new teachers.

“Never Taught You”.

No single person holds the world's wisdom. Whoever the 'they' were that taught you, they did their best with what they knew. We're not here to rag on them, but there is just too much out there to possibly teach. You don't have to be a rocket scientist to realise that they missed out on a lot of stuff. We're sure you've had a moment in your life that pointed out a gaping hole in your education, just like we have.

A Few Personal Introductions

Throughout the book, you're going to hear from two voices - Adam Ashton and Adam Jones. We'll be referring to ourselves as I (Ashto) and I (Jonesy) from here on.

Adam Ashton

I (Ashto) loved school. I was always the top of my class, often going beyond my year level. When I was in Year 2, my mum went to my school to get some advanced maths homework to keep me interested. When I was in Year 3, I spent my Easter holidays creating lessons. I didn't think the teacher was doing a good enough job, so on the first day back at school, I stood up and taught the class for a day, handing out photocopies of the activities I'd made over the school holidays. Needless to say, this didn't

make me very popular in primary school—neither with the teachers nor the other kids.

I spent three years in Papua New Guinea in quite a different school environment, before coming back to Melbourne in Year 9 to a ‘select entry’ school. To get in, you had to be in the top 2% of students. Surrounded by a bunch of nerds and geniuses, after coming from an international school in PNG, I struggled to find my feet. I had always been at the top of my class, but now I found myself near the bottom. I got my first ever ‘F’ in maths. It felt like I was years behind the pack.

But, I soon worked out the system. I saw what was required of me: work bloody hard. Read the textbooks *before* class, rapidly note down everything that comes out of the teacher’s mouth, spend recess and lunchtime doing homework, then use those precious four or five hours every night after school reviewing and solidifying every I’d learnt. The end goal was clear, the way to win was straight forward, so I went about playing the game. I made a quick climb back up the hierarchy, nailing As and A+s for the rest of the year.

Senior high school was even easier for me. The statewide curriculum was clearly laid out, and I had access to all the textbooks and all the end-of-year exams from the past 30 years. The structure was in place, the rules were clear, the way to win was the same: study harder and smarter than everyone else, and be ready to answer any question they could throw at you from a narrowly-defined curriculum.

I was becoming a master at this game. I’d wake up at 6 am to do an hour of maths in the morning, spend my lunchtimes knocking out a few chemistry questions in the library, then practise writing essays after school. In the second half of the school year, I racked up 746 hours of study outside of the classroom. I know this number so precisely because I rigorously tracked and tallied how I spent every waking hour of the day. This grit and determination seemed to be the key ingredients for achieving my goals. I ended up with a great score at the end of the year, a score that would allow entry into pretty much any university course of my choosing.

This is where things started to fall apart. I’d worked out the game of school. I knew the rules, and I knew exactly what I had to do to win. But the game of life was totally different.

The system wasn't as clear, I suddenly had more options, with very few objective measures of 'winning'. I found myself floundering. I changed course a couple of times - I dealt poker at a casino, I managed a frozen yoghurt shop, I worked at a bank, I worked in transport and logistics... I was a little all over the shop.

But then I discovered books, and my whole world changed. I hadn't opened a single book since high school, since the days of writing dodgy essays about Shakespeare, Charles Dickens and Mark Twain. But a mate introduced me to podcasts in 2013, and it seemed like every megastar on the planet being interviewed was crediting books as their first step to success. I figured it was time to try reading one!

The first book I opened was *How To Win Friends and Influence People*¹. The book contained quite 'obvious' stuff about interpersonal relationships. Well, obvious now... at the time I was completely oblivious! Old Ashto was always talking about himself; New Ashto was able to become genuinely interested in others. I was able to bust out a few of these tactics at work and quickly gained a lot more respect around the office. This book turned me from a nervous nerd into a confident colleague.

The second book I cracked was *Crush It!* by Gary Vaynerchuk. It was all about following your passion. Old Ashto had just assumed you picked a career path and stuck to it; New Ashto had his eyes opened to a world of possibilities. According to Gary Vee, there were people obsessed with *The Smurfs* who had somehow created a massive social media following and generated a life-changing amount of money just by selling Smurf crap to other Smurf superfans. This book turned me from an uninformed sheep to a bright-eyed wannabe².

Next, I read *The Game* by Neil Strauss. Actually, I thought I was reading *The Game*, the book about pick up artists. But I fucked up and accidentally bought *The Rules of The Game* by mistake. Being a young, single bloke who'd spent four years at an all-boys school, I was pretty keen to learn how I could talk to the other half of the population. So while *The Game* was about different ways of picking up chicks, *The Rules of The Game* was a 30-day self-improvement program that also included ideas for talking to women. On Day 2, I got my hair cut. On Day 4, I went to the shopping centre and, for the first time in my life, I bought clothes that my mum hadn't picked out for me. On Day 8, I had my first real test: approaching a female. Old Ashto would've been too scared to get two

words out. But New Ashto had false confidence and just enough courage to speak to a girl. This book turned me from an average, frustrated chump to a burgeoning casanova (at least in my mind anyway). I whipped out some of the palm reading techniques they recommended, and they worked well! Almost too well... I managed to make out with the first girl I tried this on after just 20-minutes of ‘gaming’ her! Don’t ask me what’s involved in Day 9 to Day 30... I never got the chance to read them. I started dating the first girl I met, and we’ve been together ever since.

At this point, I was three from three with books! I got a job, I started a business, and I got a girl - tick tick tick. A whole new world of opportunities was opening up in front of my very eyes. *I was blind but now I see.*

While most of my uni mates were stressing through their final year of studying, I could put my cue in the rack. I’d beat tens of thousands of applicants and secured a graduate job at one of Australia’s biggest corporations, a year in advance. After working as a casual in hospitality making around \$8,000 each *year* to that point, I managed to make over \$25,000 in a *month* (including \$14,000 in a single *weekend*) in my first ever business. Plus I was no longer the awkward bloke hiding in the corner at parties; I now had a date I could bring along and show off.

The possibilities were endless. The more books I read, the more gold I uncovered. I realised there was so much I’d never been taught! Those early wins fueled my love of reading, and I’m always searching for the next new eye-opening idea.

Adam Jones

Growing up, I (Jonesy) was lucky with the people who were in my life.

Firstly, I had a single mother who had to fight to give my brother and I a shot. She had it tough. She worked three jobs: a classic 9-to-5, a job stacking shelves during the evenings, and her own catering business which took up the weekend. In between that, she cooked meals, coached my basketball team and did the tuckshop duties for our junior footy games. She did all of this to put me through a decent school, but I got something much more valuable. I learnt from her the power of grit and hard work. With these

attributes, I made my way through my childhood and adolescence without being (too much of) a dropkick.

Secondly, I was lucky that my best friend's family also helped out, strongly influencing the trajectory of my childhood and adolescence. With their support, the lid of my potential was knocked rungs higher than those of my social class were meant to have. They took me on a holiday every year for 15 years, taking me to places that seemed a world away. I learnt the impact of generosity. And with the Malibu Boats, unlimited booze and riverfront mansions, I came across a dichotomy: the life of wealth and luxury or that of the Aussie battler. I also learnt that money wasn't the only proxy for a good life.

School educated me. Some of the easiest things to learn were quite useful, like maths and English. But some weren't: the capital of Bangladesh, the periodic table, and how to order McDonald's in Indonesian.

I liked the sciencey subjects, so I went into engineering. Like most people, it was a gamble because you can't be sure if your four year, \$40,000 investment will pay off or not. The degree is necessary to land a responsible job. The degree formed this so-called ticket and was absolutely necessary to land a responsible job. It is critical to learn the basics of how to go out and design these buildings, so they don't fall over. But 90% of the time I had invested into this degree turned out to be redundant.

For example, in my fourth year of engineering, I found myself in 'Advanced Structural Analysis'. We were learning how to 'construct the framework for the finite element method'. The 3-hour exam had only one engineering problem to solve, and it took eight pages of complicated mathematics to get there. In panic studying, I went through multiple 196-page notebooks to cram for this exam. At the pointy end of the degree, these were the hardest questions that separated the strong from the weak.

Or so I thought. It turns out that what took me three hours of pain can be done by a computer in a fraction of a second. Not only that, the computer can repeat the computation millions of times to find out answers that are millions of times more accurate. All that stress and hard work went down the drain. Ironically, the point of this engineering course wasn't to learn about becoming the best engineer in the workforce. It was to make the problems challenging enough that the students could be placed on a well-distributed bell curve where $\frac{1}{3}$ students are destined to fail. If you could

separate the wheat from the chaff, then the top engineering firms can sweep up the smartest kids.

Most would say the point of high school, and university was to get you to the point where you're a productive contributor to society. In my case, it was to be a productive engineer and be hired by the best company. Although I got hired, the preparation only gets you so far. There is by no means any scarcity that comes with a commodified skill set that is an undergraduate degree. There is a smorgasbord of other things to learn, whether the skills be hard or soft, that can be more effective at making us valuable in a career.

In the office, nobody cared about 'the framework for the finite element method'. If anything, good grades in such difficult subjects were a negative correlation with the ability to crack gags to potential clients and have four pints over a 90-minute Friday lunch. University was an expensive and difficult rite of passage into the structural engineering profession.

At 23, I wasn't aware of real-world skills. I was going along with the current paradigm: good degree, good job, good life. My narrow world view had holes in it. One motto I had was: 'Work hard and party hard.' I did both to the extreme - binge drinking on weekends, experimenting with party drugs, and smoking a pack of ciggies every day. But I could always nut out 15-hours of study in a day when required.

My other life motto at the time was: 'let future Adam worry about it'. This motto worked really well for a long time. But sooner or later, future Adam was certainly on his way back with a vengeance. The trajectory I was on was going to turn me into a royal flop if I wasn't careful. Sooner or later, things were going to catch up with me. Thankfully, I picked up my first influential book, and everything changed.

Most people break up the course of *history* into two periods - Before Christ (BC) and After Christ (AC). For me, I break up my *life* into two periods. Before Book (BB) and After Book (AB). BB Jonesy is symbolised by being a party animal, chasing women and doing enough to scrape by so it doesn't all fall apart. AB Jonesy is symbolised by insatiable curiosity, passion, drive and living for the long term. And the transition all started with an encounter with Allen Carr's *The Easy Way To Stop Smoking*.

The book claimed to not only make stopping smoking simple but transform the whole process into something enjoyable. My sceptical self

thought: “*BS Allen, how can a book make me quit smoking*”. I sceptically read on. And big Al came good on his promise.

This investment turned out to return me over \$1.1 million. Yes - the average smoker spends \$1.1 million in their lifetime, and one simple book was able to shift one massive habit. It removed the idea of the ‘addictive personality’ and planted the seed that an idea from another human being plus a little bit of action can change you in massive ways. It destroyed one of the most destructive habits in my life and replaced it with an equal and opposite habit for good. I gave the book to my mum (who was able to quit easily after 40-years of smoking), her partner (who quit after 50-years of smoking) and the local barrister who’d mentioned he was interested (who gave me a hug and a sloppy kiss).

The journey to quit smoking yielded so much reward; I became hooked. I read more books which kickstarted experimentation with more new things. Whether it was quitting alcohol for a year, new systems of time management, doing comfort challenges like stand up comedy, investing in the stock market or launching a variety of new projects, I was blown away by the results. I went through a learning explosion.

It turns out a book can really slap you up with ideas that can change you in fundamental ways.

What You Will Learn

Luckily, we both discovered the world of books around the same time in our early twenties. We first met working at a suburban pub together, pulling beers for the local barflies. A few years later, we crossed paths again. Ashto saw Jonesy sitting by himself at the university pub with a beer in one hand and a book in the other. Everyone was having fun with friends, but Jonesy was by himself. Most people would assume Jonesy was a loner who didn’t have friends. But Ashto was also hooked on books and totally understood it.

In between learning ‘the matrix method for structural design’ (Jonesy) or ‘pricing financial derivatives’ (Ashto), we flicked through non-fiction books. We were both perplexed: *why the fuck aren’t they teaching this other stuff?! Why am I only just seeing this stuff at the age of 23?* We couldn’t understand why people were still trying to quit smoking with nicotine patches or talking over the top of people, or programming in destructive habits, or living by other peoples’ values, or starting projects that were

destined to fail. If they just read a couple of books, they'd be able to avoid all of the all-too-common pitfalls.

On top of our love of books, we both shared a love for podcasts. We'd talk about the latest episodes that left an impression on us. We felt like the first bloke to dig up a nugget in the gold rush. The painful moments like sitting in traffic or doing the weekly grocery shop were no longer a waste of time - they became opportunities to whack in the headphones and learn from experts we would have otherwise never heard of.

And of course, being lovers of books and podcasts, we looked for podcasts about books. Even in the early days of podcasting, the market was somewhat saturated with them. But upon listening, we found one common theme: *they all sucked*. They were boring as hell, which would be fine if you wanted to learn how to sleep better - they knocked us straight out! But they weren't OK for anyone looking for engaging and entertaining insights you could apply to your own life.

In June 2016, the *What You Will Learn* podcast was born. Each week we went through the best bits of the best books and put it out to the world in an easily digestible 30-minute episode. In the beginning, the preparation time was 30-seconds, and the listener base was less than three people (including us).

At first, we just delivered the actionable lessons - no fluff, no bullshit anecdotes, no made-up formulas. But with every podcast, our style evolved. We actually realised that the ~~fluff~~ stories were vital to learning. Rather than just telling the reader everything we had learned by reading the book, we took them on the journey to learn it for themselves too.

It turns out that delivering a lesson is much more complicated than we could possibly anticipate. The process is much like the structure of a house that is constructed from bricks and mortar. A brick is just like the lesson, and the mortar is the extra bits that stick it all together. Without the mortar, you've just got a bunch of bricks sitting on top of each other, but they could topple at any moment. Over an extended period of tens of thousands of hours, we became the experts in delivering the ideas contained in books.

As a way to provide enough mortar for an idea to stick, we developed new ways to introduce examples, studies, metaphors and personal stories to build tension and prepare the listener for the lesson (and to add some entertainment value to each lesson).

We've landed on a process that involves reading the book, taking notes, reviewing the best bits, preparing a map of ideas, discussing the episode plan and tweaking structure for optimal delivery. We've gone on a reading journey that has taken us through over 350 books each in the space of five years. We've recorded 300+ episodes together, making the 'best bits of the best books' available each and every week. Now, hundreds of thousands of people are tuning in every month.

What you're holding is the 'best bits of the best bits of the best books'. You're about to read the best lessons 'they' never taught you. We hope books can do for you what they have done for us.

Rules For Reading

We believe that a 'good' book is efficient on words, gives new insights to the reader, and opens the door to a positive shift in the reader's behaviour. As we mentioned, we were both sort of math nerds - Ashto with his perfect score on the Year 12 maths exam, Jonesy with his hardcore engineering comps. So, we've created a mathematical formula to assess the quality of a book and help you get the most you can out of what you're holding in your hands:

$$\text{Value Of Reading} = (\text{Quality Of Content} / \text{Time Invested}) \text{ Book Selection}$$

- *Quality of Content.* One way to increase the value is to increase the numerator. But the quality of content is subjective, and once a book is printed, its quality is fixed. Sorry, but there's not much you can do to change the quality of the content inside a book, so we need to focus on the two other factors.
- *Book Selection.* While you can't control the quality of the content, you can control *what* you read. A high impact book is one that resonates with you, teaches you what you want to learn, and stretches you a little outside your comfort zone. This factor has an exponential impact on the value of reading. Picking a shit book drops the overall reading value to the floor, and picking a phenomenal book sends the value skyrocketing. The book you hold in your hands can be a powerful tool for your future book selection. We're effectively giving you a sample of the best bits of

a truckload of different books, so your book selection abilities should go through the roof.

- *Time Invested.* The other way to increase the value of reading is to decrease the denominator. If you can get to the gold quicker, the value to you increases. Sometimes a 120-page book with 7 good ideas feels better to read than a 450-page book with 10 great ideas but a lot of crap to battle through to find it. If you can reduce your reading time and focus only on what is of most benefit to you, the value goes up.

This is no ordinary book. *The Sh*t They Never Taught You* is divided into 9 Parts, with 32 Lessons and 115 Chapters. We want you to maximise the value you get from this book by playing with the book value equation's elements. Here are our three suggested methods for tackling this book:

(1) The Completionist Approach

The most common way to read a book is The Completionist Approach: cover to cover, front to back. Start on Part 1, Lesson 1, Chapter 1, Page 1, and read in order all the way through to the end. The upside is that you'll read everything that's in this book. The downside is that not everything in this book will apply to you.

I (Ashto) am a natural 'completionist'. I like to read every single page of every single chapter of every single section. I like to listen to every episode of a podcast. I like to watch every episode of a sitcom. But I've learned that this is not the most efficient or effective way of learning. I've had to challenge myself to start skipping sections. It saves me from reading for the sake of reading - if I've already grasped the concept or a chapter feels unimportant to me, I can skip over anything I don't enjoy and focus on the truly vital stuff.

We painstakingly wrote and rewrote every single paragraph so that every chapter offered value to the reader. So if you're a completionist, feel free to read cover to cover. But this method doesn't allow you any control over the value equation. We want to offer an alternative approach that will give you more control and increase the value you get out of this book.

(2) ‘Pick 10’

The 32 Lessons in this book cover such an expansive range of topics that it’s unlikely all of them will resonate with you. We give you permission to pick and choose. Look at the Table of Contents and pick your favourite 10 lessons upfront. They don’t have to be 10 in a row, and you don’t have to read every lesson in every section - they can be any random assortment of 10 lessons that jump out at you the most. By picking and choosing specific sections, you’re maximising the ‘book selection’ factor and minimising the ‘time invested’ factor, so your ‘value of reading’ goes through the roof. You may pick this book up again at another time in your life, and an entirely different 10 Lessons will be relevant.

Once you get through 10, you can mark this book in your brain as ‘read’. From the altruist who wants to make the world a better place, the intellectual who wants to share knowledge over a bottle of red, to the young employee who wants to become a CEO, to the soon-to-be-retiree that wants to start a side business - whoever you are, there are 10 lessons for everyone. If something doesn’t resonate with you, you have permission to skip forward until you find something that does.

(3) *The Coffee Table Approach*

Each Part, Lesson and Chapter can stand on its own. That means you can leave it on the coffee table and flick through at your leisure. Anyone can crack open a random chapter and learn something new.

We’ve weaved the chapters together to form meta lessons, but you don’t have to start from the start. You can open to any random spot. There are also no rules that say you have to go from front to back. Feel free to start at Lesson 12, then reverse to Lesson 5, plough ahead to 31, then re-read 31 before flicking back to 22. There may be a little assumed knowledge in chapters that fall later in a specific section, but ultimately you should be able to open the book to any lesson without feeling lost.

Shoulders Of Giants

Nothing is more cringey than a 23-year-old unemployed dropout who quit their job to become a life coach. Sooner or later, they'll find that nobody wants life advice from someone who doesn't have any life experience. Their only possible clients are coaches who coach other coaches to coach more coaches under similar delusions.

At the time of writing, we're both still young blokes. We're cognisant that we can't be acting as an authority on the broad range of topics presented in our book: self-improvement, career, entrepreneurship, marketing, leadership, personal finance, human nature, history, and philosophy. This is a scope that no single person can master themselves in a lifetime.

But what we have done is spent tens of thousands of dollars buying hundreds of phenomenal books, then spending tens of thousands of hours reading them, taking notes and turning them into podcast episodes to teach others the best bits. It's taken us years to pull everything together into the entertaining, digestible and enlightening beast that you hold in your hands. We've effectively laid out the same financial and time investment of a university degree, but the outcome was far more valuable than any piece of paper with a fancy logo on it.

As Isaac Newton said: "*If I have seen further, it is by standing on the shoulders of giants*". We thank every single author whose book we've read and benefited from. Their teachings have made us who we are today. We've digested their ideas, fought with each other about our interpretations, put our own spin on them, then grouped them together with similar ideas from other legendary writers to form meta lessons. All in all, these ideas belong to the authors who first wrote about them. We've just repackaged them in a way that makes the most sense to us. We hope that this book can be a gateway to your lifelong learning journey.

As Dr Seuss said: "*You have brains in your head, you have feet in your shoes, you can steer yourself any direction you choose*". You're about to embark on a reading journey like you've never had before. Let's begin.

¹ This book is covered in Ch40: *Communicating With Words*

² For a number of years this was actually quite a bad thing because it led me to chase a few silver bullets and get rich quick schemes (more on these later in the book), but I think over the long run it has been a positive step.

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PART I

getting
your sh*t¹
together.

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There is no such thing as absolute quality, just relative quality compared to other things. So in evaluating any decision we need to factor in the costs of what we choose, but also the costs of the things we pass up. Buying a house means not only trading money for a home, but also passing up ability to rent in a better location or live in a different city, or move overseas. Economists call this ‘opportunity cost’.

Our ignorance of opportunity cost is astounding. Eisenhower hit the mark pretty well in 1953 when he outlined the real costs of military spending: “*The cost of one modern heavy bomber is a modern brick school in more than 30 cities. It is two electric power plants serving a town of 60,000 people. It is 50 miles of a concrete highway. For the cost of one single destroyer, we could have built new homes that could have housed more than 8,000 people*”.

There are hundreds of paths you can take. The options are endless. But usually, we don’t exercise our options because we fall into a generic rhythm of life. We rarely look to see what we’re missing out on. Each decision we make means we’re passing up the opportunity to choose a different option.

There are two lives; the lived and the unlived life. The lived life is what you know all too well. It is the rhythm you’ve found yourself in. But deep down, you know there are endless things you could be doing better... if only you acted differently. This is the unlived life. It represents your potential, and the opportunity costs of inaction. This is what you could become if you could find a way to *get your shit together*.

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Lesson 1

**smelling
the
roses.**

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*We're always striving for more:
growing a business, getting that promotion,
making the big bucks, finishing the project.*

*On this never-ending pursuit of more,
when do we ever stop and smell the roses?*

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CHAPTER 1

Three Secrets to Happiness

You are among the wealthiest people in the entire world. The average world income is five thousand dollars. Are you higher than that? Then you're in the top 50%.

Inspired By: **The Happiness Equation**,
by Neil Pasricha

Secret 1: Remember The Lottery

The biggest lottery in history was a January 2016 *Powerball*, with a jackpot of a touch under \$1.586 billion. Three tickets hit the right numbers. The Robinson family of Tennessee rolled up with their dog to pick up their novelty check. In their tattered clothes and scruffy hair, the lucky bastards walked out with \$528 million. Their life had changed forever. They could be whoever they wanted to be and do whatever they wanted to do for the rest of their lives.

Imagine if you won that lottery.

Now imagine if you won the lottery 100 days in a row! Life would be a dream, and you could finally live happily ever after.

Well, you've already won the lottery. In fact, the amount of luck you've received to get to where you are now took the equivalent of winning the lottery a billion times over.

Don't believe us? Let's do the math.

The first lottery you won was that planet Earth can support life. The anthropic principle says there were so many variables throughout the entire history of the universe that had to be *just right* for us to get to where we are today. A 0.001% change in the proportion of gases a billion years ago and none of us would be here.

The second lottery you won was being born into a species that dominates the planet. You could be a poor antelope chewing grass on the savannah, not hearing the lion sneaking up behind you about to rip your leg off. You could be a lab rat, bred specifically to be tortured every day to learn more about the science of pain. You could be a dairy cow, getting

artificially inseminated by cold machines to produce milk all year round. But luckily for you, you were born a human.

The third lottery you won was being born today. You could've been born centuries ago, in a time without medicine where a little cut could become infected and you'd die a few days later.

The fourth lottery you won was that your great-great-grandparents took a liking to each other and got a little frisky one night. If any of your thousands of ancestors didn't happen to meet, or any of the millions of other sperm made it to the egg before yours did, you wouldn't be here today.

The fifth lottery you won is that you're still living. Out of the 108 billion humans that have ever lived, there are less than 8 billion alive today. If your heart's still beating, that's reason enough to be happy.

The sixth lottery you won was to be born into relative comfort. You might look up to the big dogs in your country and cry poor on your measly salary, but you're ignoring the rest of the world. A billion people are living in poverty. The average worldwide wage is about \$5,000. If you're making \$50,000 a year, you might only be in the top 50% of your *country*, but you're in the top 0.5% of the *world*. You're making more than 99.5% of the rest of the people on the planet.

This is just a taste to help you put things into perspective. Just to get to where you are, to be alive in the first place, the odds are so low we can't even calculate it. Yet we still feel we don't have enough.

Remember how lucky you are to be here. Remember the lottery.

Secret 2: Be Happy First

Most people think the path to success looks like this:

Great Work -> Big Success -> Be Happy

Study Hard -> Great Job -> Be Happy

Work Overtime -> Get Promoted -> Be Happy

The idea is that if we do all of the right things now, then at some magical point in the future we'll be happy. If we trudge through the mud and the slime, if we get battered and bruised by the storm, then once the sun comes out the other side we'll find our pot of gold at the end of the rainbow.

But this model is broken.

We find ourselves in a never-ending loop between step one and step two, never allowing ourselves to get to that all-important step three. We work overtime to get a promotion, but rather than being happy, we just go back to working overtime to get the *next* promotion. We learn new skills to get a good job, but rather than being happy, we go back to learning the next set of skills. We work hard, achieve our big success, then go straight back to work on the next project. We never get to happiness. Why stop at that college degree when you can keep studying and get a masters? Why stop at a Director when you could work a little harder and become a Vice President? Why stop at one investment property when you could keep working and keep saving to buy a second? We keep pushing happiness further and further away.

Thankfully, there is a simple solution. We just need to flip the equation around: Be Happy *First*. Here's what your new path should look like:

Be Happy -> Great Work -> Big Success

Harvard Business Review reported that happy people are 31% more productive, make 37% more sales and are three times more creative than their non-happy colleagues. Maybe we've got it all wrong: perhaps it's not success that leads to happiness, but our happiness that leads to success. Happier people are better at work and progress further in their careers. They're better at home and better in their relationships. So we should all just be happy all the time.

This is easy to say: *be happy*. But we know that it's not quite that simple in reality. That's because our perception of 'happiness' is out of whack. Happiness does not mean the absence of negative thoughts. We all have negative thoughts! There is no such thing as an eternal optimist - negative self-talk always creeps in. So the problem is not that we have negative thoughts in our brain - the problem is that *we think we shouldn't* have negative thoughts.

If you're looking for a problem to solve, you're going to find a problem. Instead of always looking for what is *wrong* with our life, why don't we focus on what is *right* for a change? Be happy first.

Secret 3: *The Third Bucket*

Each week is 168 hours long. We can divide our time into three buckets of roughly equal size. Let's put a bucket toward sleep. Then let's put one towards work. That means we've got a third bucket left over. We have 56 hours left in the week to do whatever we want.

You probably think you need more, but 56 hours a week should be plenty. Buckets one and two - sleeping and working - are precisely the things we need to give us the time/energy/money/structure to do whatever we want in bucket three. But most people waste it!

I (Ashto) went to Melbourne High School. It's a select entry school where you have to sit an exam to get in, and you can only get in if you score in the top 2% of the state. Our school typically finishes second in the high school rankings, only losing out to our sister school (the all-girls school seems to trump our all-boys school every single year!). Students go on to study the top university courses and join the 'top' professions - medicine, dentistry, law, finance, engineering.

One of my mates went into management consulting. Every Monday morning he flies to a different city to visit a client, returns late on a Friday night, then spends all of Saturday writing up his reports and recommendations from the week. Another mate went into law and a high-powered legal firm. Most days he works from about 7 am to 9 pm, plus a couple of hours on the weekend to make up for anything he couldn't get done during the week. Both of these blokes are living in small one-bedroom apartments in an inner-city high rise.

Where is their third bucket? They're making about \$120k a year, but have to work 80-hours a week without many breaks to get it. That works out to about \$28 an hour. Plus, they're both pretty miserable and hate their jobs.

Compare this to my brother, Nigel. He also went to the same school, but took a very different approach to most: he became a primary school teacher. He loves it! He gets to impact the lives of kids at a crucial age. He moved to the bush because he disagreed with the messages the city schools were drilling into their susceptible children. After just two years in the workforce, he bought his first house because house prices in the country are less than half of what they would cost in the city and his cost of living was much lower. Every day he's home by 4pm and he is done. His work doesn't bleed into the evening, and it doesn't bleed into the weekend. Primary schools in Australia have four terms of roughly 10-weeks each, so he gets

around 12-weeks a year of holidays. When you factor in the salary, the hours of work, and the number of holidays, Nigel is making about \$28 an hour too! And he loves what he gets to do every day. His third bucket is fuller than most, giving him the freedom to do whatever he wants all night and all weekend.

If happiness is the goal, you must identify the right path for you. Some people just look at the yearly salary their job provides them. But it's important to look at the hourly wage too, factoring in the effect on the third bucket. If bucket two (work) is creeping into bucket three (everything else you want to do), then your happiness will suffer. If you're working so hard that you don't have the time or the energy you need to enjoy the third bucket, your priorities might need a realignment.

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CHAPTER 2. **No Worries, Mate!**

*“Two men looked out from prison bars,
One saw the mud, the other saw stars.”*

*Inspired by: **How to Stop Worrying and Start Living**, by Dale Carnegie*

On the slope of Longs Peak in Colorado lies the ruins of a gigantic tree. Naturalists tell us it stood for over 400 years. During the course of its long life, it was struck by lightning fourteen times, pummeled by avalanches, scorched by bushfires and pelted by storms. For four centuries, it survived them all.

In the end, however, an army of tiny beetles invaded the tree and crumbled it to the ground. The insects ate their way through the bark and gradually destroyed the tree's inner strength with their small but incessant attacks.

Like this magnificent tree, it isn't necessarily the big events that take us down. We find a way to persevere through a divorce, getting fired, the deaths of loved ones and fights that end friendships. But just like the beetles' attack on the tree, it is the small nagging daily worries that can destroy us from the inside out.

Stop Worrying About Yourself

Presence

Life is in the living, but we learn this too late. The great French philosopher Montaigne quipped: “*My life has been full of terrible misfortunes, most of which never happened*”. We're so worried about what might go wrong that we miss all the things that go right.

One of the most tragic things about human nature is our tendency to put off living. We are all dreaming of some magical rose garden over the horizon instead of enjoying the roses blooming right outside our windows.

The child says: "When I am a big boy...". But the big boy says: "When I grow up...". Then the grown-up says: "When I get married...". Then the married man says: "When I'm able to retire...". But when the retiree looks back over his shoulder, somehow he missed the roses he strolled past every day.

Life is slipping away at incredible speed. We are racing through space at a rate of 30km/sec. Today is our most precious possession. It is our only sure possession.

Stop worrying about the past. Stop worrying about the future. Live in the present.

Be Decisive

When you are worried about something, ask two questions:

1. *What am I worrying about?*
2. *What can I do about it?*

Then make a decision.

Most people get caught on step 1. All they worry about is... what they're worried about! We must make that second vital step and determine what we can *do* about it.

There is enormous value in making a decision, even if it's not the perfect one. If we don't decide, we just keep going round and round in maddening circles that trap us in a living hell. Most worries seem to vanish as soon as you arrive at a clear, definite decision. The rest will disappear once you carry out that decision and turn it into action.

Once you have made a decision based on facts, immediately go into action. Don't stop to reconsider. Don't hesitate. Don't worry or retrace your steps. Don't lose yourself in self-doubting. Don't keep looking back over your shoulder. Just decide, then do.

Stop Worrying About Other People

Don't Expect Gratitude

There was a businessman from Texas who had been carrying a burning rage for almost 12-months. He had given his 34 employees ten thousand dollars in Christmas bonuses – approximately \$300 each – and not one had thanked him. Filled with poison, he said to himself: “*I'm sorry that I gave them even a penny!*” But, all he was really doing was poisoning himself.

Instead of sooking behind people's backs, a more useful approach might have been to ask himself *why* he didn't get the appreciation he'd expected. Maybe his workers felt underpaid and overworked all year. Maybe they considered it not as a gift but something they earned. Maybe he was so critical and unapproachable that no one dared go near him to say thank you. Maybe they felt he gave the bonus as a way to reduce his tax bill. Instead of feeling happy about this selfless act, the Texan was frustrated and worried, all because he expected gratitude.

Almost two thousand years ago, Marcus Aurelius wrote in his diary: “*I am going to meet people who talk too much, are selfish, egotistical, ungrateful. I won't be surprised or disturbed, for I couldn't imagine a world without such people*”. Human nature has always been human nature. If Big Marcus was experiencing ungrateful people two millennia ago, what makes you think people are going to change now? We can wish that the world was different, or we can be realistic and accept it for what it is. If we go around grumbling about ingratitude, who is to blame? Is it human nature's fault, or is it our ignorance of human nature?

Let's not expect gratitude. If we don't get it, we won't be disturbed. But if we get it occasionally, it will come as a pleasant surprise.

No One Kicks A Dead Dog

I (Jonesy) once had a colleague who made it to be an engineering associate at 28 years of age. The next youngest I had ever heard of was at 35 years. He was killing it and making the rest of us loser engineers look subpar. Over time, we all started hanging shit on him behind his back. We zoomed in on his inability to interact socially with the rest of us. Eventually we invented a new nickname for him after a famous cartoon character that was very ugly. A few years later after I left the company, I got chatting with him

about our time working together as colleagues. I always assumed that we were clever enough for the criticisms to never reach him. But it turns out, he knew all along about the shit that was said about him. But he didn't care. He proudly quoted the framing provided by Dale Carnegie: "*no one ever kicks a dead dog.... and the more important the dog, the more satisfaction people get in kicking him*".

So when you are kicked and criticised, the kicker often needs to feel like they got one over you. Kicking is a way of making the kicker feel important. It often means that you are accomplishing something and are worthy of attention. Many people get a sense of savage satisfaction from denouncing those who are better educated or more successful than they are.

Remember next time someone hangs shit on you: it is just a disguised compliment. No one ever kicks a dead dog.

Start Living

Making The Most of Bad Situations

The everyday problems of life defeat too many people. They go struggling, perhaps even whining, through their days with a sense of dull resentment at what they consider the 'bad breaks' life has given them. But there is a way to control and even determine those 'breaks'. It is a shame that most people will let themselves be unnecessarily defeated by the world's problems.

One of the most remarkable characteristics of humans is their power to turn a minus into a plus. The most important thing in life is not to capitalise on your gains. Anyone can do that. The thing that will set you apart is your ability to profit from your losses. That requires intelligence. That's what separates the winners from the worriers. When life hands us a lemon, let's make some lemonade.

CHAPTER 3

Look On The Bright Side

*“Our happiness depends on
the habit of mind we cultivate.”*

*Inspired by: **The Power of Positive Thinking**,
by Norman Vincent Peale*

Our thinking can take us to the top of the success ladder, or the pits of doom. As Henry Ford once said: “*If you think you can, or if you think you can't, you're probably right*”. If you think you're a hopeless loser just here to hang around for a couple of decades without making any impact, then that is exactly what you will be.

The world in which you live is not determined by external conditions and circumstances, but by the thoughts that habitually occupy our minds. You can think your way to failure, or you can think your way to success.

William James, the Father of Psychology, said in the late 1800s: “*The greatest discovery of my generation is that human beings can alter their lives by altering the attitudes of mind... As you think, so shall you be*”.

So flush out all of your old, tired, worn-out thoughts, and fill your mind with fresh, new creative ones that will plant the seeds of a great life. Thinking is a big deal. Most people miss out on a good life due to their lousy thoughts. Thinking positively all day every day isn't the only ingredient for success, but thinking negatively is a pretty sure path to failure.

Positive Expectation

If you are thinking thoughts of defeat, you'll tend to get it... instead, you should adopt the ‘I don't believe in defeat’ attitude.

Norman Vincent Peale had a mate he called ‘the obstacle man’. Whatever the idea or the situation, he'd always look for the obstacles. As the director of his firm, whenever people brought him a new idea, his mind immediately thought of all the things that could stand in the way of it

working. He'd always say: "*Hang on, let's first think of all of the possible obstacles that might be involved...*".

When a new person came to work for him, they said: "*Why do you always think of only the obstacles and never the possibilities?*". Obstacle Man said: "*To be intelligent, one must be realistic, and it is a fact that there are always obstacles in connection with any project. There are real obstacles in the world, so what should I be doing instead? Ignore them? Pretend they don't exist? Not think about them?*"

Obstacle Man's thinking has some merit. We need to be realistic about considering the potential obstacles. But his thinking is also very limited. By always looking for the problems, we never fully see the opportunities. The possible downsides obstruct our view of the possible upside.

Whenever you come across an obstacle, the first thing to do is stand up to it. Don't complain, don't whine about it. Outright attack it! Don't crawl up to it, half-assed and half defeated – stand up to your obstacles and do something about them. You will find that they don't have anywhere near the amount of strength you imagined once you get started. As Peale says: "*I have never seen one obstacle that could not be overcome, provided you have enough faith and guts and were willing to do the work*".

These 'little negatives' creep in and become part of your character. While each little negative isn't a big deal, the total effect is that they negatively affect the mind. They clutter up your character and may even spill out in conversation.

You might hear yourself say things like:

- *I'm afraid I'll be late.*
- *I wonder if I have a flat tyre.*
- *I don't think I can do that.*
- *I'll never get through this project; there's just so much to do.*
- *I just knew it was going to rain today.*
- *This is just what I expected...*
- *I knew I wouldn't be able to get this right.*

While these seem so small and meaningless, remember that mighty oaks grow from small acorns. If you allow these acorns to be planted in your

mind and enable them to grow, soon enough they may no longer be ‘little negatives’ but massive oaks. Make a conscious effort to root out these little negatives from your mind and your speech – don’t allow them the opportunity to grow.

Expect the worst, and you will get it. But if you expect the best, you will get the best. William James said: “*Our belief at the beginning of a doubtful undertaking is the one thing that ensures the successful outcome of your venture*”.

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CHAPTER 4

Connections For Happiness

*“You aren’t a machine with broken parts.
You are an animal whose needs are not being met.”*

*Inspired by: **Lost Connections**, by Johann Hari*

Prescribed pills are appearing more and more in our lives. Westerners are popping pills like candy. These drugs are everywhere:

- *1 in 5 US adults are taking at least one drug for psychiatric problems.*
- *1 in 4 middle-aged women are taking antidepressants.*
- *1 in 10 boys in high school are on a powerful stimulant to make them focus.*

When scientists tested the water supply in Western countries, they found it laced with antidepressants. We're literally and figuratively awash with these drugs. What is startling in other cultures, has become normal to the Western world. We've just accepted that a huge number of people are so distressed they need to take a powerful chemical every day to pull themselves together.

So why is the world feeling so depressed and severely anxious?

Some suggest the darkest of depressions is solely due to bad brain chemistry. They say that for depressed people, their brain has naturally depleted levels of a chemical called *serotonin*, the happiness molecule. We're told that Big Pharma has the answer. They've made drugs capable of restoring serotonin levels to ‘normal’. This version of the answer says that depression is a brain disease... and companies have the cure (for a profit of course).

When Johann Hari first bought into this story and took the drug Prozac, he felt a warm surge run through his body. He had a chemical armour he could now face the world with. But a few months later, he started to notice the sadness was creeping back in. He and his doctor agreed to up the dose from 20mg a day to 30mg a day. His happiness increased again, but the

visible side effects also increased: he put on a few extra kegs and sweated more. Again, this extra happiness was only temporarily. Every time the sadness came back, his doctor upped the dose. The cycle continued until he was hitting 60mg a day. He was fat and sweaty, but he thought this was a fair price to pay for happiness.

This first story of depression has two parts. First about what causes depression: a malfunction in the brain due to a serotonin deficiency or glitch in the mental hardware. The second is that drugs solve the problem. He lived by this story for a decade, popping pills and thinking he was now happy.

But years later, Hari was back in the therapist's office. He said that he was grateful for the antidepressants. But the therapist said: "*That's strange... it seems like you are still quite depressed. You are emotionally stressed a lot of the time, and you're much like you were before you were prescribed these drugs*".

How could this be true? How can he be depressed while taking antidepressants? This was cognitive dissonance in full effect. For the first time, he started questioning the long-held story about depression. Could something other than bad brain chemistry be causing depression and anxiety?

This question led to three years of research and 200+ interviews. The story of it's 'all in our head' has holes in it. Hari found another story: depression is largely due to the world and how we live in it. The factors that cause depression in society are everywhere. Even worse, they are on the rise.

Cause 1: Disconnection from Meaningful Work

Some jobs are monotonous. They suck. Imagine Joe, a nicely paid technician working at the paint store. If you need a specific shade of cherry red, Joe's your man. He'll take the order, say "thank you", match your swatch, shake the paint, then wait for the next customer. This is what he does all day every day. There is little room for growth and impact. The only time the boss gives him advice is when he is late to work. But Joe isn't an exception. The monotony and lack of enthusiasm is the rule for most people working today.

In 2011, a detailed study across 142 countries about people and their work, found that:

- *13% of people were engaged.* They are enthusiastic and committed to positively working for their organisation.
- *63% were not engaged.* They were sleepwalking through their workday. Putting time, but not energy or passion into their work.
- *24% were actively disengaged.* They aren't just unhappy at work but busy acting out their unhappiness. They're trying to blow the ship up!

Disempowerment, the feeling that you've got no autonomy in what you do, is at the heart of poor health at work. Your tasks are monotonous, boring and soul-destroying. Such jobs lead to depression.

Cause 2: Disconnection from Other People

Evolution loves connection because it produces better chances of survival, but more people say they're feeling disconnected than any other time in history. Loneliness hangs over our culture today like a fart in an elevator.

This is bad for our health. One study looked at rats. It found that isolated rats developed 84 times the number of breast cancer tumours than those living in a community. Another study showed that lonely people are in constant states of underlying stress, spotting threats within 150 milliseconds, twice as fast as socially connected people.

Our sense of community is plummeting. Social scientists wanted to know how many people you can turn to in a crisis. When they first started testing this several decades ago, the average answer was three. In 2004 it was zero. That's wild! There are more Americans who have zero close friends than at any other time in history. We do things with other humans less than ever before.

Cause 3: Disconnection from Meaningful Values

Researchers looked at grad students, measuring how much they value things like money compared to things like spending time with the family or trying

to make the world a better place. They called this the *aspiration index*. The results were clear: the more you valued material stuff, the more likely you are to suffer from depression and anxiety. Turns out that ancient philosophers¹ were right all along: if you overvalue money and possessions, you will be unhappy.

Those who achieve extrinsic goals (like money or objects) don't get any bump up in day-to-day happiness. They spend all of their energy chasing these goals but aren't fulfilled when they achieve them. Things like the promotion, the fancy car, the new iPhone don't do a hell of a lot. But people who achieve intrinsic goals (like a sense of accomplishment or a feeling of doing the right thing) become significantly happier and less depressed.

Cause 4: Disconnection from Status and Respect

Evolutionary biologist Robert Sapolsky was studying baboons in Kenya. Part of the troop was the Alpha Baboon, Solomon. He was the king and could do whatever he wanted: he snatched food out of the hands of other baboons and had sex with any female he wanted. Then you've got the baboon at the bottom of the heap: Job, named after the unluckiest man in the bible. Whenever anyone was having a bad day, they'd take it out on Job. His food was snatched, he got beaten up, and of course, got no sex.

Sapolsky consistently fired tranquilliser darts at them to test their blood. In the vast majority of the time, the lower you are on the hierarchy, the more stressed you are. Poor old Job was stressed all the time.

Humans have the same stress hormones as the low ranking baboons. If you've got low status, you will have the same response as old mate Job. The problem is, the world is continually bombarding us to feel low status. We're incessantly being pushed make-up brands and latest fashion trends because our current appearance is sub-par to the societal elite. We measure our worthiness and success against Instagram likes, comparing ourselves to those emulating a perceived notion of status. Our chances of moving up the ranks seem to diminish continuously.

Some cultures, like the US, have very large gaps between the people at the top and bottom. There are a couple of Solomons, and the rest are Jobs. But in other cultures, like Norway, there is more equality. The gap between the haves and the have-nots is smaller, with most people somewhere in the middle. Data shows that the more unequal your society is, the more

prevalent mental illness is. The higher the inequality, the higher the depression.

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A Final Note On Antidepressants

Lost Connections isn't saying that all chemical antidepressants are bad. Some credible scientists argue that they give temporary relief to a minority of users that shouldn't be dismissed. But it is a false story that a chemical imbalance causes depression, and the primary solution is the antidepressant. The story has made pharmaceutical companies over \$100 billion, but the problem persists.

What this author *is* saying is that while chemical imbalance forms part of the story, it isn't the only cause. Depression is also fuelled by social and spiritual imbalance. If you're depressed, there are a few 'natural antidepressants' you could try before turning to prescriptions. These options include looking for a career change, connection with others, stop comparing yourself with the elites, and earning some status and respect.

¹ You'll meet some ancient philosophers later in Part 9: *Non-Wanker Philosophy*

Lesson 2

**outgrowing
your
shell.**

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A lobster has a hard shell.

This tough exterior acts as a barrier from the outside world, protecting it against harm. But it also traps it inside. The lobster can only grow as big as its shell will allow - its potential is limited. If a lobster wants to grow, it has only one option: shed its old shell, and make a bigger one.

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CHAPTER 5

The Growth Mindset

“We like to think of our champions and idols as superheroes who were born different from us.

We don’t like to think of them as relatively ordinary people who made themselves extraordinary.”

*Inspired by: **Mindset**, by Carol Dweck*

From time to time, life is going to slap you in the face. You’ll stuff up a project, tell a joke that falls flat, get dumped, get fired, crash your car or have your body image attacked. The slaps are inevitable, but how you respond is not. You have the power to choose: does it leave you feeling helpless and powerless, or do you see it as a temporary setback that provides an opportunity to learn and grow?

The Two Mindsets

The Fixed Mindset

This is the belief that skills and abilities are carved in stone. Whatever you were born with, that’s what you’ve got! You believe your potential was determined at birth. In some areas, you’re a ‘natural’ and were born with an innate talent, but other areas are just not your thing. If you’ve ever caught yourself saying things like: “*I’m naturally creative*” or “*I’m a gifted athlete*” or “*I guess my brain is just good at maths*”, you might have a Fixed Mindset. Similarly: “*I’m not a good writer*” or “*I can’t read maps*” or “*I just wasn’t born with the musical gene*” are also classic Fixed Mindset phrases. If your brain goes into full Borat mode and tells you: “*You will never get this - la la la la la*”, you have a Fixed Mindset.

I (Ashto) have always convinced myself that I’m not naturally gifted at art. But, if I’m honest with myself, I’ve never had a decent crack! I’ve never tried, so obviously I’m going to suck. Having a Fixed Mindset in this realm is holding me back from adding another tool to my toolkit.

With a Fixed Mindset, you believe you were born with a certain amount of intelligence, a certain personality, and a certain moral character. You think that there isn't much you can do about it - this is just how you are.

This creates an urgency to prove yourself over and over. If you feel that everyone has a set limit of intelligence, you'd better show everyone that you have a lot of it! You can't afford to look or feel deficient in these basic characteristics. Your focus is showing off to everyone around you (and yourself), displaying how good you are and how much in-built specialness you were born with.

Every situation calls for a confirmation of your intelligence, personality, or character. You feel that everyone is always evaluating you, so you're continuously evaluating yourself: *Will I succeed or fail? Will I look smart or dumb? Will I be accepted or rejected? Will I be a winner or a loser?* You see little point in trying anything new because you weren't gifted with these skills. Even worse, your deficiencies will be on full display to everybody else!

The Growth Mindset

When Michael Jordan was 15 years old, he was just another kid in the gym. He tried out for his high school team, but didn't make the cut. He went home, locked the door and cried.

We all face moments like this in one way or another. How we react next is what determines our outcomes. MJ's response to this slap was to get back to work. He left the house every day at 6am to practice before school. He continuously worked on his weaknesses. While everyone else was resting, he was practising his shooting. He embraced his failures. As he said in that famous Nike ad: "*I've missed more than 9000 shots. I've lost almost 300 games. 26 times, I've been trusted with the game-winning shot and missed*". Michael Jordan had the ultimate Growth Mindset, and he became the GOAT.

The Growth Mindset is the belief that the hand you're dealt is just the starting point. You believe that your qualities are cultivated through your efforts. With the right strategy and discipline, you can improve. Through application and experience, we can get better.

It's not that you're not good at maths, it's that you're not good at maths yet. It's not that you can't cook well, it's just that you've never been taught how. It's not that you're not a good public speaker, it's just that you've never put in the effort to learn or you've never taken the risk of practising in front of other people.

With the Growth Mindset, you understand that to gain a new skill you need to learn and practice - even if you look silly at first. Instead of thinking that a talent is something you're 'born with', you recognise that putting in effort is the only path to getting good at something.

The belief that these cherished qualities can be developed creates a passion for learning. Why waste time doing the easy thing over and over when you can invest your time in getting better? Why settle for friends that fluff up your self-esteem when you could find ones that will challenge and stretch you? Why seek out the tried and true path, when you could carve your way through it?

The passion for levelling-up (and sticking to it even when it's not going well) is the hallmark of the Growth Mindset. This mindset allows people to thrive during some of the most challenging times in their lives.

Which Mindset Are You?

One morning you roll over the side of the bed to find that your phone is out of battery, so the alarm didn't wake you on time. You've got a headache from the cheap wine you had with your steak the night before. In a rush to work, you chuck on your clothes without ironing your shirt in an attempt to make it to the client meeting you're already running late for. As you walk in, your boss looks at you and shakes her head. In the meeting, they turn down your pitch, and you don't win the deal. On your way back home, you get a speeding fine from a police officer. That evening, you try telling your partner about your day, but they don't seem interested and sort of brush you off.

How would you respond to a day like this?

Fixed Mindset people might think: '*I feel like a total reject, I'm a total failure, I'm an idiot, I'm a loser!*'. In other words, they'd see what happened as a direct measure of their competence and worth.

But the story was specifically written to be a little bad, but not *too* bad. It was one client. You got a speeding ticket; you didn't lose your licence.

Your partner kind of brushed you off, they didn't tell you they hated you.

Compare that reaction to people with the Growth Mindset: "*I need to not drink a whole bottle of red before work, put my phone on the charger before bed and be more careful when driving. I wonder if my partner had a bad day also. The client rejected the proposal? I'd love to know why. I'll give them a call tomorrow to follow up and see what I can learn*".

One Mindset leads to misery, and the other leads to learning and growth.

Effort

When I (Jonesy) was younger, I was addicted to 'Fifa', a soccer video game that is loads of fun to play with friends. I'd play with my mates until the early hours of the morning. As a teenager, Fifa ability was directly tied with a feeling of self-worth. When losing, I'd have a tactic to make it look like I was just taking the piss. If I was three goals down, I'd start doing stupid shit - kicking the ball out of bounds or attempting impossible shots. I'd deliberately let them score goals, or I'd just turn around and kick it into my net, scoring an own goal. I'd do all I can not to let them feel like they beat the best version of Jonesy. If I tried my best and lost, my self-worth and pride would take a hit, so I pretended I wasn't even trying. This is classic Fixed Mindset behaviour.

This habit permeated into my school work. Despite studying three to four hours every evening after school, I told everyone I hadn't studied for the test. This was a hedge: if I failed, my self-worth would still be intact. The thought of people knowing my level of effort had achieved only failure was unbearable.

The Fixed Mindset Believes: *High Effort = Big Risk*

Fixed Mindset people believe effort is only for people with deficiencies. Geniuses shouldn't need to apply effort. They are naturally gifted. By applying effort, you admit you're not a genius.

If your claim to fame is being naturally gifted and smart, then you have a lot to lose by trying. You might reveal a deficiency, one that you could never fix. Effort can, therefore, *reduce* you. If your identity is based on

being endowed and naturally better than everyone, applying effort undermines your status.

Effort robs you of your excuses. If you don't try, then you always *could have been* (I could have been a golf pro, I could have invented that app, I could have been a famous singer). By not trying, you're allowing yourself an excuse when success doesn't come your way - you can always say that you never really tried... but you *could* have. If you try and fail, you have no excuses.

The Growth Mindset believes: *Low Effort = Big Risk*

Those with the Growth Mindset recognise that effort leads to achievement. Without effort, they'll never achieve. It's almost inconceivable to want something badly but then do nothing about it. "*I could have been*" is comforting to the Fixed Mindset, but heartbreaking to the Growth Mindset. 'I could have been' means you had the potential within you the whole time... but you never put in the effort required to achieve success.

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CHAPTER 6

Building Your Capacity

*“Until a person can say deeply and honestly,
‘I am what I am today because of the choices I made yesterday,’ that person
cannot say,
‘I choose otherwise.’”*

*Inspired by: **The Seven Habits of Highly Effective People**, by Stephen Covey*

There was once a Farmer who discovered one of the wildest geese you’d ever come across. Each day, this special Goose laid a beautiful golden egg. The farmer would go into its cage each morning to collect the golden egg and kiss his Goose for delivering this magical gift (of course, if the farmer was more woke, it would be a free-range goose, because cages are bad).

After a while, the Farmer started to grow impatient. The bloody Goose wasn’t laying eggs fast enough! He wanted to get rich quick, and one golden egg a day wasn’t going to cut it. He had an idea: rather than waiting to collect one egg a day, he could just slice open the Goose’s belly and get all the golden eggs all at once! But when he got his knife and opened up the Goose, he found no golden eggs inside. Not only did he not find the precious bounty he’d hoped for, but he also wouldn’t be getting any more daily gifts. He killed the Goose that laid the golden eggs.

Like the Farmer, most people focus only on the ‘production’ of their golden egg. They’re looking for new hacks that will allow them to get more done in the shortest amount of time. They’ll choose the job with the highest pay instead of learning a valuable new skill. They’ll go for the latest fad diet rather than ingrain a sustainable healthy eating habit. They buy a round of beers on their credit card rather than budgeting properly.

Improving your production is important, but it is only one half of the equation. We must balance this focus on *production* with a focus on growing our *productive capacity*. Rather than looking at the immediate

outcomes, we need to step back and look for ways to grow ourselves in a way that will lead to long-term sustained improvements. That way, you're not just hoping to get a golden egg, but you're feeding and growing the goose that lays the golden eggs.

Stephen Covey has laid out the ultimate personal development game plan, identifying 'seven habits' you need to plump up that golden goose to make it fat and juicy, pumping out plenty of golden eggs along the way.

Most people try to become more effective by changing their behaviours. We think that we can change ourselves by changing *what we do*. But that is like trying to change a tree by hacking away at the leaves. Instead, we should look to the roots: our attitudes and our character. The only way to change ourselves is to change *who we are*.

Personal Victory

Habit 1: Be Proactive

Victor Frankl¹ went through things that you and I will never have to endure. Frankl was imprisoned in Auschwitz, lost his wife in the camps, fought over breadcrumbs and constantly suffered frostbite and crippling hunger.

Maybe you've had your fair bit of shit to deal with too (we can't know your exact personal circumstances), but it's a pretty safe bet that we'll never have to go through things like this. Life slaps us all across the face at some stage, but we'll probably never have to go through the metaphorical freight train that chugged its way across Frankl's. Under such circumstances and being dealt such a poor hand in life, we'd all forgive him for sinking into a sense of hopelessness. But Frankl went the other way. No matter what life threw at him, he never gave up his ability to choose his response:

"Most men believed that opportunities of life had passed. Yet in reality there was an opportunity and a challenge. One could make a victory of those experiences turning life into an inner triumph, or one could ignore the challenge and simply vegetate, as did a majority of the prisoners."

His attitude took him through one of the worst experiences beyond imagination and use it for his benefit. Following the death camps, he founded logotherapy (healing through meaning) and authored dozens of

books. One of those was *Man's Search For Meaning*, one of the most influential books of the 20th century.

Humans have the unique ability of self-awareness. Most other animals just think, but we can step back and think about *how* we think. This meta-level thinking about our thought process allows you to make changes in your life. When something happens to you, there is a gap between 'stimulus' and 'response'. When something happens (*stimulus*), there is a momentary pause (*gap*) before we take action (*response*). This gap allows us to consciously decide what course of action we take.

If we react immediately, we are guided only by emotions and short-term desires like other animals. This is being *REactive*. But if we allow ourselves time to think and reflect, we can actively decide the best path forward. This is how you become *PROactive*. You get to actively choose how you respond, rather than being buffeted about by the world around you, or by the primitive emotions within you.

As Victor Frankl says: "*Between stimulus and response, there is space. In that space is our power to choose our response. In our response lies our growth and freedom*".

Realising that we have this ability is a powerful thing. It means that you're no longer jerked around like a puppet. You're not dictated to by the outside world. You're not a victim of conditions and circumstances. Instead, you can choose for yourself what you want to do.

The responsibility we all have is 'response-ability': the ability to choose how we respond. That may be scary for some, but it should be liberating to know that *you are in control*.

'Proactivity' is more than just taking initiative; it means taking responsibility.

Habit 2: Begin With The End In Mind

Imagine this: You are going to a funeral. You drive to the church, park the car, get out and greet your friends and family in deep sorrow. Everyone is in deep sadness for this loss. As you enter the building, you notice the flowers, the tear-jerking music and the casket at the front. As you walk to the front of the room, you peer into the coffin. But you realise that you haven't lost a

friend or family member. You come face to face with *yourself*. Everyone at the funeral is here to mourn the death of you.

This is a powerful exercise to contemplate your mortality. Like everyone else, you are going to die one day. When you're on your deathbed and taking your final breaths, what will you think as you consider your life? Will you regret missed opportunities? Or will you look back with pride upon who you are and what you did?

Beginning with the end in mind means bringing that moment forward to the present before it's too late. Rather than waiting until the very end when you can't rewind the clock, ask yourself these questions today. Decide who you want to be, what you want to achieve, how you want people to remember you. Take the long term perspective. Then connect it back to your daily actions.

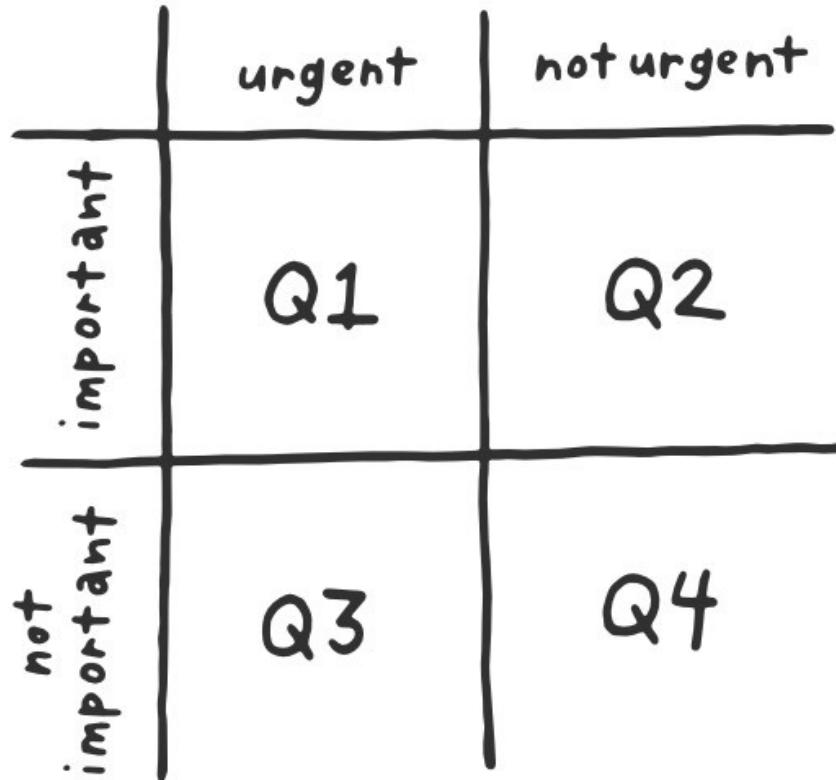
Being 'efficient' means getting a lot done with minimal input. But being efficient at the wrong things just means you get to the wrong destination quicker. *Efficiency is doing things right, but effectiveness is doing the right things*. Efficiency is useful, but only after you're effective. Once you've effectively set the right path to arrive at the right destination, efficiency helps you get there faster. However, most people start with efficiency and work really hard without considering what they're working toward.

Getting caught up in the activity trap and the 'busy-ness' of life can lead us to keep climbing the ladder, only to get to the top and find that it was leaning against the wrong wall. To *begin with the end in mind* is to know where you are going, and understand why you're going there.

Habit 3: Put First Things First

Now that you've gone through Habit 2, you've got a fair idea of what you want to be doing with your life. The only issue is, all sorts of unimportant crap is screaming for your attention.

Everything you do can be categorised within The Eisenhower Matrix. This distributes our activities across two variables: *Importance* and *Urgency*.



Quadrant 4 = Not Important + Not Urgent:

Some things are just a waste of time. Most of us have spent a full Sunday bingeing a whole TV series, spent way too long scrolling through Insta or Facebook, or continuously refreshed our inbox to see if anyone has emailed. These things are just eating away at your time. They are merely distractions, pulling your focus away from the most important things.

Quadrant 3 = Not Important + Urgent:

Some things feel urgent, but they aren't important. We've all got group message chains that ping around all day. We have a sense of urgency to check it, but these likely contribute nothing to our goals.

Quadrant 1 = Urgent + Important: Some things we do are urgent and important. It might be finalising a draft before your deadline, completing

the board presentation, or answering the phone call from your number one client. If you didn't do these things, there would be dire consequences.

Which brings us to Quadrant 2.

Quadrant 2 = Important + Not Urgent

All the things that you 'should' be doing fall into Quadrant 2. They are essential, but not urgent. You can keep kicking the can down the road forever. These are the vital tasks that don't have the pressing urgency of an immediate deadline, so we keep putting them off. But they are bloody important, and you must allocate regular time to them.

For example, there is countless research to suggest that goal setting is the highest leverage activity you could ever do. If you don't define what you're going for in life, you might be acting like a wandering puppet. Goals focus your energy towards something meaningful. With goals, you'll live a better life, simple as that. But goals aren't urgent. For most of us, we simply don't do this activity.

Other examples might include updating your personal savings budget, preparing your meal plan for the week ahead, or taking time to learn a new skill and focus on personal growth. It might be redeveloping your website - a new design would give your users a better experience, but it's not broken, so it doesn't need to be done urgently. Often these 'Quadrant 2 activities' are the things that grow your PC (productive capacity). This is the valuable stuff that almost always gets missed.

Most people cycle between Q1 and Q3, doing things that feel urgent and have deadlines. Then they distract themselves and procrastinate by creeping into Q4.

Instead, we must minimise any time spent in 'not important' quadrants and shift our focus towards the often-missed Q2. Quadrant 2 is vitally important to any long-term success, but it is so easy to overlook or procrastinate on. As soon as that Q3 email comes through, the 'Q2 can' gets kicked down the road.

There is a solution to our madness:

- ***Quadrant 4 should be Eliminated.*** When your colleague Rudy sends you a video of a rat humping a pigeon, just hit 'delete'.

These are simply distractions that pull you away from important work. It's not important, and it's not urgent, so don't do it!

- **Quadrant 3 should be Delegated.** It feels urgent, so get someone else to do it. It's not important enough for you to invest your time. If someone else can do it just as well as you could, free up your own time to tackle more important things.
- **Quadrant 1 has to be Done.** It's urgent, it's important, so you need to do it now.
- **Quadrant 2 must be Scheduled.** This is the last step, and it's the one most ordinary people don't do. Because it is never urgent and there is never a strict deadline to motivate us, it usually doesn't get done. But you *must* have regular time dedicated to Quadrant 2. Block out time for these crucial activities. Don't get sucked into distractions when that time comes.

Public Victory

Habit 4: Think Win-Win

The Private Victory is all about getting your own shit together. Public Victory is all about interpersonal relationships.

The first habit of effective leadership is thinking Win/Win, the optimal state for any interaction. This is where both parties are satisfied because they feel like they've achieved what they wanted to achieve.

Interactions can fall into any of these buckets:

- **Win/Lose:** Most competition pushes us into 'win/lose', like sports and games. We want to win, and the only way to do that is for our opponent to lose. While this is fine for a game of footy, you won't have many strong relationships left if you're only focused on winning at all costs and treating others as your competition.
- **Lose/Win:** Sometimes you might be happy to lose in the short term to give the other person a feeling of winning. In your personal relationship, you might be willing to lose and turn off your action movie and put on a romantic comedy so your partner wins. At work, you may be willing to lose and concede by

deleting a slide from the monthly report if your boss feels like they win. But this should only be for small things in the very short term. It's not healthy to go on losing all of the time and letting the other person walk over you.

- **Lose/Lose:** This is cutting off your nose to spite your face. This is the business relationship that has become so toxic you don't care if you lose, as long as your opponent loses more. It's like the story of the bitter husband after his wife divorced him. A judge ruled that the wife was entitled to half of everything the husband owned. So he got out the chainsaw and literally cut everything in half - she got half the bed, half the couch, half the car. Their \$30,000 car was now worthless. But the husband didn't care that he lost his car, as long as his wife didn't get 'his' \$15,000.
- **Win:** This is an immature position to take. You just want to win. There is no consideration for the other side. You couldn't care if they win, lose or break even, as long as you win.
- **Win/Win:** The pinnacle is 'Win/Win'. It's not enough for you to just win yourself. If you want healthy, long-lasting relationships, you always need to be looking for ways to help your partner win too. Rather than dividing up the pie equally, first look at ways in which you can both grow the pie, so you *both* get a bigger portion.

Habit 5: Seek First To Understand, Then To Be Understood

You might be worried about your eyesight after staring at the screen for all the Zoom Meetings you've been forced to take. You go to the optometrist for some help. After a brief explanation of your problem, he cuts you off: "*Put these on. I've worn them for 10-years, and they've really helped me. I have an extra pair, you can have them. They are great*". That is one shit optometrist. I doubt you'd be going back to him for more advice!

We all view the world through different filters. Every single person you come across has their own unique set of experiences that colours their whole reality. Two people can look at the same objective event and have completely different subjective opinions.

Most people don't actually listen; they're just thinking about what they want to say next. To be effective, you need to be actively and empathically listening. A witty retort doesn't make you effective. Only by seeing the

world through someone else's eyes can we begin to make change. We must look beyond the words to gain a true understanding of the real meaning behind them.

After the crucial first step of understanding, the next step is to be understood. Being an effective communicator means being both an effective listener *and* an effective talker. Be concise. Be courageous. Say what you mean and say it clearly. Say it in a way that others will understand. Beating around the bush and half-saying things (without ever actually saying what you mean) just makes things confusing and uncomfortable for everyone. If someone doesn't understand you, it's not their fault – it's yours. It's *your* job to convey your message in a way that the other person can understand.

Habit 6: Synergise

It's easy to get caught up in your own thought bubble. You hang out with mates with the same worldview. You're recommended YouTube videos based on what you've watched recently. You're shown Facebook posts similar to what you've 'liked' in the past. Different perspectives are hard to come by.

To synergise is to understand the value of people who see things differently to you. The whole is greater than the sum of its parts. When someone has a different perspective, there is value to be gained. They may be seeing something you're missing. They may be able to open your eyes to a new way of thinking.

To synergise is to value differences. It means building on strengths and compensating for weaknesses. If done effectively, one plus one can equal three (or more!). An effective person has the humility to realise that their worldview is a work in progress. There is much to be gained through the interactions with the hearts and minds of other human beings.

Renewal

Habit 7: Sharpen The Saw

The single most powerful investment we can ever make in life is an investment in ourselves. We need to replenish ourselves regularly so we can deal with life and continue to contribute positively to the world around us. For people looking to put a dent in the universe, burnout is a real risk.

The seventh habit looks holistically at refreshing ourselves so we can bring our best efforts to all six other habits. ‘Sharpening the saw’ is what makes the others possible. This covers a wide range of elements of our lives: physical, mental, emotional, spiritual and social. If we aren’t operating at (or near) our peaks in any of these areas, our productivity and effectiveness suffer.

Go for walks. Eat well. Get enough sleep. Take breaks. Meditate. Get lost in the music. Lean on others when you need them. Be there for them when they need you.

As Abraham Lincoln (apparently) once said: “*If you give me eight hours to chop down a tree, I’d spend the first seven sharpening the saw*”.

¹ Author of *Man’s Search for Meaning*. We’ll learn more about this in Ch110: *Meaning From Suffering*

Lesson 3

**programming
the
autopilot.**

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One dirty burger and a few beers on a Thursday night don't seem like a big deal. And if it's just a once-off, it probably isn't a cause for concern. But it's never a once-off. If this becomes a weekly habit, you'll start stacking on the kilos. Your pre-programmed autopilot is what determines the outcomes you get.

The big things that happen to us (getting fired, getting dumped, getting sick) are never an isolated decision. They are the result of the compounding of all the small choices we make. Our habits determine our life.

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CHAPTER 7

Ripples Make Waves

*“You will never change your life until you change something you do daily.
The secret of your success is found in your daily routine.”*

*Inspired by: **The Compound Effect**,
by Darren Hardy*

Small Choices

Nobody chooses to be obese. Nobody chooses to go bankrupt. Nobody chooses to have a marriage end in divorce.

These are not the result of a single decision in a single moment - they result from a series of poor small choices over years or decades. You're not overweight because you made one poor choice and ate twice your bodyweight in ice cream at the all-you-can-eat buffet. Being overweight is due to the small choice you made every night for a decade to eat a scoop of ice cream instead of a piece of fruit.

The same goes for the good things in life. The pay bump, the chiselled abs, the perfect relationship - these too are the result of small choices you make every day. You don't decide the big things; you decide the small things.

The ‘Compound Effect’ is the principle of reaping huge rewards from a series of small, smart choices. To make things better, you need to take a series of small (but repeated) steps. You must focus on improving consistently, relentlessly and repeatedly over time.

It means mapping out a path, then sticking to it. Tony Robbins¹ says: “*If you veer off course by just a few millimetres, over a short period of time you may not notice your trajectory changes... Over the time span of years to decades, a seemingly inconsequential decision may result in a massive miscalculation*”.

Our life is an accumulation of the choices we make. They can deliver us to our goals or send us orbiting to a galaxy far, far away.

No Choices

A man was riding through town on a horse. He was riding with gusto, flying through the town at top speed. This man looked important, clearly intent on getting somewhere important to do something important. A person in the street yelled out: “*You look like you're in a rush. Where are you going?*”. The rider yelled back: “*I have no idea... Ask the horse!*”

Seems like a pretty stupid horse rider, but you've also had moments where you find yourself just going through the motions. You're running on autopilot without consciously making decisions.

The only thing worse than making a bad choice is not choosing at all. If you don't choose, then you've decided to be a passive receiver of whatever comes your way. Steering your horse down the wrong path is terrible enough, but letting go of the reins entirely and getting dragged around is far worse. If you're not intentional about how you live your life, you're putting the power in someone else's hands. And they may not have your best interests in mind. If you don't choose for yourself to do well, someone else will choose for you to do poorly.

The Ripple Effect

I (Ashto) wanted to focus on improving my personal finances². Through University, I had worked several casual jobs, making around \$10k to \$12k a year at most. I'd managed to save about \$30k in four years. But when I got a ‘real job’ making \$65k a year, my savings were somehow going backwards. I had to work out where all this extra money was going.

I wanted to reign in some of my wasted discretionary spendings. To know where my money went, I started tracking every single dollar that left my bank account. There were the obvious significant expenses, like moving out of home, buying furniture, paying rent and bills. But then there were all those little things - the morning coffee and croissant, the lunch, the afternoon coffee and caramel slice, the after-work drinks. They seemed insignificant at first, but they quickly added up. By first pinpointing exactly where my money was going, I could identify some low hanging fruit that I could easily get rid of. I weeded out some of the extra wasted spendings and

started getting my finances trending back toward the positive side of the ledger.

This process of controlling my finances then led to some surprising peripheral benefits. By becoming hyper-aware of what I was spending money on, I started to notice some other patterns. Seeing those three or four caramel slices a week was a bit of a surprise - it started as a ‘special treat’ on a Friday to finish the week, but quickly grew to an almost daily habit. The croissants were also getting more frequent, and I’d started shifting away from the healthier salads for lunch and more toward the carb-heavy fried options. By becoming aware of my financial habits, I’d also become aware of my health habits. Even though I’d turned a blind eye to those few extra kilos on the scales, there was no hiding from my receipts! I subbed out a few bought lunches for some homemade options, and I swapped the afternoon caramel slice to an afternoon apple instead.

This is one example of how small changes in one area can ripple out to benefit other parts of your life positively. The small change in tracking my spending had led to a small change in my health. In turn, this led to a small change in my energy levels and happiness, which led to a small change in the effort I applied to my work, which led to a small change in how my boss values me, which led to a small change in the responsibilities I got, which led to a small change in my salary... you get the picture. Start with a tiny positive change, and it will ripple out to make you far better in all areas of your life.

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CHAPTER 8

Tug Of War: Rational vs Emotional

*“Knowledge alone does not change behaviour.
We have all encountered crazy shrinks and obese doctors and divorced
marriage counsellors.”*

*Inspired by: **Switch**, by Chip & Dan Heath*

Have you ever noticed a little extra cushioning in your love handles and thought: “*That’s enough, starting tomorrow I’m getting healthy!*”. In your head, you know exactly what you need to do to get back into shape. You set the alarm for 4:59am the next morning to go for a run before work. But when the alarm jumps to life, you have a vital decision to make.

Last night when you set the alarm, your rational brain was in charge of making decisions. It was easy and made logical sense, so you made the commitment and set the alarm. But now... it's cold and dark, you're tired, and it's more comfortable in bed. Your emotional brain has now taken over. The emotional brain that wants to stay warm and snug becomes a powerful force that dominates the rational brain that wants to get fit.

Whenever you try to implement a change, you're going to have this Jekyll and Hyde battle within yourself. A tension arises: the rational brain knows what is necessary, but the emotional brain doesn't want to do the hard work.

The Heath Brothers use a metaphor of ‘the rider and the elephant’ to explain the battle. Our rational brain is the *rider*. Our emotional brain is the *elephant*. The rider can control where the elephant goes... to a certain extent. At any moment, the mighty elephant can take over and do whatever it wants.

If you just instruct the rider on what to do, then you have an understanding but not motivation. If you only appeal to the elephant, then you have passion but no direction. If you want to make a behaviour change, you must get both the rider and the elephant walking along the same path.

Direct The Rider

The rider is the rational, logical part of our brain. The rider is the part of you that knew running in the morning before work was a good idea, so he set the alarm nice and early. The rider has a vision of what it wants and the best way to get there. But the rider is weak. The rider only has so much strength to be able to manipulate the bulky, mighty elephant below.

To give your rider the best shot at doing the right thing, you need to make your desired change *crystal clear*.

- “**Lose weight**” isn’t very clear, but “wake up at 4:59, put on your running shoes and start jogging out the door” is a crystal clear instruction.
- “**Be more productive**” is not clear, but “sit down at the desk, open up the word document, set the timer for 20 minutes and start writing your report” is crystal clear.

If it is clear and easy, the rider can take control. As soon as you lose clarity, your puny little rational rider stands no chance. The emotional elephant will plonk itself on the couch and start playing Mario Kart.

Motivate The Elephant

The elephant is the emotional, primitive part of our brain. It likes to do things that feel good and avoid things that don’t. As soon as things start to feel difficult or complicated, the elephant will be looking for an easy way out. The emotional elephant can quite easily overpower your rational rider, so you need to keep that big lump of lard happy.

One way to do this is to *shrink the change*. If the elephant thinks a massive change is headed its way, it’s just going to sit there and become an immovable obstacle. You need to show your elephant that the change is only small. Rather than completely shifting your diet to only eating spinach and tofu, maybe start with cutting out that extra peanut butter sandwich you have in the afternoon. That feels much more manageable, and you’re not going to scare your elephant. Rather than chucking your TV in the dump, just make a rule for yourself of no TV after 9 pm. Instead of telling yourself you’ll run 10km every day, maybe start with a brisk lap of the block three times a week. Once the elephant is comfortable and you start making

changes in the right direction, you can gradually ramp up the habit reset and make more significant changes.

With this metaphor in mind, we're now going to present two frameworks for behaviour change. These habit models focus on both parts of the brain, the rational rider and the emotional elephant. You can choose what works best for you.

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CHAPTER 9

Habit Model #1: *The Habit Loop*

*“You do not rise to the level of your goals.
You fall to the level of your systems.”*

Inspired by: **Atomic Habits**, by James Clear

When you woke up this morning, what did you do first? Did you hop in the shower, check your email, or grab a doughnut from the kitchen counter? Did you brush your teeth before or after you towelled off? Tie the left or right shoe first? What did you say to the kids on the way out the door? What route did you drive to work? When you got to your desk, did you deal with an email, chat with a colleague, or jump into writing a memo? Salad or hamburger for lunch? When you got home, did you put your sneakers on for a run, or grab a beer and watch TV?

In 1892, William James wrote: “*All of our life so far as it has definite form, is but a mass of habits*”. Most of the choices we make each day may feel like the products of well-considered decision making. But they’re not – they’re habits. Though each habit means very little on its own, they stack up over time. The meals we order, what we say to our kids each night, how we spend our money, and how we organise our thoughts have enormous impacts on our health, productivity, financial security and happiness.

Charles Duhigg, in his juggernaut book *The Power of Habit*, opened the possibility for us to win the battle with the elephant and design our habits. In his groundbreaking study with MIT in the 1990s, researchers put rats in mazes and tracked their brains. As each rat wandered around searching for cheese, the probes showed their brains lighting up with activity. Each time it sniffed the air and detected cheese, the synapses were firing and guiding the rat in the right direction.

The scientists studied how their brain activity changed after running through the maze hundreds of times, building habits. Slowly the rats stopped sniffing corners and making wrong turns. Instead, they zipped through the maze faster and faster. Over time, activity in the brain decreased – the route became automatic. The rat was thinking less and running on autopilot. The behaviour followed a predictable pattern that we

now call ‘The Habit Loop’: *Cue - Craving - Response - Reward*. The cue is the opening of the maze door. The craving is triggered by the smell of that delicious cheese. The response is the action of running through the maze to find it. And the reward is nibbling on that delightful cheese at the end of the tunnel.

Like the lab rats, our behaviour goes through the same predictable pattern: *Cue - Craving - Response - Reward*. Whether we want to install a new habit or break an old one, the process is the same: we need to interrupt the pattern and change one of these four steps.

Cue: Make It Obvious

Autopilot can be your best friend or your worst enemy. It can make you successful or ruin your life. You could go years without being aware of the hundreds of daily habits you undertake every single day.

The first step to changing bad habits is to know they exist. You need to be on the lookout for them. You might brush your teeth without flossing, order the extra spring roll at lunch, eat a block of choccy whilst watching Netflix, or scroll through Twitter in bed. If left unexamined, these habits will continue on autopilot forever. But if we become aware and examine our habits, we can save ourselves the horror of waking up one day 50kg overweight, with no skills and our teeth falling out.

First, list all your habits throughout the day (wake up, hit snooze, wake up again, turn off the alarm, check phone, go to the bathroom, weigh yourself, take a shower, etc.).

Second, assess each habit as either positive, negative or neutral. Hitting snooze is probably a negative, checking your phone first thing in the morning is a negative, but brushing your teeth and weighing yourself can be positive.

Once you are conscious of your habits, you can start to change some of the bad ones and replace them with good ones. The format for creating an *implementation intention* is: “When situation X arises, I will perform response Y”. For example, if you wanted to:

- **Exercise:** When the alarm goes off, I will bounce out of bed and put on my exercise gear.

- **Meditate:** I will meditate for ten minutes at 7 am after I brush my teeth.
- **Read:** When I finish dinner, I will read a book for 15 minutes.

By being super clear and linking a new habit to your existing routine, it's more likely to stick.

Craving: Make It Attractive

Think about the times you feel good. The chemical rushing around your body is dopamine. It comes along with watching your favourite TV series, watching your stocks go up, getting a compliment from your boss and getting a pay rise. Dopamine is a chemical that drives your behaviour. The dopamine hit of beating a level on Donkey Kong sucks you in for another hour of gaming on the couch. The orgasm is evolution's way of telling you to have more sex. The excitement on payday keeps you working for another week.

At first, you'll get the dopamine hit after you complete the action. After a few repetitions of the action, your body starts to expect that the dopamine will come. Once your brain has linked a habit with this expected reward, the dopamine begins to hit you *before* you do the action. For example, if you're hooked on getting likes on Facebook photos, the excitement hits when you *think* about checking the app, not just when you open it. Think about getting excited about sex, eating chocolate, going on a holiday or starting your weekend - you experience a lot of the enjoyment *before* these happen. Once you know the high you will receive once you do these, just thinking about them is enough to get you going.

Initially, the behaviour loop was: cue, routine, reward. When you know the dopamine hit is coming, the loop becomes: cue, *craving*, routine, reward. It is this expectation of the reward that drives us to act. The dopamine hit you're about to get makes the consequent action very attractive to your brain.

The key is to make good habits attractive and bad habits unattractive. For example:

- If you wanted to save more money, reframe from: '*I need to save money*' to '*I get to put money aside for a holiday.*'
- If you want to check Facebook, do it after exercising so you get your dopamine hit after completing the good habit.
- Make a positive change due to advice in a book. The positive results will give you a dopamine hit, so you'll be motivated to read more.

Response: *Make it Easy*

Your emotional brain, the elephant, will always take the road of least effort. Energy is precious, and our brain is wired to conserve it whenever possible. When deciding between two similar options, your elephant will naturally gravitate toward the option that requires the least amount of work.

The key to forming new good habits is to reduce friction. A simple way to achieve this is to get the environment ready ahead of time. Want to go running in the morning? Leave your clothes and running shoes next to your bed. Want to eat more fruit and veggies? Chop up a heap of fruit every Sunday and put them in clear plastic containers in the fridge. Want to read a book in bed instead of mindlessly scrolling on your phone? Leave an interesting book on your bedside table.

Reward: *Make it Satisfying*

When you get feelings of pleasure after completing an action, your brain says: "*This feels good - do it again next time*". But there is a mismatch between immediate rewards and delayed ones.

Bad habits make you feel good immediately. You'll drink a beer, eat a dirty burger and watch Netflix. You'll feel relaxed. Reading the inspirational book you left on the bedside table feels like hard work, so it stays untouched.

The shitty thing about good habits is that you suffer the investment instantly, and the reward comes later.

- If you sacrifice that coffee to save five bucks today, you'll have to wait a decade for the daily savings compound until you can buy a

house.

- If you go for regular runs, your legs get tired now, and you can't see any weight loss until the end of the year.
- If you do a good job today, you *might* get a pay rise next year.

The costs of your good habits are in the present. The cost of your bad habits are in the future. The rewards of your bad habits are in the present; the rewards of your good habits are in the future.

The rule of habit change is: "*What is immediately rewarded is repeated; what is immediately punished is avoided*". So the key to behaviour change is to bring those rewards and punishments to the present. One bloke hooked up Netflix to his exercise bike so that he could only watch Netflix when cycling. He got the immediate rewards by getting to watch a show he liked which made him keep cycling.

Another example is having the goal of saving for a holiday. You know the only way to do it is to prune back expenses and put away the surplus cash to your holiday fund. There'll be tough moments, like the times your colleagues order the rib-eye steak and you're stuck with last night's leftovers. The pain of sacrifice might be all too real, building a strong case to simply give up and join your colleagues. So we need to find a way to bring that pleasure forward. If the reward is brought to the present, it becomes easier to sacrifice the small everyday luxuries.

One idea could be to pull up some travel inspo to scroll through while you're eating your home packed lunch. You can read articles like '*The Top Three Attractions*' at your holiday destination of choice. You might try to find a local restaurant with a good rating and make a booking. Imagine yourself in that place, eating that food, doing those activities, taking that holiday. By projecting and visualising, you're bringing forward some of the future rewards to the present moment, and those soggy leftover veggies will taste so much better.

CHAPTER 10

Habit Model #2: *The Three Elements of Behaviour*

“In order to design successful habits and change your behaviours, you should do three things.

Stop judging yourself. Take your aspirations and break them down into tiny behaviours. Embrace mistakes as discoveries and use them to move forward.”

Inspired by: **Tiny Habits**, by BJ Fogg

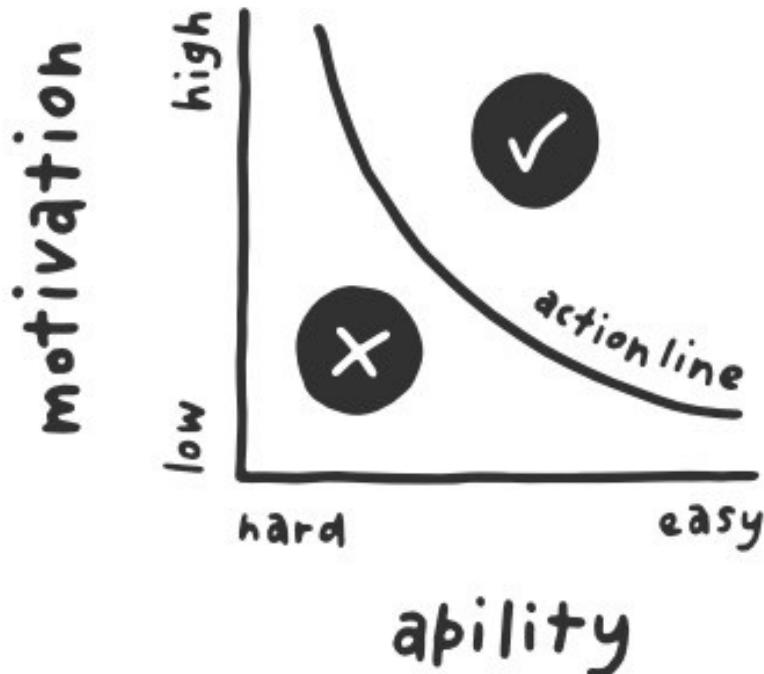
We all want some kind of change. But for most of us, there is a painful gap between what we *want* and what we *do*. If you have attempted to make a change in the past and it hasn't worked, you've probably figured out by now that change is hard.

If you tried to put together a chest of drawers with faulty instructions and parts missing, you would feel frustrated. But you probably wouldn't blame yourself. You would blame the manufacturer instead. Similarly, any habits you're not happy with aren't entirely your fault. You just haven't been taught yet how to change your behaviour effectively. If you want to create long term change, it's best to examine the components of behaviour and start small.

The Elements of Behavior

The Fogg behaviour model represents the three universal elements of behaviour. It's based on principles that show us how these elements work together to drive our every action, from flossing your teeth to running a marathon. Once you understand the model, you can start analysing your behaviours.

$$b = m \alpha p$$



Behavior (B) = Motivation (M) & Ability (A) & Prompt (P)

Behaviour happens when the three elements come together:

- **Motivation:** your desire to do the behaviour.
- **Ability:** your capacity to do the behaviour.
- **Prompt:** your cue to do the behaviour.

Using these three elements, we can understand every single behaviour we do every single day. The easier an action is, or the higher your motivation, the more likely you will act when prompted. Motivation is like the emotional elephant; it can be fickle. At 7 am on Monday morning your motivation is driving you to the gym, but at 7 pm on a Friday night your lack of motivation is driving you to pick up a pizza. Ability is like the rational rider - if it knows exactly what to do, then you're more likely to

take action when prompted, but any confusion and the rider thinks the task is too challenging and gives up.

Let's apply these to a trivial example - the behaviour of answering a phone call. If someone rings and you don't answer, there are a few possible explanations. Perhaps you see that it's your boss calling on a weekend or a telemarketer calling while you're eating dinner, so your *motivation* is low and you ignore the call. Or you might hear your phone ringing at the bottom of your bag, but there's so much crap in there you can't find it - you didn't have the *ability* to answer the call, so it went to voicemail. Or you might have had your phone face down on silent mode, so you never got a *prompt* to answer it.

Now think about the positive habits you want to install in your life. Which of these three elements are stopping you from taking action? To establish a new habit, you need to either increase your motivation, decrease the amount of effort required, or ensure you're prompted in the right way at the right time. Or even better, all three!

Designing Behaviour

I (Jonesy) once found myself beginning the day caught up with horrible habits. I was doing everything wrong. I'd wake up next to my iPhone, check the podcast stats, check the stock price movements, emails, Facebook and Instagram. In doing so, I'd lose 30 minutes (and sometimes 60) laying in bed doing nothing. I'd miss out on my plan to workout and do meditation each morning. This one decision had flow-on effects that altered the whole course of my day. For instance, in the evening, I'd catch up on the workout I missed instead of pursuing other goals (like writing this book!). This one, all-too-common habit needed to go. Let's analyse how I stopped the scrolling using the 'three elements' model.

- **Motivation:** My motivation to check my phone is high. In this instance, I'm up against the computer geeks who work at Facebook, with their billion-dollar budgets. They've done the research to work out the neurochemistry associated with my yearning for social approval. The big juicy red like buttons on social media are an addictive indicator of my social worth. It is

sometimes impossible to resist the impulse to *just* do a ‘quick check’, only to get sucked into the vortex. Motivation is pretty hard to change for this habit.

- **Ability:** I want to decrease my ability to scroll on social media as soon as I wake. There are plenty of ways to do this. The most obvious is to delete all social media and email apps on the phone. But this is a bit extreme and at some stage I know I’ll re-download the apps in a moment of weakness. So I opted to put the phone on the charger on the other side of the room. When the alarm went off, I had to get up straight away and turn it off (or cop the wrath of my girlfriend who is still trying to sleep). Once I’m up and about, the ease of opening those time-sucking apps goes down because I’m on my way to start the day.
- **Prompt:** The first prompt is the alarm to wake up. And now I have decreased my ability; this is a great prompt to get me out of bed and moving. Another tactic I employed was to install anchor prompts. This is where one behaviour prompts you to do the next behaviour. In this instance, I thought after I stop the alarm, I’ll meditate for 15 minutes. And after I meditate, I’ll go to the gym for a workout. Each behaviour subsequently acted as a prompt, for the next habit I was looking to install.

By playing with ability and prompt, I substituted negative behaviours for positive behaviours. I won my mornings back, and I had my evenings back.

With enough tinkering, you can design almost any behavior you want to do and short circuit the behaviours you don’t.

1 We’ll hear more from Tony in CH20: *Unleash The Giant*.

2 If you want to improve your finances too, we have a whole lot more to say about this. See Lesson 23: *Piling Up The Pennies*.

Lesson 4

**big
ticket
programs.**

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Archimedes once said: “give me a lever long enough and a fulcrum on which to place it, and I shall move the world”.

In a similar fashion, some habits have disproportionate potential to make you happier, healthier, more confident and more powerful.

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CHAPTER 11

Power Of Posture

*“Don't fake it till you make it.
Fake it till you become it.”*

Inspired by: **Presence**, by Amy Cuddy

You're sitting in a meeting. A new person enters the room. Straight away, you understand they are special in a way that is hard to explain. This person commands the attention of everybody in the room. When they speak, everybody listens. When they tell a weak gag, everybody laughs. Every word they utter has weight. This person has *presence*. And it is something that you can obtain too.

Presence stems from believing in yourself. If we want to feel good about ourselves and progress towards our goals, we must trust our honest feelings, values and abilities.

There are defining moments in our lives - speeches, job interviews, big presentations, and so on. But often we feel like we didn't leave everything on the table. Why don't we just go *bang* and give it our all? Probably because we were worried about what others would think of us. We were trying to read their minds. Our worries mix into a cocktail of self-defeat. We felt powerless and acted as such. We get in our heads and therefore don't deliver to our fullest. Afterwards, we realise what we *should* have done or said... if we weren't so caught up thinking, instead of being present.

The presence you need to persuade a room full of investors to fund your project is the same presence you need to convince yourself it's OK to speak up in a meeting, ask for a better salary or demand more respectful treatment. You must engage in these pivotal moments with poise and confidence.

Personal Power

If you've got personal power, you're free from the dominance of others. This power is rooted in knowing you will always have the resources you

need. If any spot fires appear, you'll find a way to put them out. It is a feeling of control.

This kind of power becomes self-reinforcing. It can make our actions more effective and helps our performance when the pressure's on, providing a lift in high-stakes situations.

Presence In The Body

There is a universal unconscious language of power that looks a lot like this:



Power doesn't just expand our minds; it also expands our bodies. When we're feeling confident, we spread our limbs, enlarge our occupied space and stand up straight with our shoulders back. We lift our chin, puff out our chest, spread our feet apart and raise our arms. Look at a photo of someone who just won the marathon at the Olympics - their arms are raised and stretched out, their head tilted back, their chest forward. This signals triumph, victory and pride.

Expansive, open body language is closely tied to dominance across the animal kingdom. This is true for humans, primates, dogs, cats, snakes, fish, lobsters and birds. These non-verbal displays communicate status and power.

The flip side, of course, is powerlessness. This constrains our thoughts, feelings and actions - and shrinks our bodies. Low ranking chimpanzees slouch, pull their knees in and wrap their arms around their legs and torsos, almost as if they're trying to become invisible. Submissive dogs put their tails between their legs, lower their bodies and droop their ears to indicate absolute surrender. Humans cover their faces - people with their hands on their faces are viewed as less powerful than those with uncovered faces.

Presence In The Voice

I (Ashto) work with somebody who speaks like a machine gun. I've never come across somebody who can pack so many ideas into 5 minutes. It is an impressive performance that displays technical knowledge around a subject. It communicates knowledge, yes, but power? No. This oozes of deep insecurity that someone will interrupt him and take the attention.

Powerful people speak differently. The words come out in a slow and assured manner. They don't rush, are unafraid to pause and take up space, and feel entitled to the time they're using. In speaking slowly, one indicates power and presence by showing they don't fear interruption. Powerful people speak slowly, which increases the chances of them being heard or understood.

Wiring In Presence

People with presence are subconsciously demonstrating that they are at the top of the hierarchy. Everyone else can feel it. If you want a slice of this action, then there's research that shows you exactly how you can get your share.

Thankfully you don't need to be the boss to climb the hierarchy - you can hack the system. It boils down to the 'mind-body feedback loop'. Your mind and your body have a two-way relationship. If your mind feels powerful, your body shows it, like the marathoner who just won the race.

When your body takes on these power poses, your mind starts to feel more powerful. By changing your posture and your voice, you can make yourself think, feel and act differently.

Fake it ‘til you feel it. Instead of slouching, pull your shoulders back. Take on the *Victory Pose* or the *Wonder Woman Pose*. Instead of rushing through your presentation, speak calmly and inject a few well-timed pauses. Your body is sending signals to your brain, and your brain will start to feel more powerful. As your brain sends more power signals to your body, it becomes a virtuous cycle and a self-fulfilling prophecy.

When you carry yourself with pride and personal power, you can be present in your most challenging moments. How you carry your body shapes how you carry out your life. Your body shapes your mind, your mind shapes your behaviour, and your behaviour shapes your future. Let your body tell you that you are powerful and deserving, and you become more present, enthusiastic, and authentically yourself.

Tricking The Mind

Both Ashto and I (Jonesy) have had the kick up the ass from a variety of books to leave our comfort zones. It is a prerequisite for growth and ultimately, success. The only issue is, you’re uncomfortable when you’re outside of your comfort zone (obviously). And people can smell it on you from a mile away. There is a real risk of stuffing up these pivotal moments when they’re offered to you.

We experienced the extreme version of this when we enrolled into a stand-up comedy course, cracking gags in a 5-minute routine to a paying crowd on a Thursday night. I made matters worse by inviting my mother, her boyfriend, my girlfriend and a few mates (if I had known how shithouse my jokes were, I wouldn’t have invited anybody). The heat was on like no other time I’ve experienced.

Both elements of my lack of presence were on display: the body wanted to shut down and close in, and the voice wanted to go soft and mute.

Luckily, I had this one trick up the sleeve - ‘The Victory Pose. I went for a whiz in the break and walked the corridors with my chest

out and arms outstretched. My brain was tricked into believing that I had power. Despite some very weak gags, I didn't whimper onto the stage and embarrass myself. With presence, I managed to scrape through the most uncomfortable situation of my life.

The reward was growth: after coming through that experience unscathed, we both felt like we could tackle bigger and scarier projects.

You too will be tested in moments where your body will feel like cowering. In these moments, your best asset is to 'Wire In Presence'. Adopt the power posture and trick yourself into believing you can handle anything that life throws at you.

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CHAPTER 12

Clean Your Room!

*“Keep only those things that speak to your heart.
Then take the plunge and discard all the rest.
By doing this, you can reset your life
and embark on a new lifestyle.”*

Inspired by: **The Life-Changing Magic of Tidying Up**, by Marie Kondo

I (Jonesy) have been notoriously poor at cleanliness. When I was 21-years-old, I let junk pile up in my bedroom and my car. One day I detected a new purple-green coloured mould growing in the coffee console. It was such a unique colour that my mates joked that I had turned my car into a laboratory and invented an entirely new species. In my bedroom, I proudly named my pile of clothes ‘Adam’s Ski Clothes Mountain’. Once one sock rolled from the top, it would gather momentum and eventually become an avalanche. Of the entire population, I must have been in the bottom 5% of tidiness. That was until I read *The Life-Changing Magic of Tidying Up*. In a short time, I made the switch to the top 5%. After using the KonMari Method developed by Japanese organising consultant Marie Kondo, you too will immediately become an elite tidier and never look back.

When you finish putting your house in order, your life will change dramatically. Once you’ve truly ordered your home, your whole world will brighten and never again will you need to revert to clutter. This is *the magic of tidying up*.

The act of tidying is a series of simple actions in which objects are moved from one place to another. It involves putting things where they belong, something so simple that even a toddler should be able to do it. Yet most people can’t. Typically, our homes return to a disorganised mess shortly after ‘tidying’. If this sounds like you, don’t worry, this is the perfect time to learn.

The KonMari Method

Tidy In One Hit

The right method is to eliminate all clutter thoroughly within a short period of time. You'll see instant results that will empower you to keep your space in order forever. Anyone who experiences this will never revert to clutter again. All you need to do is look at each item, one by one, and decide whether or not to keep it (and where to put it). Unbelievable as it may sound, you only have to experience the state of perfection just once to maintain it.

If you tidy in one swoop, rather than little by little, you will dramatically change your mindset to the point that it touches your emotions and irresistibly affects your lifestyle habits.

Finish Discarding First

When most people tidy, they put items back in place and think they've done a perfect job. That is until a few days later when the room naturally reverts to clutter. It is an endless war to keep the place clean. This is because most people haven't learnt the first step of tidying: *Discarding*.

Throughout their lives, most people collect more and more things. With each new item you add to your collection, it becomes more difficult to avoid clutter. For the best results, you must get rid of all of the crap you don't need. You'll be blown away by how much useless junk you've got scattered throughout the house. Kondo has had clients who have thrown out 200 x 45L garbage bags in one go. Most households throw out approximately 30-50 garbage bags. For me (Jonesy), I filled up two trailer loads of crap that was taken straight to the tip.

When you do the KonMari Method, *do not* think of putting anything away until you've finished discarding.

Selection Criteria: Does It Spark Joy?

Our pocket-rocket tidying consultant has come up with a brutal yet powerful way to cut the crap from your life. The method instructs you to pick up and hold every single item in the house. Grab the item and raise it

like Mufassa raised Simba in the Lion King and ask yourself: *Does this spark joy?*

This seems like a pretty weird thing to do. But once you start trying it, you'll notice you've got this special connection to some items. If you feel joy, keep it. If not? Chuck it.

You may wonder about the effectiveness of this vague criteria. The trick to this is to handle each item. Don't just open your closet, glance at it and decide that everything gives you a thrill. You must touch every item by hand - your clothes, shoes, gifts, books... everything! When you touch it, your body reacts. Its response to every item is different. Keep only the things that speak to your heart, then take the plunge and chuck out the rest. By doing this, you can reset your life and embark on a new lifestyle.

The first room you step into when you enter my house is an old garage repurposed into a space that can be whatever you want. When I first entered the house, it started as a 'reading room' with two bookshelves. But over the journey of accumulation of stuff, it gradually turned into a storage room. Each time I went in there, it was packed with junk. Just seeing those piles of crap filled me with stress and angst. It was the last room I wanted to hang out in. I no longer sat and read in my reading room.

Discarding changed everything. After picking up each item and asking myself the question, *does this spark joy?*, the room transformed. All the items found new homes via garbage, recycling, donation or Facebook marketplace. And all that was left were the things that sparked joy: books, my surfboard, skateboard and podcasting equipment. Now, every time I enter the room, I'm filled with happiness.

Designate A Place For Each Thing

This is the routine Marie follows when she gets home:

First, she unlocks the door and announces to her house: "*I'm home!*". She picks up the shoes she wore the day before out of the entrance and puts them in the cupboard. She takes off her new shoes at the entrance. She pops the kettle on and goes to the bedroom, laying her handbag on her sheepskin rug. She takes off her outdoor clothes, puts the jacket on the hanger and says: "*good job*". She puts her tights in the laundry closet, opens the drawer, selects what comfy clothes she wants to wear for the evening and gets dressed. She empties her handbag onto the rug and puts each item back

in its place. She returns to the bedroom and puts the empty handbag on the top shelf of the closet saying: "*You did well today, have a good rest*".

From the door to the moment she closes the closet, only 5-minutes pass. Now she can go to the kitchen, pour the cup of tea and relax. She isn't boasting, just demonstrating what it is like to have a spot for everything after keeping your space tidy becomes second nature. You can do this effortlessly, even on the days when you come home from work tired.

You may think it will take forever to get to that point, but don't worry. It seems like deciding on a place is complicated, but it's far simpler than deciding every single day where to put things.

This is the most powerful element of the method. No doubt, there'll be some nights where you have your friends over for dinner and drinks. You'll wake up to a bomb site: empty beer bottles, dirty wine glasses, your speakers are out of place, chairs in the wrong room and clothes on the floor. But with the power of the KonMari Method, you know immediately where everything goes. Cleaning is quick, efficient and requires no willpower. It is astonishing how fast it takes to reach the point of perfection when everything has its spot.

The Magic Of Tidying Dramatically Transforms Your Life

Kondo tells the story how many of her clients find out what they love doing through tidying. For example, one was working at an IT company, but looked at her bookcase and saw it only contained books about social welfare. All the texts on IT had disappeared, discarding and tidying was a process of self-discovery.

Some people got rid of a lot of material things that didn't spark joy. Some took it a step further and got a divorce after realising that not even their marriage partner passed the joy test!

Life truly begins after putting your house in order; we choose things that bring us joy and cherish what is precious in our lives. Nothing can bring us greater happiness than to be able to do something as simple as this.

CHAPTER 13

The Psychology Of Eating

“The best diet is the one you don’t know you’re on.”

Inspired by: **Mindless Eating**, by Brian Wansink

I (Jonesy) saw an article online stating that almonds were good for you. So I thought it was a good idea to buy a bulk pack of almonds and keep them next to my desk as a healthy snack. I munched almonds all day every day, thinking this was doing my body well. When I stepped on the scales at the end of the year, I was shocked to see an extra 8kg. I was mindlessly eating my way to obesity. There’s nothing wrong with almonds, just the number I was consuming without realising. This is just one of the many ways you can unintentionally stack on the kilos, but there are also plenty of ways to shed them mindlessly and without effort.

Every single one of us eats because of what's around us. We don't overeat because of hunger; we overeat because of our family and friends, packages and plates, names and numbers, labels and lights, colours and candles, shapes and smells, distractions and distances, cupboards and containers. You probably believe these things don't impact you, but you're wrong. Researchers at Brian Wansink's lab found that we make over 200 decisions about food every day, and the little things we don't even consciously notice add up to big changes in our health.

We all have a base-level amount of food and calories we can consume in a day to maintain our current weight. But within a range of about 10% either side, we can't tell much of a difference. If you ate half as much, we would be hungry, or if we ate 30% more, we'd feel stuffed. But 10% more or less calories doesn't make any noticeable difference. Wansink calls this the *mindless margin*. If we don't harness it to work in our favour, it will work against us. For me, those almonds didn't seem like a big deal. With every handful, I thought: *what are a few healthy almonds going to do?* But it was this small amount every single hour that made me the chubbiest I've ever been.

No one suddenly wakes up fat. If you're overweight, it's because you gradually ate a little more than you needed each day. Over time, the excess

energy you consumed but didn't use was stored as adipose tissue ('fat'). All we need is a few tiny daily decisions to be shifted in the right direction to reduce our daily caloric intake and improve our health.

Most 'deprivation diets', diets where we try to lose weight by depriving ourselves of the food we want to eat, don't work! *Firstly*, our body fights against them. If we cut down the amount we eat, our body eventually adjusts its metabolic rate to need less. *Secondly*, our brain fights against them. Just like a toddler, if we tell our brain we can't have something, it just wants it even more. *Thirdly*, our environment fights against them. Little things around us trigger us to eat more, without even realising.

We can re-engineer our behaviour to eat without guilt, without gaining weight and more importantly, without the need for 'dieting' or willpower.

Eat Slowly

Studies have found that our body's signalling lags up to 20-minutes behind. This poses a big problem. If you're like me, I can demolish a whole large pizza in under 20-minutes. Maybe if I ate slower, I'd realise I was full after only half a pizza, and I wouldn't need to eat the entire thing. I'm pouring down unnecessary extra empty calories.

If you eat slowly, you'll give your body the chance to catch up. You'll get the cues earlier rather than later that it is time to stop eating.

Use Smaller Plates

Because we don't feel 'full' straight away, we need some other cue to stop eating. Usually, that cue comes from finishing everything on your plate or finishing the packet of food you're snacking on.

In one study, researchers wanted to test how much popcorn people would eat at a movie. They dished out stale popcorn (deliberately chosen so it wasn't appetising). Half of the participants got a medium-sized box, half got a large size. The 'cue' to stop would typically be getting close to the bottom of the popcorn bucket. At the end of the movie, they weighed how much popcorn was left in the boxes and found that those with the large box had eaten 53% more popcorn! They weren't 53% hungrier, and they didn't enjoy it 53% more, they were just given a bigger box with more popcorn...

so they ate more. By dishing your snacks into smaller containers, you'll eat less but still feel full. Similarly, using a slightly smaller plate means you can fit slightly less, so you'll eat less while still feeling as though you've eaten a full plate of food.

Use Tall Skinny Glasses

Our brain can't accurately determine the volume based on width. Instead, we revert to height as a simpler measure of how big something is. We can harness this: for 'bad' drinks (soda, soft drink, alcoholic beverages) - use a tall skinny glass, and you'll *feel* like you've drunk more. For 'good' drinks like water, use a short wide glass to *actually* drink more.

Use The 20% Rule

Most Westerners eat until they're full or eat until they no longer feel hungry. But in many other cultures (especially those 'blue zone' countries renowned for having people living past age 100), they eat until they feel 80% satisfied. The idea of '20%' is a simple one for us to use: serve 20% less food onto your plate, dish out 20% more vegetables than you want, order 20% less when you go to a restaurant.

Give Yourself Less Variety

Subjects of a study were at a buffet with either three different bowls of snacks or 12 different bowls. The people who had more options and more variety ate 18% more. So if you're looking to eat less, provide yourself with less variety.

The 'all you can eat buffet' is a dangerous example of this. If I (Ashto) end up at a buffet full of delicious food, there is almost no limit to how much I could eat. I will make it my mission to taste every delicious dish to get my money's worth. If you don't want to end up needing a crane to extract you from the restaurant, it could be a safer bet sticking to the single meal rather than the buffet.

Reducing Barriers For Healthy Food

For things you don't want to eat as much of (like leftover pizza), wrap them in aluminium foil so you can't see them every time you open the fridge. For things you want to eat more of (like fruit), use clear plastic containers so you're triggered to eat them more often. For bonus points, pre-chop fruit and veggies into bite-sized pieces so that it's super easy to grab. Reducing the barriers to eating good food means you can eat more without thinking.

Create ‘Distraction Free Environments’

If we’re not mindfully thinking about what we’re eating, we will mindlessly eat more. Eating with a group of friends usually means you’ll eat more if you’re enthralled in conversation - and eating in front of the TV is an absolute recipe for disaster.

Leave A Visual Representation Of What You’ve Eaten

Your stomach can't count how much you've eaten - only your eyes can. A study into people eating chicken wings while watching the Superbowl found that if the bones were cleared away, they ate 28% more than the people who could visually see how many bones were sitting on their plate. Leaving a visual representation of how much you've already eaten will remind you that you're probably not that hungry anymore.

CHAPTER 14

Get Ripped

“Even if you are predisposed to being overweight, you’re not predestined to be fat.”

Inspired by: **The Four Hour Body,**
by Tim Ferriss

Pareto demonstrated a grossly uneven but predictable distribution of wealth in society with his famous *80/20 Principle*. This is where 80% of the wealth was held by 20% of the people. This number popped up in all sorts of weird places, like the fact that 80% of his garden peas were produced by 20% of the pea pods.

Tim Ferriss applied the principle to develop the Slow Carb Diet. The goal is to focus on the highest leverage areas to get 80% of the results with only 20% of the effort.

The Calorie Myth

Did you eat half an Oreo cookie? That’s ok - you can burn it off. If you’re a 98kg male, all you need to do is climb 27 flights of stairs...

Most scientists and doctors are still harping on about the calorie. It’s cheap to estimate and a popular variable for publication in journals. But really, it’s ‘car park science’, referring to the joke about the drunk man looking for his keys. His mate finds him crawling on hands and knees searching underneath the streetlight for his keys, even though he knows he dropped them on the other side of the road. *“Why are you looking for your keys under the streetlight?”* the mate asks perplexed. *“Because there’s more light over here. I can see better.”*

If you want a banging bod, you need to be smarter than counting calories. Even though calorie counting is easier and more obvious, you won’t find what you’re looking for.

A Smarter Goal: *Reduce Body Fat*

On a 1-10 attractiveness scale, 9kg appears to be the critical threshold for going from a 6 to a 9. This magic number is a 9kg change in body composition: that could mean losing 9kg of fat, putting on 9kg of muscle, or mean something in the middle like adding 3kg of muscle and losing 6kg of fat. Crafting the perfect rig is a combination of both addition and subtraction. But to keep it simple, we'll focus on the half of the equation that is most widely applicable: reducing fat.

Set Yourself Up For Success

I (Jonesy) once got hit with a plane voyagers worst nightmare. I took my window seat at 25A, ready to marvel at the city of Sydney on the way back to Melbourne. I knew the flight wasn't jam-packed, so I had a real shot at having a spare seat next to me. As the final passengers boarded, my hopes of the extra elbow and leg room continued to rise - until I locked eyes with a person strolling toward my end of the plane. To put it politely, he was a big boy. I was praying that he would walk right past me, but he smiled and gave me the all-knowing nod: "*G'day mate, I'm next to you at 25B*". We started chatting, and he was a great guy, but we hadn't even taken off yet and he'd already downed a chocolate milk and a bag of M&Ms.

How could he rationalise eating so much junk, when it could be the thing that literally kills him? There is no logical answer for that behaviour. But then again, there is no logical explanation for why I occasionally put down an entire family pizza when I'm watching a movie. Our logic fails us.

The Before Photo

Because our logical brain is so unreliable, we need to find some kind of engineered solution to set ourselves up for success. One way is to make the unconscious conscious by harnessing the power of the 'before' photo. Take photos of your front, back and sides (for bonus points, make sure you look miserable and depressed). Congratulations! You now have a tangible starting point for your journey toward a better body.

If you want to supercharge this strategy, you can harness the power of social proof. Grab these horrible photos of yourself and send them to a

friend or family member you trust. Write in the text or email: *In X weeks, I'll be sending you another photo of my new body. Wish me luck.*¹

Measuring Progress

Before the invention of iPhones, we had to rely on our brains to get us from A to B. For people like myself, this meant slapping an extra 30-minutes onto every planned journey. But everything changed when Google Maps came along. Navigation was solved.

On our fat loss journey, we want to be answering the question: “*Am I getting closer to my destination?*” accurately. If you just hop on the old school scales, you could be fooled into believing you’re not making progress if your overall weight remains the same. But perhaps you’ve lost 3kg of fat and put on 3kg of muscle, for a 0kg net change, and already near completion of your targets.

There is no way of understanding your body recomposition changes without proper analysis. For under 50 bucks, we can measure your body fat and muscle in every part of the body to astonishing accuracy with a DEXA Scan. Alternatively, you can get out the old measuring tape to check the circumference of a few parts of your body.

In any case, we want to be measuring our progress to our destination. As Peter Drucker said: “*What gets measured gets managed.*”

The 4 Rules For Reaching Your Destination

The Slow Carb Diet is simpler than assembling a two-person tent. All you need to do is follow these straightforward rules:

1. Avoid white carbohydrates

The following foods are prohibited: All bread, rice (including brown), cereal, potatoes, pasta, tortillas, anything battered and fried. If you avoid these foods (anything white), you'll be safe. Don't eat white stuff unless you want to get fatter.

2. Eat the same few meals over and over again

There are about 50,000 products in your typical supermarket. The vast majority are going to make you fat. To get your goal, mix and match these following few foods and ingredients:

Main proteins:

- Eggs, Chicken, Beef, Fish, Pork

Legumes:

- Lentils, Black beans, Red beans, Soya beans

Supplementary vegetables:

- Spinach, Kale, Broccoli, Cauliflower, Brussel Sprouts, Any cruciferous vegetable, Asparagus, Peas, Green beans, Sauerkraut or Kimchi

You can eat as much as you like of these items but keep it simple. Pick three or four meals you'll have every day, and repeat them. If you're at a Mexican restaurant, swap the rice for vegetables. If you're at a pub ordering steak and chips, sub out the chips for salad.

3. Don't drink calories

You should drink as much water as you possibly can. You can also get into the unsweetened tea or black coffee or celery juice as much you like. But do *not* drink milk, soft drinks or fruit juice - these hidden calories won't fill you up and will kill any chance you have at getting to your goal.

4. Take one day off per week

This is the best part of the diet. You're allowed to go nuts for one day of the week where you eat whatever you'd like. Whatever your vice is (double-

decker burgers with triple bacon, Tim Tams dipped in Nutella, ice-cream sodas with sprinkles on top), go for it!

One day a week is your ‘cheat day’. Deliberately eat so much that you feel a little sick, so you don’t want to look at junk food for the rest of the week. Paradoxically, dramatically spiking caloric intake in this way once per week increases fat loss by ensuring that your metabolic rate doesn’t downregulate from extended caloric restriction. That’s right - eating pure crap can help you lose fat (just keep it all confined to one day a week).

That's all there is to it! Followed to the letter, it's never failed. You'll lose fat, put on muscle and improve your body composition.

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CHAPTER 15

Handling The Booze

*“You need to stop thinking
‘I can never ever have another drink’,
and start thinking how wonderful it will be
when you can stop poisoning yourself.”*

Inspired by: **The Easy Way To Control Alcohol**, by Allen Carr

Drinking is ingrained into our culture. For most, alcohol is an essential ingredient for a ‘good night’. It’s front-and-centre at every birthday, barbecue, family dinner, wedding, or holiday.

Whether you are a confirmed alcoholic or just have a slight problem, you have nothing to lose and so much to gain by taking control of alcohol. For you to finally control your alcohol, you need to temporarily open your mind to this possibility: perhaps the culture is wrong, and you’re paying the consequences of collective ignorance. Maybe the downsides to alcohol far outweigh the upsides.

Alcoholics Anonymous states: “*Alcoholism is a fatal illness for which there is no known medical cure*”. This is a claim that robs us of all hope. Instead, imagine an easy, complete and inexpensive cure that would work for anyone with a drinking problem. A cure that was immediate, permanent, didn’t require willpower and enabled you to enjoy social occasions more. One that made you better equipped to handle stress and involved no painful feelings of sacrifice or deprivation. The *Easy Way* offers precisely this.

Are You An Alcoholic?

Is it strange that a woman who has gone through AA and hasn’t allowed alcohol in her mouth in 20 years considers herself an alcoholic? Yet a bloke who gets paralytic after drinking 15 pints is not regarded as one because he’s just ‘unwinding’ on the weekend? Our conception of the term ‘alcoholic’ is flawed.

On one end of the scale there’s Grandma, who’ll have half a glass of ginger wine at Christmas. And then there’s Uncle Ted, who needs a ‘hair of

the dog' to get out of bed after blacking out on Tuesday night. Somewhere on this scale lies every drinker in the world.

About 90% of adults drink, and why not? It's a social pastime that helps us relax and is one of the few genuine pleasures that help us deal with modern life. But an *alcoholic*? That's quite a difference. That's a severe disease similar to being a heroin addict - but with no hope of a cure.

The Alcoholics Anonymous fellowship believes: "*There is no such thing as a cure for alcoholism. We can never return to normal drinking*". The implication that alcoholics are different from 'normal' drinkers is quite astounding when you consider it. Only *you* can decide if you have the disease!

Allen Carr looks at it differently. Alcoholism is an extremely simple subject that has been complicated by clichés, fallacies, illusions and misconceptions. In *The Easy Way to Control Your Alcohol*, you need to be patient for all of his counter-brainwashing. To accept the truth of alcoholism, we must first dispel misconceptions that you've been brainwashed since birth. No one would consider Grandma to be an alcoholic, and most would agree that Uncle Ted is. What about the rest of us? We need to draw the line.

Have You Lost Control Of Your Drinking?

When a drinker loses control, it's blatantly obvious to his friends and relatives. But the one person who can't see it is himself. This is common to all drug addiction. It isn't that we can't *see* it, it's that we can't face up to it. Carr detests the word 'alcoholic'. A better definition is a 'drinker who has lost control'.

Before castigating yourself, pause for a moment and try to decide when *you* lost control. Don't confuse it with the moment you thought you had a *problem*, like the time you woke up in a ditch or wrapped your car around a tree. Nor the time when you lost your job, or your partner walked out on you. Not even the time you drank to help get over a tragedy and deliberately drowned your sorrows. You lost control before any of these incidents.

Have you considered the possibility that the reason we can't work out exactly when we lost control, is because we were never in control in the first place? Perhaps all the billions of drinkers in the world are on the same

downward slide. Let's look at one of nature's ingenious traps, the pitcher plant, to help us understand this alcohol trap a little better.

What is so unusual about the pitcher plant? Like the Venus flytrap, it reverses the standard process of nature where animals eat plants. It supplements its diet by trapping and consuming insects. As its name implies, it is shaped like a pitcher, and the inside of the plant is coated with delicious, but sticky, nectar. The sweet odour permeates the surrounding atmosphere and flies are drawn to it. The nectar tastes as good as it smells, and flies cannot resist digging into this delicious free meal.

Unfortunately, the meal isn't free. The poor old fly is going to pay with its life. It isn't the guest... it is the meal itself! Gravity and the direction of hairs pull unsuspecting insects in only one direction: down into the trap. The poor fly is so intent on enjoying the nectar buffet it is oblivious that the slope of the plant is becoming steeper. The fly sees the partly digested remains of other flies who died on this one-way slope, but thinks: "*Surely that can't happen to me, I'll get out before it's too late*".

Alcohol is the trap for humans like the pitcher plant is for flies. When a young teenager samples her first fizzy alcoholic drink, the experience is sweet like nectar. But after a few cracks at it, the boozed party animal spends the evening and next morning vomiting. She'll think: "*I'm never drinking again*". But just as the bloated fly trying to take off, she'll find herself further and further down the slope. She'll see adults she loves and respects being dominated and controlled by the substance but thinking they're in control.

The fly was never in control of the plant. And you're never in control with alcohol. That is the nature of the beast. It might be hard to accept, but you have no more cause to feel guilt than the fly enticed to nectar.

Hopefully, by now, you've realised that most of us aren't in control of the booze. Luckily, it isn't impossible to get out. *Allen Carr's Easy Way To Control Alcohol* holds the combination that can unlock the door and set you free. If you've got an open mind, buy the book, or listen to our full podcast episode. You'll be taken through the whole combination lock, and taking back control is much easier than you think.

If You're A Smoker

The most influential book on my (Jonesy's) life was Allen Carr's *The Easy Way To Stop Smoking*. After my first day as a non-smoker, I celebrated with a HUGE night out on the booze to celebrate my new life. Naturally, after waking up with a killer hangover, I thought it was time to see what *The Easy Way To Control Alcohol* was all about.

This book turned out to be equally powerful for both of us. Since reading, I have had two stints off the booze. Ashton has also dramatically decreased alcohol consumption (other than our end of year eps, where we let ourselves go).

Some of the best books challenge your perspectives on things. But when you see a cover that might challenge you, naturally you will have an apprehension to buy it. *The Easy Way To Control Alcohol* has the power to challenge your perspectives on one of the least-challenged substances in our culture, on ideas you've unconsciously bought into since you were born. We challenge you to buy and read this book despite the apprehension you might feel towards it. If you don't see yourself as an alcoholic, it's worth reading to understand what some people go through or get insight into how an author can use techniques to change a reader's behaviour.

Uncovering uncomfortable truths is better than crashing around through life like a blind mole. Even if you don't STOP drinking, imagine your new life if you had complete CONTROL of this substance?

¹ If you don't want to send it to your mates, send this same message to us at book@theshittheynevertaughtyou.com

Lesson 5

**love is
in the
air.**

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From the age of 20, the laws of probability say you've got another 20,000+ days left before you kick the bucket. Disappointingly, due to either a divorce or a struggle to find your match, many will spend a good portion of their evenings alone. Many people don't understand how to fulfil their partner's needs, so the relationship never reaches its potential. Despite spending so much time together, too many relationships remain lukewarm.

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CHAPTER 16

Your Perfect Match

“A man who attended a recent workshop said that ‘falling in love with my wife made me feel loved and accepted for who I was for the very first time. It was intoxicating.’”

Inspired by: **Getting The Love You Want**, by Helen Lakelly Hunt and Harville Hendrix

For some people, the idea of a permanent commitment to one partner feels a little old-fashioned. Just flick on Netflix, and you'll find plenty of documentaries about people opting into polyamorous relationships or other non-traditional setups. When things get tough, we might think that this person mustn't be right for us, and it's easier just to let them go.

The question has shifted from “*can* this relationship be saved?” to “*should* this be saved”? And most couples are deciding the answer is *no*. The divorce rate is at a record high of 50%, and the unhappiness rate has cracked 75%. Ironically, couples see splitting up as an opportunity for personal growth, rather than growing together to fix the relationship.

Young people are kicking the can down the road when it comes to the big questions in life. In the 1980s, the average age of marriage was 23 for men and 21 for women. By 2017, it had risen to 30 for men and 26 for women. And many people are deciding never to marry at all. You'd think that this extra experimentation time would lead to better decisions, but the divorce rate clearly suggests the opposite.

Despite all of this scepticism around marriage and relationships, deep down, we still long for lasting love. We all want to feel that love is in the air.

The key to finding your perfect match is to realise that most people's discontent is buried deep beneath the surface. Superficially, you might argue over who did the dishes, where to go on holiday or who is looking after the kids. But it goes much deeper than that. To understand how to build the optimal love life, we need to realise an unwritten agenda formed early in life.

Searching For The Complete Self

When you pop into existence, the bliss of your newborn self quickly fades. You want stuff. Freud labelled us as insatiable beings. And no parent, not even Supermum, can respond to all your needs - she's got shit to do too.

Even though your parents had your best interests at heart, the overall message handed down to you wasn't perfect. There were certain thoughts, feelings, actions and natural behaviours that you had to extinguish to be worthy of your parent's loves. In thousands of ways, your parents only approved part of you.

As a child, this can be devastating. You then go on the lifelong quest to feel worthy, valued and loveable. The brain evolved to find the solution from elsewhere. It is programmed to seek fulfilment from a partner. This person will be the conduit to you re-experiencing full joy and aliveness in the world.

Your brain's strategy is a little weird: it seeks out someone who resembles the very people responsible for your childhood challenges in the first place - your parents! We are looking to replicate those early childhood conditions to find fulfilment. We have an unconscious expectation that through marriage, our partner can restore this original state of connecting.

Most people have a hard time believing they selected a partner who resembled their caregivers, especially their negative traits. They think they are after people with only the positive characteristics: ones who are kind, earn the big bucks, are sexy and intelligent.

Many say: "*I'll never marry a drunk like my father*", or "*There's no way I'll marry a tyrant like my mother*". But no matter their conscious intent, most are attracted to people with the same negative and positive traits of their parents.

Why do negative traits have such appeal? If we chose mates logically, we would look for partners who compensated, not duplicated. But it is the attempt to re-create the early experiences for the sole purpose of healing. To finally get what you needed in childhood.

So, you are on the hunt for completeness - to heal the deficient part of you that was neglected. You might feel you lack artistic talent, strong emotions or skills on the dance floor. When you form an intimate relationship with someone who is 'gifted' in this area, you experience a feeling of completeness. Being emotionally attached to this person, you say:

“*This is my boyfriend*” or “*This is my girlfriend*”. Looking around, you’ll notice that people are always choosing traits that compliment each other. One is talkative, the other thoughtful and introverted. One is intuitive, the other is logical. Or in my case (Jonesy’s), one is a professional ballerina and the other has no flexibility.

Growing Pains To ‘Real Love’

When you find someone who might ‘complete’ the lost parts of you, the games begin. Usually, it consists of an emotional subterfuge to appear less needy and more giving than you are. You want the other person to think that you’re free of emotional needs and that the partner is free to assume that you’re just there to serve their needs. This makes you a real catch...

When I (Jonesy) first met Corey, I invited her over for dinner. I wanted to display my domestic talent by cooking her a majestic ‘*Sausage Ragu over Creamy Polenta*’. Although I didn’t tell her, I actually hate cooking. I would usually be happy heating up a lasagne or baked beans on toast. To minimise the risk of disruptions for the evening, I also asked my mum to take care of the dog. I wanted the house spotless to show my cleanliness, so I got a professional cleaner from Airtasker to do the bathroom, carpets and kitchen. I had candles burning to classical music as she arrived.

Corey, on the other hand, came in with a \$60 bottle of red. Later she admitted that was the most expensive bottle of booze she’d ever forked out for. She also made a special trip to the hairdresser that day. She looked mint!

For several months, like all couples, we were able to orchestrate our lives, so it looked like we were invincible, with very few needs of our own. This emotional subterfuge is common at the beginning of all new relationships. It is euphoric for both players.

You’ve probably had the ‘in love experience’. When you’re in it, you think your partner is the most wonderful person you’ve ever met. You only see your partner’s best characteristics. You’re riding high, floating in the clouds... but eventually you plonk back to planet Earth. We ultimately need to begin satisfying a hierarchy of expectations of our partner, not just ourselves. With your eyes now fully open, you start to see their warts. Suddenly, the personality traits you once valued begin to be a cause of real issues.

We've all got personal blemishes, but those little speed bumps you previously overlooked may now seem like insurmountable peaks. A man who used to find his partner's outgoing nature refreshing is now making him feel invaded. A woman discovers that her husband's logical nature - which initially complimented her emotional side - has now made him into a bland, unfeeling robot.

The real work begins when you're past the initial emotional evasion that consists in the early, 'in love' stage. 'Real love' is something different from this 'in love experience'. It takes a lot more emotional effort and empathy to serve the needs of your partner. If you want to sustain *real love*, you need to learn your partner's *Love Language*. We're not talking about learning a bit of Spanish to kink up your role-play, we're talking about learning effective new communication methods.

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CHAPTER 17

Filling The Love Tank

“People tend to criticize their spouse most loudly in the area where they themselves have the deepest emotional need.”

Inspired by: **The 5 Love Languages,**
by Gary Chapman

Let's use the analogy of a vehicle to explain the state of a healthy relationship. When your emotional love tank is full, you feel great. When your partner's emotional love tank is full, you feel even better. They feel secure and in love. The whole world looks bright to them. You're on their team, helping them achieve their highest potential in life. But when the tank moves towards empty, you're in the doghouse. Your relationship will deteriorate, and you might be sleeping on the couch. For an amazing relationship, keep one eye on the tank at all times. You need to ensure that you're keeping their tank full. The only way to do that is to speak their Love Language.

You might think you're expressing your love and appreciation, but if you're speaking Dutch and they can only speak Japanese, your partner will feel unloved. You might think that you're opening up, being vulnerable, sharing your love, giving all that you can give... but they're not picking up what you're putting down. Both partners will rarely have the same love language, so it will take some effort for both parties to learn to speak a new language.

1. Words of Affirmation

For some, words can make or break a day. They can drain the love tank or fill it to the brim. If this is your partner's love language, try sprinkling these into your words. Verbal compliments and appreciation go a long way. It could be as straightforward as sentences like these:

- *You're looking pretty sharp in that suit.*

- *WOW - you look incredible in that dress. Just... WOW!*
- *I really appreciate how you're on time to pick me up from work.*
- *I really admire how you're able to connect with all different types of people.*
- *I want you to know I don't take that for granted.*
- *You're really good at (fill in the blank), you should do it more!*

For bonus points, make sure you're giving these words of affirmation in front of others. If your partner's parents come over for dinner, make sure you lather on the praise and whip out a few words of affirmation so that everyone can hear. To go one step further, tell your mother-in-law how good your wife is. Your mother-in-law will tell your wife all the good things you said about her (probably with a little extra salt and pepper as well), plus your mother-in-law will think you're an incredible partner to her daughter. Double points!

For those whose love language is 'words of affirmation', words are a tool that can cut both ways. Be mindful of your words. A big failure could be saying things like: "Are you sure you want to wear *that* out tonight?" or "I didn't invite you because you're always so quiet".

2. Quality Time

Some partners need to hang out with you. This doesn't mean putting on an episode of *Lost*¹ to zombie out in front of the TV - the TV has your focus, not your partner! *Quality* time means giving your undivided attention. It's not just being in the same room as your partner; it means breaking free from all distractions and giving them your focus.

You don't need to gaze into each other's eyes all night. It doesn't mean that all day every day has to be spent doting on their every need. It can be as simple as sitting down on the couch (without any devices) and looking at each other while you talk about your day. Or, go for a 15-minute walk around the neighbourhood and speak about what's on your mind.

Time is a precious commodity. We only have a fixed amount of time. If this is your partner's love language, committing just a few hours of your week will go a long way to filling up their love tank.

3. Receiving Gifts

A gift is something you can hold in your hand and say: “*They were thinking of me*”. The gift is a physical symbol of your love, and it doesn't matter how much it cost. If this is your partner's love language, understand that you don't need to be buying fancy watches or expensive jewellery. A more important indicator than the price tag is the amount of thought you put into it.

Maybe on your evening run, you pick a neighbour's flower. Or when you're on your lunch break, you grab a \$3 trinket that reminds you of your last overseas trip together.

4. Acts of Service

Do the things that you know your spouse would like you to do. You seek to please them by serving them, to express your love by doing things for them. Cooking a meal, setting the table, emptying the dishwasher, keeping the car clean, paying the bills, trimming the shrubs or making the beds. They require thought, planning, time, effort and energy. It might seem like a minor inconvenience to you at the time, but three or four minutes out of your day could have powerful leverage over how it makes your partner feel.

This doesn't mean spending all day doing chores, cooking food, and giving them foot massages. It takes empathy and understanding to work out what is truly important to them. You could spend all day cleaning the house, and your partner's love tank could still be empty if this isn't what they needed from you. Conversely, you can whip out the hedge trimmer and spend two minutes shaving the edge off the bush and fill up the tank to the brim, if this was the correct act. It's less about the act or the outcome, and more about taking the time to think about their needs.

5. Physical Touch

Physical touch includes holding hands, kissing, embracing or touching. Unlike the other senses, touch is not limited to one localised area of the body. Tiny tactile receptors are located throughout the body. When these

nerves or receptors are touched, they carry impulses to the brain. It causes pain or pleasure and can be interpreted as loving or hostile.

Touching your spouse on the shoulder as you walk through a room only takes a moment, but it helps them feel your love. The same goes for holding hands as you walk from the carpark to the supermarket, or putting a hand on their leg as you sit on the couch, or taking a short break from your work to hug them for 30-seconds. For bonus points, learn a few massage techniques - a simple little hand massage, neck massage or back massage could do wonders and add a lot of fuel to their tank.

Using the descriptions in the last few pages, you can identify your love language, then use it as the basis of a discussion with your partner to determine theirs.

As you read through these, you might have recognised yourself in one of these descriptions. Most blokes will instantly think that their Love Language is *physical touch*, which they believe is code for ‘more sex’. That’s what we thought ours was at first too. But it turns out that our language is ‘words of affirmation’ and ‘acts of service’ respectively.

If you couldn’t work out your love language just by reading the above descriptions, here are a few other thinking tools that might help you:

- *Think about what you ask for the most (what do you nag your partner about). If you get pissed off that they never do the dishes, then acts of service might be yours. If you always ask them to bring you home flowers after work, maybe receiving gifts is your love language.*
- *Think about what hurts the most when you don’t get it. Whatever you’re craving, or whatever upsets you when it’s missing, is a good indicator.*
- *Think about what you express the most. If you’re always showering your spouse with praise, then you might fall into words of affirmation. If you’re always booking in date nights and doing the planning and organising, then quality time is probably you. We’re most comfortable with our own language, so whatever language you use the most to try to show love is perhaps your language².*

And of course, just as important as getting an understanding of your own language is identifying that of your romantic partner. If you can learn how to speak their language, you may take your relationship to the next level.

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A Book That Helped Us With Women

In the early seasons of the show, when Jonesy was a single man, we read a few dating books. The first was *The Game* by Neil Strauss. The author became somewhat of an ‘investigative journalist’, injecting himself deep into the sub-culture of pickup artists (PUAs). He found a bunch of different coaches who all shared ideas, techniques and tactics, like openers, negs, DHVs, escalating kino, grenades, AFCs and blasting LMR. We read it whilst on a trip to Indonesia together during the first year of the podcast, where we celebrated hitting 10,000 downloads. It was a bit of fun to read and review it, but Jonesy couldn’t get the techniques to work for some reason. As much as he tried, he kept going home alone each night.

The Game grew a cult following among 15-25 year old males in the 2000s. It spawned a whole movement where blokes were trying these seemingly bizarre pick up techniques, like insulting girls, being overly pushy, or not-so-subtle attempts to show off... thinking it would actually work.

Next, we read the book *Mate* by Geoffrey Miller and Tucker Max. The authors said that if you want to be attractive to women, you need to focus on improving yourself and have empathy for women, rather than enhancing your pickup lines.

Interestingly, not long after reading *Mate*, Jonesy got a girlfriend, and they’ve been together ever since. The advice makes a lot more sense, rooted in evolutionary psychology.

Build Self Confidence

‘Confidence’ is the realistic expectation you have of being successful at a task given (a) your competence, and (b) the risks associated. An effective man is one who is confident - not arrogant, but not a cowering mess either. There are social and emotional risks associated with approaching women. You may get rejected and feel embarrassment in front of your friends. But one thing is for certain: if you’re too scared to say hello or you’re timid and it comes out squeaky, it won’t go well for you. You’ll reek of desperation and weakness.

The way to build natural self-confidence is to take the Growth Mindset³ in improving yourself to become more competent in a wider variety of situations. Women want a man who is more resourceful, competent and effective. Take the time to practice and work on your deficiencies. In doing so, you won't have to act confident, as it will come naturally.

Develop Attractive Traits

Contrary to popular belief, a woman's favourite words are not 'I love you' or even 'I'm sorry'. They're actually 'don't worry honey, I've got this'. Women want to be with a man who makes them feel safe. Strength (physical, emotional, financial, social) makes a woman feel secure.

Perhaps without ever consciously thinking about it, women are always assessing men on three criteria:

- a. Does he carry good genes?*
- b. Will he be a good partner?*
- c. Will he make a good dad?*

It's up to YOU to improve your scores on each of these tests. This means getting in shape and getting fit, as your external appearance is continually being judged subconsciously. Get more sleep, eat better, exercise more, get some sunshine, read and learn new things, improve your social skills, maybe even do some mindfulness meditation, and be open to spontaneity.

The Tender Defender

Say you're on a date and the waiter spills a coffee on your lady friend. Some blokes think that the most impressive thing to do is rip the man's head off, metaphorically or physically. But that just makes you a dick. It was an accident! But it's also bad if you brush it off and say it doesn't matter: that makes you weak and makes your date feel unsupported. Instead, calmly but respectfully talk to the waiter. They'll want to do the right thing and make it up to you. An apology and a free cocktail means everyone is happy, everyone keeps their dignity, and you look like an all-round legend.

Women don't want the nice guy, the cowardly doormat that no one respects. They also don't want the asshole, the raging douchebag that everyone loathes. You need to be an effective mix of the two by being assertive but not aggressive. You could develop these skills by taking care of animals, babysitting young children, volunteering at a retirement village or mentoring young people. Women want a man who is decisive, protective and effective.

Show, Don't Tell

Don't tell them you're funny, just say something funny. Don't tell them you're smart, just say something witty. Don't tell them you're spontaneous, just be playful, open, and adaptable. It's far better to demonstrate these through your actions than try to convince them with your words.

If you've got deficiencies? Plug your gaps. Find your areas of weakness and work on them. A six-pack and big biceps don't mean much if you're on minimum wage stacking shelves, or you don't read books so can't string a coherent sentence together. Similarly, that six-figure desk job isn't doing much for you if your work makes you angry and abusive, or if you can't go on a hike because you don't have the aerobic capacity.

You won't need to use any fancy pickup lines or sneaky mind tricks if you just focus on making yourself a better person.

1 I (Ashto) was surprised in co-authoring this book with Jonesy, how much he hates *Lost*.

2 If you're still not sure what your love language is, you can take the test. On the blog post on our website, you'll find a link through to Gary Chapman's quizzes: <https://www.whatyouwilllearn.com/book/the-5-love-languages/>

3 This concept was covered in Ch5: *The Growth Mindset*

Lesson 6

having
a crack.

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Most of us grow up with a ‘normal’ life. Our parents, teachers and friends are all from similar backgrounds with similar life experiences, so they all have similar views as to what ‘normal’ should look like. Whilst you may have been living the ‘normal life’ so far, you can’t help but wonder if there were some things you weren’t taught. By definition, this path leads to the destination of average. However, there is another path. This path may be frightening, but it’s a lot more exciting for those who are willing to have a crack.

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CHAPTER 18

The Feet In Your Shoes

*"You're off to Great Places!
Today is your day.
Your mountain is waiting,
So... get on your way!"*

Inspired by: **Oh! The Places You'll Go,**
by Dr Seuss

Theodor Geisel, better known as Dr Seuss, was a true master of his craft. Google told us that he wrote "at least 43 books", Wikipedia says "more than 60". Either way, he wrote *a lot* of great 'kids books'. But more impressive than the funny drawings and colourful characters you see when you're a kid are some of the life lessons you can pull out of these 'kids' books as an adult. Reading it as an adult, especially after reading 200+ other books, you interpret things from a completely different perspective. Because you're not sitting down to read a textbook, you're not expecting to learn anything profound, and the lessons sneak up and catch you by surprise.

Be Proactive And Accept Responsibility

*"You have brains in your head.
You have feet in your shoes.
You can steer yourself
in any direction you choose."*

*You're on your own
and you know what you know,
and YOU are the one
who'll decide where to go."*

Ultimately, it's up to us. We have the brains. We have the feet. What we do with them is up to us. Unfortunately, many people don't realise they

have this power. Instead of consciously choosing for themselves, they're passive, and they get yanked around by others. If you don't accept the responsibility and shape your path, someone else will gladly do it for you (but it will serve their interests, not yours).

Get Outside Your Comfort Zone

*"It's opener there, in the wide-open air.
Out there things can happen, and frequently do,
to people as brainy and footsy as you."*

Take a risk. Try something new. Do something different. If you do what you've always done, you'll get what you've always got. Be the type of person who is willing to venture a little beyond what they're comfortable with. That way, you're more likely to learn something new about yourself and the world around you. The more brainy and footsy you are, the more you've developed your skills and worked on improving yourself, the more likely you are to be on your way to great places.

Failure Is Inevitable

*"I'm sorry to say, but sadly it's true,
that bang-ups and hang-ups
can happen to you...
You'll come down from your lurch
with an unpleasant bump,
and chances are then t
hat you'll be in a slump.
And when you're in a slump
you're not in for much fun,
un-slumping yourself
is not easily done."*

Not everything works all the time. If you're getting outside your comfort zone, if you're trying new things, if you're taking risks, then some of them

won't work out. 'Risk' is the chance that things won't go according to plan. The upside of risk is that you can gain something you didn't expect. The downside is that it doesn't work. That's not going to be fun, but things will get better. If you anticipate that a slump might be coming, then you won't be as wounded when it arrives. And whilst it's hard to un-slump yourself... don't give up and retreat back to your comfort zone, keep pushing.

Avoid 'The Waiting Place'

*“... headed, I fear, toward a most useless place.
The Waiting Place. For people just waiting.
Waiting for a train to go, or a bus to come,
or a plane to go or the mail to come,
or the rain to go or the phone to ring
or the snow to snow
or waiting around for a Yes or a No
or waiting for their hair to grow.
Everyone is just waiting.”*

Don't procrastinate. Don't be one of those people who's just waiting. Don't wait for someone to choose you, get out there and pick yourself instead. The people in *The Waiting Place* aren't the types of people you want to hang out with. They're not out there in the wide-open air. They're not taking action and trying cool new things. They're not the ones on the upward trajectory. They probably don't have any bumps and slumps in their road because they're not going anywhere worth going.

Have A Goal And Constantly Work Towards It

*“Kid, you'll move mountains.
So be your name Buxbaum or Bixby or Bray,
or Mordecai Ali van Allen O'Shea,
You're off to great places,
today is your day!
Your mountain is waiting,*

so... get on your way.”

We all have a mountain waiting for us. By following the instructions in this book we *can* move it, but it's up to us. It's not easy, of course. Moving a mountain is hard work. But with consistent action and moving it little by little each day, by continually working towards our goals, one day we'll look back in astonishment at how much we've achieved.

*"And will you succeed?
Yes! You will, Indeed!
(98 and 3/4 percent guaranteed)."*

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CHAPTER 19

Think Big

*“Believe it can be done.
When you believe something can be done,
your mind will find the ways to do it.
Believing that there is a solution
paves the way to a solution.”*

Inspired by: **The Magic of Thinking Big,**
by David Schwartz

Jordan Poppenk¹ once measured the number of thoughts we have each day. He landed on 6,200. We've got no idea how he did this. However, the exact number of thoughts is totally irrelevant - all that matters is what is contained *within* these thoughts. If they're filled with Small Thinking, then your life is almost certainly going to be small. But if you Think Big, you've bought yourself a ticket to the big game. You've at least got a shot at a big life. If you want to live big, you've gotta Think Big.

Belief

In the children's story *The Little Engine That Could*, a train wants to bring presents to children in another town. However, it comes up against a large hill on the way to the town and breaks down. The train then seeks help from other trains.

The first train said it had been busy all day and needed to rest. The second train wasn't strong enough saying: “*I can't help, you are too heavy for me to pull*”. Many trains went by claiming the mountain was too steep. They said trying was pointless. They thought that it wasn't possible. Finally, a small steam engine came up to the train. “*Do you folks need help? Let me try!*”. The Little Engine started the journey up the steep mountain. It kept telling itself: “*I think I can, I think I can.*” It chugged and chugged, and it strained and strained. The Little Engine's faith paid off. It made it over the hill, and all the kids received the cool toys.

Disbelief in yourself has a negative power on you. It is a poison that can rip your dreams to shreds. Having a belief is a prerequisite for achieving. Belief gives you an '*I Can*' attitude that generates the power, skill and energy to climb (or move) mountains.

Belief is the precursor to action. Once you believe that you *can* do it, the mind moves on to find *how*. You start looking for tangible ways to get it done. If you don't believe in yourself, your mind will be trapped in endless second-guessing, never free to explore its potential.

Action

Richard Branson describes his philosophy for action in his autobiography *Screw It, Let's Do It*. Branson's story is awe-inspiring: airlines, mobile phones and space travel are just a few highlights of the 400 or so businesses he's created, not to mention living the high life on privately-owned Necker Island in the British Virgin Isles. On the surface, he is a confident businessman. It seems like everything he touches turns to gold. But deep beneath the surface, he's sweating bullets every step of the way. He's human like the rest of us. If we're looking to live a big life, like Branson, fear will be riding shotgun.

Belief is the critical first step, but nothing happens until you do something about it. It sounds obvious, but many mediocre people get paralysed at this point. They never actually take any serious action, preferring to stay safe and do the bare minimum. As Schwartz says: "*Action cures fear, indecision and postponement fertilise fear*".

It's always going to be scary when you step outside your comfort zone to try something new. You might think you need to build up your courage and extinguish all fear before you can be unshackled and move forward into powerful action, but it actually works the other way around. Rather than removing the fear to allow you to take action, if you step up and take action first, the fear will disappear. The more you wait and try to talk yourself out of your fears, the more this indecision and postponement will galvanise the fear within you. The longer you wait, the harder it becomes to take action.

Fear

Think of your biggest fears: fear of failure, fear of embarrassment, fear of rejection. They come in various shapes and sizes, but any solution boils down to a simple two-step process:

1. *If you're feeling fear, try to isolate it. Boil it down to something very specific. By identifying and naming your fear, it loses some of its power.*
2. *Take action anyway.*

Let's look at one example. A common fear is the fear of other people's thoughts or opinions, specifically the fear of what they might say or think if you try to do something new and different. But think about what the opposite might be: instead of trying something new and different, you do the same thing as everyone else. Following the herd, and getting mediocre results by living a 'normal' life. Which is worse?

Consider the types of people who would laugh behind your back for trying something. Are these the types of people you want to be friends with? Are these the types of people you respect (and want to be respected by)? Are these people trying new things of their own? Or are they the people who are sitting back and following instructions, never making any mistakes because they've never tried anything difficult?

Excuse-it

Excuse-it is the failure disease. Unsuccessful people are always looking for excuses as to why they can't take action or why they are unsuccessful. They're generally looking outside of themselves to find external excuses. They say the world is out to get them. They complain that the odds are stacked against them. They moan it will be impossible for them to achieve the big dreams they are striving for.

You need to find a cure for your Excusitis. Some of the more common excuses: *I'm not smart enough to succeed, I'm too young, I'm too old or I'm not lucky.* These are all just excuses. If you dig a little deeper, you'll find that none of these things are really holding you back. The more successful you become, the less you rely on excuses.

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CHAPTER 20

Unleash The Giant

“Life is constantly testing us for our level of commitment, and life's greatest rewards are reserved for those who demonstrate a never-ending commitment to act until they achieve.”

Inspired by: **Awaken The Giant Within,**
by Anthony (Tony) Robbins

All of us have dreams. We want to believe we have a special gift that can make a difference in the world. Deep down, we know that we can make the world a better place.

Yet for many of us, those dreams have become shrouded in the frustrations and daily routines of life. Rather than letting our imagination run wild, we get caught up in the daily grind.

For many people, those dreams have long gone. They no longer believe they have something unique to offer the world. They no longer make any effort to chase them. For far too many the dream has dissipated, and with it, the will to shape our destinies. If you think this might be you, you've transformed from a powerful chess master into a powerless pawn.

If you don't reclaim those dreams now, when will you? Now is the time to decide not to play small. You're here for a reason. Life should be more than just going through the motions: sitting in traffic, sitting at your desk, then sitting on the couch. You can do better.

Change Your Beliefs

There was once a bitter and cruel drug addict who went to jail for the murder of a liquor store cashier who “got in his way”. The murderer had two sons:

- *Son 1 grew up just like his dad, a drug addict who lived by stealing and threatening others, until he too was thrown in jail for murder.*

- Son 2 enjoyed a good marriage, had three kids, and was very happy. A regional manager for a major company, physically fit and had no addictions.

How did they end up so different? Both were asked, and both provided the same answer: “Growing up with a father like that, what else could I have become?”

It's never the environment or the events, it's the *meaning* we attach to those events. This is what shapes who we are today (and what we will become tomorrow).

The narratives we tell ourselves are what determine our lives. With negative filters and self-limiting beliefs, all you see are roadblocks. But with the right perspective, everything that happens to you could become an opportunity. As Napoleon Hill, author of *Think And Grow Rich* said: “*Every adversity, every failure, every heartache, carries with it the seed of an equal or greater benefit*”.

Once you believe something, it becomes a self-fulfilling prophecy. A belief is just a feeling of certainty about something. If you say: “*I believe I am intelligent*”, you are really saying: “*I feel certain that I am intelligent*”. It's this feeling of certainty that allows you to tap into your resources and produce intelligent results.

Decisions

The great master Yoda once said: “*Do or not do - there is no try*”. Catch yourself with the language you use. The first time I (Jonesy) *tried* to quit smoking, how do you think I went? Compare that to the day I decided to become a ‘non-smoker’ for the rest of my life.

It's our decisions, not the conditions of our lives, that determine our destiny. There is a difference between *wanting* to do something and being *committed*. If you truly *decide*, you can do almost anything. The problem is that most of us use the term ‘decision’ so loosely that it has come to describe something like a wish list. Instead of making decisions, we are merely stating preferences.

“*I'd like to quit smoking*” is not a decision. “*I want to make more money*” is not a decision. “*I wish I could find a good life partner*” is not a

decision.

Making a true decision means a steadfast commitment to achieving a result, then cutting yourself off from any other possibility. Just as the word ‘*incision*’ means cutting into something, the Latin root of the word ‘*decision*’ means ‘to cut off.’ By making a real decision, by choosing one specific path forward, you’re cutting yourself off from all other possible paths.

It is in your moments of decision that your destiny is shaped. Commit yourself to long term results, rather than short term fixes. Right now is the moment that could set you up for the rest of your life.

Decide.

Pain, Pleasure and Failure

Tony Robbins learned one of his greatest lessons from his mother. Growing up, his father was an alcoholic. When Robbins turned 13, he decided he was now a man. That meant it was time to start drinking alcohol like a man.

He asked his mum for a beer. She argued it wasn't good for him, but Tony was convinced it was the next step in his personal growth. His mum put her argument forward: “*OK, so you want to drink beer like a man? If you want to be just like your dad, then you better drink just like your dad. If you want to drink, then you need to drink an entire six-pack.*” As you know, that first-ever sip of alcohol is pretty disgusting. But trying to be the man, Tony kept drinking it. He was a light-weight (understandably, he was 13 after all). After the second bottle, he started to throw up. But his mother was relentless, and she made him keep drinking. She wouldn't let him stop until he'd consumed the whole six-pack, just like his dad. He got seriously crook and was munting everywhere. Before, Tony had associated alcohol with ‘maturity’ and ‘manliness’. But now, his brain linked beer with ‘vomit’ and ‘horrible experiences’. In a few short hours, he developed a gut-level neuro association that would guide his future decisions. To this day, Tony hasn't had a sip of alcohol since.

The secret to making decisions is learning how to use pain and pleasure, instead of having pain and pleasure use you. Intellectually, we know what is good for us and what is bad for us. But we don't act based on information - we act based on emotion. Even though we know that going for a run is good

for us, it feels better to sit on the soft couch instead. Even though we know eating a few celery sticks is a healthy snack, our emotions crave the comfort of a chocolate bar...

Information is never enough. We must also link the emotions of pain and pleasure to drive our actions. If there is something you know you shouldn't be doing, bring forward some pain and link it to that behaviour. Soon, you'll stop doing it. If there's a 'good' action you want to encourage more of, link it to a feeling of immediate pleasure. If you do that, you're in control of your life. If you don't, life controls you.

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The Frog In Boiling Water

We both went to see Tony Robbins at Unleash the Power Within in 2016. The cost was AU\$2,000, a fair whack for two graduates in their first year after university. An entire day of the event was devoted to making just one decision. The whole thing was pretty cult-like, with jungle drums and chanting and dancing and walking on fire. But this one session named the ‘Dickens Process’ takes it to the extreme. The process is best explained by the boiling frog fable, describing a frog being slowly boiled alive.

The premise is that if the frog is suddenly plunged into boiling water, it will jump out straight away. But if you boil the water slowly, the frog won’t perceive the danger and be cooked to death. If you want to jump out of the boiling water, the trick is to bring the eventual pain to the present moment.

Tony has you think about one behaviour you want to change in your life. The way to move away from the behaviour is to attach pain to it, before amplifying it to the extreme. Eventually, the whole room is crying or screaming. It was one of the weirdest and most extreme moments I (Ashto) have experienced. Cult-like, but powerful. This is the typical ‘go to Tony Robbins and quit X’ moment that most people experience (quitting a job, a bad habit, a bad relationship).

At the time, I was working at a corporate bank. I wasn’t even a year in, but the water in my pot was already lukewarm. Looking at the 20 years ahead of me, I could feel the pot getting hotter and foresee a clear spiritual death. My current trajectory would lead to boiling point. The decision I needed to make was clear. The following Monday morning, I went into the office and handed in my resignation letter.

CHAPTER 21

The Hero's Journey

"The cave you fear to enter holds the treasure you seek."

Inspired by: **The Hero With A Thousand Faces**, by Joseph Campbell

The Hero's Journey can be found in mythology, popular culture and religion. It's about taking on the call to adventure, slaying a dragon and returning home with a pot of gold to share with the world. You gain knowledge and power along the way. The hero is a symbol of what is hidden within us all, just waiting to be uncovered.

This hero's journey is the exact path taken by Luke Skywalker from *Star Wars*, Simba from *The Lion King* and Neo from *The Matrix*. In religion, it is the story of Jesus, Mohammed and The Buddha - they all follow the same narrative structure.

Why has culture evolved in ways where this specific structure captivates us so much? It is because these stories aren't just about the heroes. They are metaphors on how we can live.

There is a seed of potential planted inside all of us. For many, it is buried deep within, hidden in the shade and never given the water or sunlight it needs to sprout. But if you're willing to show it some TLC, that seed can become a sapling and you can commence your own hero's journey.

In each story, the hero is compelled to complete a dangerous and challenging task to make the world better. Like these pop culture heroes, think about what *your* call to adventure is. Accept the challenge, conquer the fear and reclaim the treasure.

The Call To Adventure

For heroes to begin their journeys, they must be called away from the ordinary world. Great quests don't happen in everyday life, so heroes must be removed from their typical environment. However, heroes typically show a reluctance to leave their home, their friends and their lives behind. Fair enough, it is more comfortable to sit on your arse and take no risks!

But in the end, they accept it as their destiny. Usually, there is a discovery, event or some danger that compels them along their heroic path. After Scar took control of Pride Rock in *The Lion King*, Simba went running. He met Nala whilst out hunting. She tried to convince Simba to go and fight his uncle and take Pride Rock back. Simba initially refuses. Rafiki, the crazy baboon, convinces Simba that he has his father within him, a version of himself that is greater than who he was in that moment. He takes the call to adventure and restores glory to Pride Rock.

Like Simba, you can decide to hang out and play with Timone and Pumba, just living a fun and easy life, ‘Hakuna Matata’, no worries mate! But eventually, if we continue to refuse the call for too long, we could start to regret it. You have the choice to deny the call or accept the challenge.

The Initiation

On this part of the journey, challenges force you to grow. You do that 30-minute presentation even though you are *terrified* of public speaking. Or you go on that overseas trip even though you’ve never been on a plane before. Once you’ve taken on the challenge, there is an opportunity to gain insights into yourself.

In *The Lion King*, this is the scene where Simba fights Scar to reclaim the throne. When you take the call to adventure, there is always some kind of monster you need to deal with. The moment has arrived where you need to do the presentation in public, despite your terror. You’re thinking: “*Why the f*ck did I accept to do this in the first place?*”

In scripted movies, the hero pretty much always overcomes the challenge and wins the battle. Once the hero defeats the monster, they are rewarded with some goodies. In *The Lion King*, it was the restoration of Pride Rock. For you, it might be personal growth and new skills that will set you up for the next journey.

The Return

The Return is the classic final scene. Pride Rock is restored, Simba is better for the experience and everybody is smiling. The hero has returned to teach the new lesson and shares the pot of gold with the whole community.

A real-life example is Bill Gates. At the age of 13, Gates became obsessed with computer programming. He spent his hours before and after school reaching the 10,000 hours² of computer experience before anybody else. His metaphorical dragon was starting a small business and growing it into one of the biggest in the world. Over decades, he was slaying dragons. Each dragon he slayed was hiding a pot of gold, so now he has an unbelievable war chest to use as he wishes. Luckily, for some of the most desperate people in the world, he has fulfilled the hero's journey by sharing the gold with the community. Every year the Bill & Melinda Gates Foundation is donating billions of dollars to solve problems such as malaria, AIDS and climate change.

This story isn't about Simba. It's about *you*. Think about your own life. You've probably encountered a moment where you felt a pull to do something epic, but ignored the call. It is always easier to turn your back on it. Each time you refuse the call to adventure, you lose power. Eventually, you may be trapped in limbo for the rest of your life.

What is *your* call to adventure? Campbell says: "*The cave you most fear to enter, holds the treasure you seek*". If you're unsure about what monster you should be directing your attention toward, have a look at what you're most afraid of. To obtain the most gold, confront your biggest fears.

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CHAPTER 22

Into The Arena

*“Courage starts with showing up
and letting ourselves be seen.”*

Inspired by: **Daring Greatly**, by Brene Brown

It is not the critic who counts; not the man who points out how the strong man stumbles, or where the doer of deeds could have done better.

The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood; who strives valiantly; who errs, who comes short again and again.

Because there is no effort without error and shortcoming; but who does actually strive to do the deeds; who knows great enthusiasms, the great devotions; who spends himself in a worthy cause.

Who at the best knows in the end the triumph of high achievement, and who at the worst, if he fails, he fails daring greatly³.

Your arena comes in many shapes and sizes - a new relationship, an important meeting, family conversations or a new business venture. In each situation, you can decide to engage in the moment with courage.

Most people are hanging out on the sidelines. They'll be sipping their lattes and gossiping about the person sticking their neck out and trying something new. Deep down this comes from insecurity: if they had the guts to step into the arena themselves, they wouldn't be slinging shit at others to try to make themselves feel better.

If you've got a brain and time left on your death clock, you've got great opportunities in your life. How will you choose to show up to the big event? Will you be sitting on the sidelines, passively watching on from afar? Or will you be willing to get a bit dirty, a bit sweaty and bloody, and step into the arena?

Vulnerability

Being vulnerable is uncomfortable. We'd much rather feel safe and secure. We layer on the armour to protect ourselves from the outside world. But vulnerability means *removing* the armour and opening yourself up to attack.

Vulnerability doesn't just mean being brazen and taking risks. Vulnerability doesn't mean striving only for victory and avoiding defeat - it is understanding that both are necessary. Both victory and defeat are part of the arena package deal. You can't have one without the other.

If you step up to the plate and take a swing, you're trying to hit a home run. But you need to know it is just as likely you'll have a 'fresh airey', miss the ball altogether and strike out.

Courage

Courage is heralded as a crucial trait of successful people. We put the courageous entrepreneur on the front cover of magazines. We splash a courageous civil rights leader across the evening news. We talk about the courageous survivor that spoke out against their perpetrator.

But the way we think of courage is wrong. Courage doesn't mean an absence of fear. Courage is understanding and accepting the fear, then ploughing ahead regardless. Courage is to feel the fear and do it anyway.

Shame

The secret killer of innovation is shame. Shame is what makes us resentful, small and afraid. You can't measure it, but it's there. Every time someone holds back an idea or fails to give their manager much-needed feedback, or is afraid to speak up in front of a client, you can be sure shame has played its part. We all have a deep fear of being wrong, being belittled, feeling 'less than'. The fear stops us from taking risks and stepping into the arena.

Shame leads to fear, which leads to risk aversion. Risk aversion kills innovation.

For example, you ask someone for their number and get rejected. Or you pitch a new project, and it falls on deaf ears. Or you share an unpopular opinion that everybody disagrees with. In each case, having a swing and missing is not a weakness! It's a step in the right direction. It's feedback on what you can improve on for your next attempt.

You can't let shame win. The first step is admitting that the fear is there. The second step is moving beyond that fear.

Take action.

Grab your opportunities.

Step into the arena.

1 Sometimes authors drop in names for quotes and studies that we've never heard of. Adding a real name makes it sound more legit, but to us they may as well be their old mate from down the road. Or as we like to say on the podcast, Jordan Poppenk is probably just "Jordan from the pub"

2 This particular career path is explored in CH23: *Practice*

3 This is an extract from Theodore Roosevelt's speech "*Citizenship in a Republic*", better known as "*The Man in the Arena*".

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PART II

your
career
journey.

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For the last 60 years, after graduating from college, you could walk into a big fancy corporation. If you flashed your fancy piece of paper with the University stamp of approval, you'd be welcomed in with open arms. The senior employees in power suits would groom you. If they saw something in you, they might even mentor you to be just like them. You'd make your trek into the shiny inner-city high rise each morning, keeping your head down and diligently doing your work all day.

For previous generations, the career was much like an escalator. You step on at the start, and you'd predictably and periodically move up a step. As long as you played by the rules and were nice to your bosses, you'd be whisked up the hierarchy. You'd earn more status, prestige, power, income and job security. And when you turn 65, you step off the escalator and into retirement. With everyone moving up a step, it made room for the next graduates to step on at the bottom.

But those days are long gone. The current world looks very different. Today, it is hard for the young to get on the escalator, hard for the middle-aged to ascend, and hard for the old generation to get off. We're seeing the death of 'traditional' careers, and with it, the death of professional development.

We're living longer and saving less. Our pensions are no longer enough to keep us going, so the old codgers are sticking around. The traditional flow of the escalator is slowing or even ceasing. The whole system is breaking down.

If the escalator is broken, how should you approach your modern career?

Lesson 7

**various
paths to
mastery.**

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Most people refer to their career as “climbing the ladder”. But really, the options for progressing your career more closely resemble a mountain. A mountain doesn’t have obvious logical steps, it’s a lot bigger, it’s bloody hard work, you can go up or down or sideways, and on many occasions, you’ll feel like giving up. Value and reward are found with each boulder you scale. If you want to get to the top, there’s more than one way to get there.

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CHAPTER 23

Going Deep: Practice

*"Practice isn't the thing you do once you're good.
It's the thing you do that makes you good."*

Inspired by: **Outliers**, by Malcolm Gladwell

A bell curve rules most areas of life. Our height is an obvious one - you've got a few horse jockeys and a few basketballers, but most people are somewhere in the middle. The bell curve also applies to things like our incomes and our skills. Most people are in the middle, which is not very interesting. Very few people can push past those first few standard deviations and make it out to the pointy end. These people are the *Outliers*. If you want the benefits of being an outlier, then you need to put in the work and *Go Deep* to develop mastery.

Famous heroes and success stories follow a similar, predictable trajectory: a hero is born into modest circumstances, and by virtue of their determination or talent, they work hard and fight their way to success. There is typically a lot of emphasis on this 'self-made' element in their biographies. Of course, to simplify the narrative arc, a lot of the vital details are left out. Focusing purely on their effort casts aside many other potential contributing factors; people don't rise from nothing purely on work ethic alone. A big chunk of success is owed to parenting, patronage, hidden advantages, extraordinary opportunities, luck, cultural legacies, where we grow up, and the values we grow up with. Even still, we can't deny the importance of putting in your practice to hone your craft.

The Matthew Effect

*"For unto everyone that hath shall be given, and he shall have abundance.
But from him that hath not shall be taken away even that which he hath"*

- Matthew, 25:29

Once you have something, it's easier to get more of it. If you don't have much of something, you're going to struggle to get ahead. The rich get richer. The poor get poorer.

We can apply this to the idea of 'success' as well: success begets success. Those given opportunities early can practice and hone their craft from an early age. By improving their skills and getting better, they'll be near the top of their cohort and can then receive more opportunities for growth and development. The cycle continues and perpetuates.

Look at the superstars of Canadian Ice Hockey. You'd assume that the month you were born would have absolutely no impact on your hockey skills, so the month you're born wouldn't change your chances of success. With this assumption, we would expect a random distribution where roughly one-twelfth of star athletes are born each month, and about one-quarter are born in each quarter. But the data shows something different. 40% were born in the first quarter of the year (January to March), and only 10% were born in the last quarter of the year (October to December). This is not a minor variation – someone born at the start of the year is four times more likely to make it to the big leagues than someone born at the end of the year!

Why could this be? Well, it goes back to the opportunities presented at the start of their hockey career. When the players were juniors, age differences in boys going through puberty and development can mean significant differences in their physical stature. A boy who turns 12 in January is almost a full year older than a boy who turns 12 in December, yet they will play in the same 'Under 12s' team. The January boy is going to be a year bigger and a year stronger than the December boy. At the age of 12, all kids' skill level is extremely low - most kids are just skating around following the puck, no one is doing trick shots and evasive maneuvers. At this age, size becomes an incredible advantage. The older, bigger, stronger kids will feature in the action more, and they're going to *look* like better players. So they get picked for the district representative teams. They get extra training with better teammates and better coaches. The best of these get selected for the state teams and then the national teams, getting more and more practice with stronger peers and better coaches.

These extra opportunities compound to become what is known as an "*accumulative advantage*". It's a self-fulfilling prophecy: the bigger, stronger kids that were chosen because they *looked* like they were better

players eventually *become* better players thanks to all of the additional opportunities.

Scheduling The Sweet Love

If you're a parent living through the status of your child (there are more out there than we'd like to admit), how do you make your kid successful? Most people pay money to begin the morning with violin lessons before school, swimming lessons in the afternoon, French tutoring before dinner, then finish the night off with 30-minutes of piano practice. It turns out this might all be a waste of time.

The 'January Effect' shows us that perhaps the highest leverage thing you can do as a parent is make sweet love in April-May, so the kid is born in Jan-Feb. Being slightly more developed than all the other kids, they'll be a bit bigger and stronger so they'll get the best opportunities. You'll be giving them the right head start over the parents who got it on in Feb-March and give birth in November-December. Your kid can take advantage of the Matthew Effect in childhood, putting them a step ahead for their whole life.

The '10,000 Hours' Rule

Anders Ericsson wanted to study peak performers. There was a long-held belief that "*achievement is talent plus preparation*". But the more you look into it, the more you realise that 'talent' matters very little and 'preparation' accounts for the bulk of achievement. In Ericsson's study, he looked at violinists. He grouped the violinists into three buckets based on their performance and career achievements: the 'above average,' the 'really good,' and the 'superstars'. Those that were 'above average' and went on to become respected violin teachers had clocked 4,000 hours of practice. The 'really good' players racked up 8,000 hours over their careers. The 'superstars' that played first violin in the national orchestras were practicing 6 hours a week by age nine, 8 hours a week by age twelve, 16 hours a week at age fourteen, and when they hit age twenty, they were practicing 30 hours a week. All in all, these 'superstars' had over *10,000 hours* of practice under their belts.

There were no ‘naturals’ that were able to rise to the top without immense practice, and there were no ‘grinders’ who logged the 10,000 hours but didn’t make the professional ranks. There was a direct correlation between the amount of practice put in and the eventual level of success achieved.

Next, take a look at The Beatles career trajectory, the highest-selling music artists of all time. In 1960, they were just another struggling high school rock band. Their manager got them a gig at a club in Hamburg, Germany. It was a strange setup – the Hamburg music scene demanded non-stop music, which meant a band would play for up to 8 hours every night, seven nights a week. For a real-world live music venue, this is *a lot* of practice. When they first started to achieve success in 1964, they’d played over 1,200 gigs together as a band. At an average of 8 hours a night, that’s starting to get very close to 10,000 hours of practice...

Luck and good opportunities turn out to be very important to success. But even more critical is clocking up your ‘10,000 hours’. We’ve seen how these 10,000 hours are important in sports and music, but this same concept also applies to your career. By racking up 10,000 hours in your profession, you become an outlier in your field.

If you get bored or feel like quitting along the way, perhaps you need some more *Grit* to make it through to the other side.

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CHAPTER 24

Going Deep: Passion And Perseverance

“Without effort, your talent is nothing more than unmet potential. Without effort, your skill is nothing more than what you could have done but didn’t.”

Inspired by: **Grit**, by Angela Duckworth

Chad is a trust-fund-baby whose daddy has set him up for life. He was born with an IQ of 140, attended the best schools, but still has trouble committing to projects. Sophie was born into modest circumstances. She's intelligent enough without being the next Einstein, but has a work ethic that allows her to knuckle down and fight through any obstacles that stand in her way. Who would you rather be: Chad or Sophie?

Are you better off being a simpleminded person who works hard, or a talented person who takes it easy? Angela Duckworth has studied hard to find the answers to this question, in search of the qualities that make for an extraordinary life. And she's found a compelling answer: the key to success is what she calls "*Grit*". It is a mixture of both passion and perseverance to get the job done.

We just learnt the magic number for success seems to be 10,000 hours of commitment to a path. But that's a bloody long time. You might get bored, you might get distracted by the shiny new object that crosses your vision, or it might get too hard and you throw in the towel. Grit is what can keep you on track.

It turns out the hard workers beat the naturally gifted across a wide variety of domains:

- *Hardcore training at the United States Military Academy at West Point:* Those who scored highest on the grit assessment were the ones willing to bounce out of bed at 5 am, finish after 10 pm with little reprieve throughout the day. It wasn't the fittest or the smartest, but the ones found to be most determined and resilient. The ones who scored lowest on the grit test, no matter how smart or fit, are the ones most likely to quit.

- *Sales division at a large company:* This company had a massive turnover of telemarketers, but the ones that stuck around were the ones with the highest grit. Those willing to cop the constant rejection and keep moving forward become the most successful salespeople.
- *Children competing in the National Spelling Bee Championships:* The higher the grit score, the more likely the child was to sit through the monotonous tasks of reading and memorising obscure words they'll probably never use. The 'gifted' kids get their butts kicked by the 'gritty' kids.

Despite the perseverance and passion measures being the clear leading indicators of success, the world is still obsessed with talent. We think of 'talent' as being some innate special ability we're born with. But talent isn't an indication of your skill level; it's merely the rate at which you can develop skills. Talent doesn't mean we're already good at something - it just means we can get better at something quicker.

Talent x Effort = Skill

Skill x Effort = Achievement

In these equations, effort counts twice. Applying effort to your talents gives you skills, then more effort is required to turn those skills into achievements. Without applied effort, that natural talent is meaningless.

Both Jonesy and I (Ashto) score terrifyingly low on the Grit Assessment¹. There is a 10-part quiz that asks you questions like: "do new ideas and projects distract you from previous ones?" and "do setbacks discourage you - do you give up easily?" We flunked it. We previously thought we were both pretty hard-working blokes and assumed we would score reasonably high. We've both pursued a good number of side hustles, and we kept at the *What You Will Learn* podcast for years when no one was listening and we weren't getting paid. But it turns out our Grit score put us in the bottom 60%!

Thankfully, even if you score low on the grit test (like we did), there are ways you can improve and 'grow your grit'.

Passion

'Follow your passion' is probably the most common phrase in college commencement speeches and motivational seminars. If you've ever read a book or watched a TED talk, you've probably heard this message before. There must be a reason so many successful people recommend that you go and follow your passion?

As it turns out, studies have found that people whose jobs are tied to their interests are better employees and happier at work. They're more satisfied, perform better, are more likely to help their colleagues, and stay in their jobs longer.

For us, we're passionate about reading books. We started our podcast in June 2016, which takes us 20+ hours a week, on top of our full-time jobs. We've been doing this for over five years now, with no sign of stopping any time soon! However, while we love podcasting together, if we were doing a podcast on Zimbabwean Mysticism of the 12th Century, we wouldn't have lasted five weeks - let alone five years! Because we're passionate about reading, we are 'gritty'. We're not gritty in everything, but we're gritty in things that interest us.

Follow your passion is easy to say, but what if you're not sure what your passion is? Duckworth suggests a 3-step process to find what most interests you:

1. *Discovery*: Through experimentation and trialling new things, you'll start to gravitate towards some types of tasks and away from others, giving you some insight and guidance on what paths you should follow. Going to meet up events about different industries, trying out a side project in a new area, or doing some work experience at different types of companies could be some steps you might take. To start even smaller, read a book outside your usual field, listen to a new podcast, or take a short online course about something random that grabs your attention.
2. *Development*: Repeated exposure to things that interest you will allow you to refine your areas of interest further, learning more each time. Once you've gone through the discovery process and found something you might like, start doing more and delving deeper to test your interest.

3. *Deepening*: Once you're more sure of the path you want to pursue, you must constantly evolve and look for the nuances and intricacies within your field. Mastering some of the finer details will help you move from liking what you do to loving what you do.

Practice

There is a Japanese term, *kaizen*, which is all about pushing past the plateaus and continuing to get better. Colloquially this means, *getting 1% better every day*. You should always be thinking about ways in which you can practice and improve yourself. If the first ingredient of this delicious Grit cocktail was finding something that interests you, the next element you should be slicing up and chucking in the shaker is kaizen. Practicing and getting better will make this mixture so much sweeter. The better this cocktail tastes, the more you're going to enjoy it. And the more you enjoy it, the more likely you are to keep drinking it (as in, the more grit you will subsequently have).

We met Anders Ericsson, the '10,000 hours' dude who coined the term 'deliberate practice'. His studies found that the highest performers in a field are the ones that develop the best practice routines². They set 'stretch goals' that will take them well beyond their current skill level in a particular area. With undivided attention, they hone in on a key focus area. Once they achieve their stretch goal, they set the next one and focus on the next most important area for improvement. One by one, these subtle refinements add up to dazzling mastery.

Purpose

Think of the days you have to put up with crap. You might have a client who is making life challenging, or colleagues bitching behind your back, or your boss ripping you to shreds over something minor. If you believe your job is pointless, then a day like this will get you down. You're most likely just trading time and copping the flak to get the paycheck at the end of the week.

When you have some grander purpose, things change. All of a sudden, the BS is all worth it as you're contributing to something bigger than yourself. Working toward a grander purpose outside your ambitions can allow you to keep pushing when times get tough.

Seeing the grander vision and working toward a greater purpose means you're more likely to persevere when times get tough. We should look at the work we're already doing and identify how we are contributing to society on a grander scale, then look for ways to change our work in small (but meaningful) ways to add more value.

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CHAPTER 25

Going Wide: The Generalist's Advantage

*"If we treated careers more like dating,
nobody would settle down so quickly."*

Inspired by: **Range**, by David Epstein

Let's start with a couple of famous success stories.

Boy One

When he was seven-months-old, his dad gave him a golf putter that he dragged around with him as he crawled. At ten-months, he climbed down from his high chair and picked up a golf club and started imitating the swinging motion he'd watched his father do in the garage. The boy couldn't talk yet, so his dad drew a picture to show him where to place his hands and how to grip the club.

The US Government lists important developmental milestones at age two as '*kicks a ball*' and '*stands on tiptoes*'. At age two, this boy went on national TV and started driving golf balls. This same year, he entered an Under 10s golf tournament - and won. His father saw great potential, so he started training him to talk to reporters by coming up with short, funny lines and not being boring by saying too much.

At age four, his dad would drop him off at the golf course at 9 am, then come back and pick him up eight hours later (sometimes with money from adults he'd hustled and beat). At age eight, he beat his dad for the first time. His dad said that he would have a more considerable impact than Nelson Mandela, Gandhi or Buddha: "*He has a larger forum than any of them... He's the bridge between the East and the West. There is no limit because he has guidance. I don't know yet exactly what form this will take, but he is the Chosen One*".

Boy Two

This second boy kicked a ball around with his mum as he learned to walk. As a child, he dabbled in skiing, wrestling, swimming, skateboarding, basketball, handball, tennis, and table tennis. He played soccer at school, played badminton with his neighbour using their fence as the net, and on Sundays played squash with his dad. The specific sport didn't matter - as long as it had a ball, he enjoyed it.

His mum was a sports coach, but she never coached him. She tried to teach him to play tennis, but she hated it because he would try all sorts of fancy trick shots. He would never return the ball normally, so his mum got annoyed and refused to play with him.

He got pretty into tennis, but his parents encouraged him to try a wide variety of different sports. His dad only had one rule: don't cheat. His tennis coach wanted to move him up to higher age groups because he was developing quicker than the other boys his age - but he wanted to stay down because he liked talking about music or pro wrestling with his mates during lessons, and the older boys were too serious.

He was late to commit to his main sport, eventually giving up everything to focus on it as a teenager. But this didn't hurt his performance. In his mid-30s, he was still ranked #1 in the world.

The Result?

Boy one, *Tiger Woods*, had the early goal of trying to break the record for winning the most majors. Boy two, *Roger Federer*, just hoped to meet his idol Boris Becker or to play a game at Wimbledon. Both rose to the top of their field and achieved the ultimate success in their sports, but took very different paths to get there.

Tiger is a classic example of Going Deep: he benefited from the Matthew Effect of being the best early and clocked up way more than 10,000 hours, plus his Grit Score would've been off the charts. The Tiger Woods story has spawned many best-selling books on the development of expertise: getting a head start, early specialisation, deliberate practice, following the 'tried and true' path to success.

The Roger Federer story is far less romanticised but no less common:

- Tom Brady was a professional baseballer, getting drafted into the MLB in 1995 before shifting across to football as the 199th pick of the 2000 draft.
- At the *2018 Winter Olympics*, Czech athlete Ester Ledecka became the first woman to win gold in two different sports at the same Olympics, skiing and snowboarding, despite never ranking #1 in any teenage competitions.
- Ukrainian boxer Vasyl Lomachenko set a record for the fewest fights needed to win a world title in three different boxing divisions, even though he took four years off boxing as a teenager to learn traditional Ukrainian dance.

All these superstars would have scored poorly on the Grit Scale because they didn't specialise early and they jumped from sport to sport, project to project. They tried a whole bunch of random stuff in the early days before landing on *their thing*. Instead of knuckling down into 10,000 hours of "*deliberate practice*" in one particular sport, they went through a "*sampling period*". They tried out a variety of sports, learning about their abilities and their proclivities before picking a specific path. They developed broad skills transferable to any sport, rather than a narrow set of specific skills to suit a single domain.

We learnt that one way to achieve success is to *Go Deep*. You pick your area of specialisation, then through a combination of passion and perseverance, you clock up your 10,000 hours and become an outlier. But that isn't the only way to achieve success. If you're not entirely sure what your passion is just yet, there's another path you can take: *Go Wide*. Take time sampling different things and finding what you're best at. Along the way, you're developing new skills and transferring them to other areas. Eventually, this combination of a broad range of skills puts you in a great position. It turns out the Tiger path isn't the only one that leads you to the top of the mountain.

The Generalist's Advantage

Golf is simple and straightforward. Tennis is less so. In golf, you're repeating the same few skills over and over, all day every day. Tennis has

more variables and is less predictable. You're running at top speed trying to hit the ball, deciding what angle, how much spin to put on it, not to mention you've got an opponent on the other side of the net that is doing whatever they can to make things less predictable. When we extrapolate this to the 'real world', life is much more like tennis than golf. In fact, life is *far more variable* and *far less predictable* than tennis.

A study that looked at the 'universal dick-measuring' KPI (how much money you make) showed that early-career specialisers had a significant earnings advantage straight out of college. They picked a degree, developed a narrow set of skills, worked hard to develop them, then selected a job that allowed them to maximise these skills, and they were rewarded for being good early. These are the people shouting the rounds of drinks at the pub thanks to their healthy paychecks. BUT (and thankfully for us, this is a big but), it turns out that the 'late specialisers' can catch up and even overtake their early specialiser mates. While the early specialisers were rolling into the pub with the suit and tie from their fancy corporate jobs and shouting beers, the other group may have been switching from degree to degree, jumping from job to job, or travelling overseas to feed their curiosities. They more than made up for the late start. This early 'sampling period' allowed them to develop a broader and more transferable range of skills, then find work that better suited their interests and abilities. While the cash was lower at the start, they accelerated far quicker once they settled. They ended up with higher incomes and better titles later in their careers.

Advantages Of Experience

A study found that technology inventors were more creative and more successful if they dabbled in a range of different domains, rather than specialising narrow and deep in just one. Mark Zuckerberg famously said young people were better at building businesses because: "Young people are just smarter". But that was when he was trying to raise money to take his company public when he was a 'young person' himself, so he was a little biased. It turns out that 50 year old tech founders are twice as likely to be successful than 30 year old tech founders, and 30 year olds are far more successful than 20 year olds. This goes to show that it's never too

late for you. If you feel like you've been meandering your whole life and you've missed your opportunity, you might actually be in the best position to succeed.

So What does all this mean?

For me (Ashto), it gave me a good sense of hope. After reading books like *Outliers* and *Grit* and hearing about all the successful people that knew what they wanted to do early and got a head start on the competition, I thought I might've been cooked. I've been following much more of a *Range* path - changing uni degrees twice, changing careers twice in my first three years out of study, and trying a wide range of side projects in between. *Range* was my favourite book of 2020.

Jonesy and I are both Rogers. For me, it was piano, footy, physiotherapy, corporate banking, transport and logistics, digital marketing, writing a book (before this one), a tutoring/lecturing business, then podcasting and creating online courses. These seem to have minimal overlap. Hopefully, this early exploration period will serve me well and give me advantages for whatever comes next. If Epstein³ is right, I'm much better positioned for the long run!

Advice for other 'Rogers': don't worry. You're not behind. Don't compare yourself to your peers and feel like you'll never be able to get to their level. Don't worry about shifting careers late and starting from scratch. All of your past experiences are a benefit and can fast-track your learning and progress. You can leapfrog the early specialisers by bringing in new ideas and combining different types of thinking from various fields.

Yes, some specific niches require the Tiger approach. But we also need more Rogers, people who start broad and embrace diverse experiences and perspectives while they progress: people with Range.

CHAPTER 26

Going Wide: Be Original

*"Being original doesn't require being first.
It just means being different and better."*

Inspired by: **Originals**, by Adam Grant

There are two potential paths to achievement: '*conformity*' or '*originality*'. Both options can lead to success, but they require radically different approaches.

Being a '*conformist*' means you follow the clear path that's ahead of you. There is a set trajectory and hierarchy in place. You're doing the same thing as people who have done it before you. You're competing against other people on the same path. If you can work a little bit harder and be a little bit better than everyone else on your level, then you take a step up. To achieve success by being a conformist, you need to Go Deep. By using passion and perseverance, you get to 10,000 hours first and climb the mountain before anybody else. By striding ahead, you'll eventually reach success.

Being an '*original*' requires a unique approach. There is no path other than the one you make for yourself. People who cross your path aren't heading in the same direction and aren't competing with you for limited resources; they're merely others on their own original journeys who happen to intersect with you briefly before veering off somewhere else. They're the Rogers who might become tennis pros, but they could just as easily play soccer or go into watchmaking. Success as an original comes from Going Wide. Creating an original path means everything is less clear and feels riskier because there are no guarantees. But could be more satisfying.

In the previous chapter we sold you on the idea of Going Wide, now here are some tangible ways you can do it.

Ideas: *Triple Your Output*

We're all aware of the greatest masterpieces ever produced. Da Vinci had the Mona Lisa, Mozart had Eine Kleine Nachtmusik, Michelangelo had the

statue of David. These legends created work that has survived centuries, but they also produced a lot of crap that isn't worth mentioning. They knew they weren't going to hit a home run with a single swing, so they kept stepping up to the plate and kept trying different things.

- *William Shakespeare*: We're all familiar with his best works, like *Romeo & Juliet*, *Hamlet* and *Macbeth*. But you probably haven't seen all 37 of his plays or read all 154 of his sonnets from his two-decade career. In five years, he produced three of his five most popular and most performed plays. But in that same five year period, he also wrote two of his *least* popular works, slammed by critics for 'unpolished prose', 'incomplete plotlines' and 'weak character development'.
- *Pablo Picasso*: One of the most well-known artists of the 20th Century, producing genre-defying artwork and some completely 'original' ideas. But aside from a few notable works, you won't have seen most of his art. Picasso created 1800 paintings, 1200 sculptures, 2800 ceramics, 12,000 drawings, as well as rugs, tapestries and prints. Of course, it's only the masterpieces that we remember.
- *Albert Einstein*: Two of Einstein's theories completely changed how we view the world around us: *General Relativity* and *Special Relativity*. But his other 246 published academic papers had minimal impact and are largely overlooked.

When it comes to idea generation, quantity is far more important than quality. You might stop yourself from trying something different out of the fear that it won't work, but this only holds you back from finding something that will. Every innovator swings and misses. The best and most famous disruptors didn't strike gold every time they dug - often they were just churning up dirt.

When we assess the output of someone's career contribution, we don't look at the average; we only see the peaks. We ignore the 100 ideas they tried that flopped and only look at the one masterpiece that changed the world. It would be impossible for them to make something world-changing without first going through those 100 failures along the way.

Adam Grant says: “*In every field, even the most eminent creators typically produce a large quantity of work that's considered unremarkable by experts and audiences*”. If you want to do great work, the most important thing you can do is *a lot* of work.

It's widely assumed there's a trade-off between quantity and quality. You might think if you want to do better work, you have to do less of it so you can be more focused. This is false. It's a little counter-intuitive, but when it comes to idea generation, quantity is the most predictable path to quality. To find things that work you need to be willing to try things that don't.

Experiences: Immerse Yourself In A New Domain

A study differentiated people into two groups. The first was a group of scientists and researchers at the top of their field, working for world-leading organisations, doing groundbreaking work, making cutting edge discoveries and publishing their findings around the world. The other group were scientists and researchers who were ever-so-slightly *above* the first group: they were at the top of their field, working for world-leading organisations, doing groundbreaking work, making cutting-edge discoveries, publishing their findings around the world... *AND* they won the Nobel Prize. The study compared the Nobel Prize winning scientists from 1901 to 2005 to their equivalent peers that seemed oh-so-close but didn't quite win the Nobel Prize. The study sought to identify some skill or approach that set the Nobel Prize winners apart and took their work to the next level.

You might assume those who won the Nobel Prize worked harder. You might imagine they spent more hours in the lab and more hours doing research. But, almost paradoxically, this wasn't the case at all. Compared to their almost-top-of-their-field peers, the Nobel Prize winners were:

- 2 x more likely to be involved in music (play an instrument, compose, conduct).
- 7 x more likely to engage in art (drawing, painting, sculpting).
- 7.5 x more likely to do crafts (woodwork, mechanics, electronics, glassblowing).
- 12 x more likely to write (poetry, plays, novels, short stories, essays, popular books).

- 22 x more likely to perform (acting, dancing, magic).

If you want to be a world-leading scientist, you might question how that one free hour in your week is spent. Should you stay sitting at your desk looking at test tubes, or should you go home and play the piano instead?

And, of course, we're not just talking about winning a Nobel Prize here. Think about how you can apply this concept to your journey. How can *you* step outside your current domain and try something different? How can *you* open yourself to new opportunities by learning new skills? How can *you* try more things, make more mistakes, and flesh out more ideas that might suck now but could eventually lead to your masterpiece?

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CHAPTER 27

Master Of Your Domain

“The future belongs to those who learn more skills and combine them in creative ways.”

Inspired by: **Mastery**, by Robert Greene

We've all got roughly the same cognitive makeup and the same length of time here on Earth. Yet some disappear without a trace while others leave behind a great business, musical composition or book that lasts forever. What is it that allows these rare few to achieve mastery?

Most people will assume that the Da Vincis, Mozarts and Jane Austens of history are brought about because of innate talent and natural brilliance. They were just lucky and born with something special, and we weren't. The explanation that they were somehow born *different* lets us off the hook. But if you look a little closer, there is nothing in-built that makes the most successful people in history any different from you or me.

According to Robert Greene, each master's story seems to have the same essential elements: curiosity, a chance encounter, and an apprenticeship that brings them to life. These masters excel in their ability to work harder and faster in the process, stemming from an innate desire to learn. They form a deep connection with their field of study. They Go Wide and Go Deep.

If you understand the elements that made the masters, perhaps you too could become The Master of Your Domain⁴.

Discover Your Calling

The purpose of planting a seed is for it to blossom into a big beautiful tree. But there are forces conspiring against it. Not only is it competing with all of the other seeds for access to resources like water and sunlight, but it also has to have a bit of luck to avoid the birds and grubs looking for a tasty meal.

We're all born unique, with a genetic makeup that never has been and never will be on the Earth again. This uniqueness is much like a seed. In

order to blossom into our unique potential and bestow our gifts onto the world, we need to cultivate the little seed of uniqueness that was planted inside of us at birth. We need to give it exposure to the resources it needs and protect it against any negative forces that might stunt our seed's growth. One force overpowers all others, placing a limit on our potential to manifest our unique abilities: *the social pressures to conform*.

Social pressure may seem like something positive at first. You choose a profession that pleases your parents, you go on dates with people your friends think are attractive, and you wear clothes that make you fit in. You might like to pursue a career path that is somewhat risky, but to be seen as 'successful' by society you choose something safer with a higher income instead.

For my (Jonesy) whole life I've repped long hair and a dirty beard. When I first entered the workforce, I felt an obligation to get a trim and a shave in order to fit in. The trade-off seemed easy: I got rid of the beard, tied the hair up and dressed like everyone else, and in return I was welcomed to the team with open arms. Personal grooming seemed to give only upsides - I didn't scare clients off and I fit in with the other engineers. However, after reading the *Steve Jobs* biography by Walter Isaacson, I learned how Jobs handled this same choice when he first entered the workforce. He rocked up to his first serious job interview at Atari in bare feet. He had his wild hair out and smelt like a garbage bin. After landing the job, his colleagues complained every day to get rid of this smelly weirdo. But it was *because* he was a weirdo that he cultivated his unique seed. He was able to '*think different*', a prerequisite for anyone who wants to become a master.

In my case, the tiny compromise seemed necessary for acceptance in the profession. But I also felt a little bit less like myself. This might be a trivial example, but one social compromise can be the first of many compromises to be accepted by the group. Left unattended, we can descend to the point of losing touch with the things about ourselves that make us unique. You slowly close in on the sea of sameness. Before you know it, you're just another anonymous face on the train.

The Apprenticeship

In the stories of the greatest Masters, past and present, we can detect a phase of their lives where all their future powers were in development. This period is an ‘apprenticeship’, and it generally lasts between five to ten years. It receives little attention in the biographies but may be the most crucial and highest leverage period of their entire lives. It often takes five to ten years (or in Gladwellian terms, 10,000 hours) to become an overnight success.

From an outsider’s perspective, the master’s mind is just like yours and mine. But beneath the surface, they are transforming. The apprenticeship is where we finally declare our independence and establish who we are.

The principle is simple: the goal of an apprenticeship is not good money, a good position, a good title, or a good diploma, but rather the *development of skills* and the *development of your mind and character*.

Stage 1: *The Passive Mode*.

When you enter a new environment, you move into a world with its own procedures and social dynamics. In addition, every workplace has its own conventions, rules of behaviour and work standards. This represents a reality that transcends your individual needs and desires. Never come in shooting from the hip as if you know what is best or try to change it to how you think things ‘should’ be. Instead, observe the reality and absorb it as deeply as possible.

First, you will observe the rules and procedures that govern the success in this environment (in other words, “this is how we do things here”). Some rules will be communicated directly, generally the ones that are common sense.

The second reality you will observe is the power relationships that exist within the group: Who has real control? Through whom do all communications flow? Who is on the rise and who is on the decline? Your job is to not complain about this, but merely to understand it to get a complete lay of the land. See yourself as an anthropologist studying an alien culture, attuned to all its nuances and conventions. You are not there to change the culture (you would end up being killed by the aliens or fired by the boss). Your job at first is just to observe and understand. Much later, you can make all the changes you want, once you have attained power and mastery.

Stage 2: The Practice Mode.

As you progress through these initial months of observation, you will enter the most critical part of the apprenticeship: practice & skill acquisition.

Think about the time you learnt to kick a football. It is very easy to watch the players on television make mistakes. I (Jonesy) could quite easily grab a couple of cold ones and sit on the couch consuming 10,000 hours of footy, but it's not going to make me a master. I can criticise the players all I want, but none of this will help improve my skills. If I want to become a master, I need to go out and practice. We learn through doing, not through theorising.

Soon you'll enter a period of accelerated returns. Practice becomes easier and more enjoyable, meaning you can practice for longer hours, which increases your skill level, which makes your practice even more interesting, and so it will continue in an upward spiral.

Previously latent capabilities are now exposed as you progress. The things that offer immediate pleasure (going shopping with friends, playing video games, watching TV) become distractions or a waste of time. You'll be surprised as you get real pleasure from overcoming challenges, feeling confident in your abilities, gaining fluency in skills, and experiencing the power this brings. Boredom no longer signals the need for distraction, rather new challenges to conquer.

Stage 3: The Active Mode.

This is the shortest part of the process. As you gain skills, you must move to the active mode of experimentation. You combine the different skills you've practised and apply them to tackle new and interesting problems.

In the work environment, you might experiment with ways of intervening in certain situations. If you aren't very assertive, you might experiment with a more aggressive tone one week. If it works, you've got a new tool in the toolkit for the rest of your career journey. But if you look like a dick and don't get anywhere, drop that behaviour and try something else.

You could experiment by taking on more responsibility, initiating a project, or doing work that exposes you to criticism. The point is to gauge

your progress. You'll highlight gaps in your skills and knowledge, directing you toward things you still need to practice.

It might feel more comfortable to avoid this step altogether because it seems too risky. Yes, it is easier to learn the rules and stay within the comfort zone. But you need to force yourself to initiate actions or experiments *before* you think you are ready. Stepping outside your comfort zone is the only way to expand and become a Master.

Awaken The Dimensional Mind

As you accumulate more skills and internalise the rules that govern your field, your mind will want to become more active, seeking to use this knowledge in ways that are more suited to your inclinations.

The seed that was planted at birth, the one you nearly forgot about? Well, now you're watering it with a fire hose! It has sprouted, and now it's grown to the point where you can begin to form your first unique insights. You're thinking about problems that have plagued the world forever in new and exciting ways.

But the forces of conformity will be stronger than ever. They're trying to suck you back in. You must push hard in the opposite direction. After the apprenticeship phase, you need to become increasingly bold. Instead of feeling complacent and comfortable, it's time to start swinging for the fences.

There are two kinds of failure. The first comes from never trying out your ideas because you are afraid, or because you are waiting for the perfect time. This kind of failure you can never learn from and such timidity will destroy you. The second kind comes from a bold and venturesome spirit. If you fail in this way, the small hit that you take to your reputation is greatly outweighed by the enormity of what you learn. Repeated failure will toughen your spirit and show you with absolute clarity how things must be done.

- Robert Greene

1 If you want to see how you stack up on the Grit Assessment, we've chucked a link on our website so that you can test yourself. Head to www.whatyouwilllearn.com/book/grit/ and look for the link to Angela Duckworth's test.

2 As Adam Jones knows all too well (because Ashto has to correct him every single time) Anders Ericsson originally coined the phrase in *Peak*, then Malcolm Gladwell popularised it in *Outliers*.

3 Epstein, as in David Epstein, the author of the awesome book *Range*. Not Jeffrey Epstein (if you know, you know)

4 No, we're not referencing that famous Seinfeld episode about 'The Contest'

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Lesson 8

**grabbing
the
reins.**

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When you first enter the workforce, you may be out on a mission to change the world. Despite your ambitious intentions, you're more likely to start your career by changing the water cooler.

If you want a different fate and a satisfying and productive career, you need to grab the reins. Finding opportunities to build leverage can allow you to guide your career to a destination of your choosing.

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CHAPTER 28

Carrots And Sticks

*“Human beings have an innate inner drive
to be autonomous, self-determined,
and connected to one another.
When that drive is liberated,
people achieve more and live richer lives.”*

Inspired by: **Drive**, by Dan Pink

Our motivations have evolved over time. Each time we progressed from cave dwellers to agriculturalists to industrialists, our driving forces shifted. And today the things that make a job a ‘good’ job are evolving again. Understanding what makes you tick could lead to a more satisfying career and allow you to get a lot more done.

Dan Pink looked back through human evolution to see how the drivers of our behaviour have evolved and found three stages.

Motivation 1.0: Biological Motivation

Back in the caveman days, everything we did was based on biology: hunger, thirst, sex. We had to eat and drink, so cavepeople went out to gather food and find water. If we believed a task would lead to eating, we would do it; otherwise, we’d stay in the cave and conserve energy for the next opportunity that came our way. Our behaviour was driven by our biological needs to survive and reproduce, and not much more!

Motivation 2.0: Extrinsic Motivation

As we became more civilised as a species, food and water was largely taken care of so our attention shifted to other tasks. Leaders started to recognise their power and their ability to influence others’ behaviour: by rewarding ‘good’ activities and punishing ‘bad’ activities, bosses could get more of what they deemed desirable and less of what was undesirable.

These are the *carrots and sticks* that bosses used to control their employees. If you did good, your boss would reward you with a nice juicy carrot. If you did something wrong, the boss would whack you with a stick. (Of course, unless you're a donkey, we're not talking about literal carrots and sticks, we're speaking metaphorically about punishments and rewards).

Carrots and sticks can be effective, but only for a limited range of activities and only for a limited period. If you offer an overtime bonus for a clear and simple physical task, like packing boxes for the Black Friday Sales, you can motivate your employees to work harder and get the job done. But for a complex cognitive task, like coming up with an original idea for a campaign launch, more money doesn't necessarily lead to improved output - offering someone extra money doesn't mean they'll have a better idea. As modern work moves further away from physical demands towards knowledge output, carrots and sticks are no longer effective motivators.

Motivation 3.0: *Intrinsic Motivation*

Tasks with increased complexity require motivation that moves beyond the extrinsic punishments and rewards. As we've evolved from Motivation 1.0 (the biological drives of hunger, thirst and sex) and Motivation 2.0 (the extrinsic motivation of rewards or punishments), today's drivers of motivation come from within: *Autonomy, Mastery and Purpose*.

Autonomy

Our default setting as individuals is to be self-directed. Look at any toddler and you'll see the natural inclination of human beings is not to be bossed around but to follow their own path. *Autonomy* means feeling a sense of personal responsibility. We bring our best efforts and achieve our best results when we have control over our:

- Task: *What* we do.
- Technique: *How* we do it.
- Time: *When* we do it.
- Team: *Who* we do it with.

Having this autonomy over your work gives you a lot of value as an individual. It means that if you're a parent, you can take a few hours off in the afternoon when your kids get home from school, then do extra work at night when they go to sleep. If you're a surfer, you can take the morning off when the surf is pumping and work in the evening. In any case, you've got control of how you get your work done.

Google has an initiative called '20% Time'. Employees are allowed to spend the equivalent of one day a week working on projects outside of their day-to-day work that they feel will most benefit Google. Innovations like Gmail, Google News and Google Maps came out of this self-directed, autonomous project time.

The world was forced into autonomy after the events of 2020. The push to work from home is a micromanager's dystopian nightmare. But as it turned out, it was an upside for the employers as most¹ workers proved to be more productive and effective, and an upside for employees who had the autonomy to work and live on their own terms.

Mastery

We tend to enjoy the things we're good at. Think back to high school and you'll realise that the subjects you were best at were the ones you liked the most, and vice versa. If we feel like we're getting good at something, we start to enjoy it more. The closer we get to mastering our work, the more we're driven by the idea of constantly improving.

If a task is too simple, it becomes mundane and we lose enthusiasm. But if it's too hard, it can feel like we'll never be any good at it. The perfect tasks are the 'goldilocks' tasks: not so easy that they're boring, and not too hard so that we feel mastery is within reach.

Purpose

We feel best about what we do when working for the 'greater good' and contributing to something beyond ourselves. As Dan Pink mentioned on our podcast *What You Will Learn*, this can be either 'capital P' Purpose or 'small p' purpose. Capital-P Purpose is the big, grand, world-changing ideas you're working towards, like saving the planet from climate change, helping end

world poverty, or inspiring future generations to try something new. But if you're not working in an organisation aligned to an epic cause, you can still get a sense of small-p purpose by realising that people respect your work, they rely on the ideas you bring to the table, or they miss you when you go on holiday.

In a nutshell, three things are going to give you an inspiring, enjoyable and effective career: a career with flexible working arrangements (autonomy), improving skills (mastery) and contributing to something bigger than yourself (purpose).

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CHAPTER 29

Career Capital

*“If you want to love what you do,
abandon the passion mindset
(‘what can the world offer me?’)
and instead adopt the craftsman mindset
(‘what can I offer the world?’).”*

Inspired by: **So Good They Can't Ignore You**, by Cal Newport

“*Follow your passion.*” Probably the most commonly trotted-out career advice ever. Surely following your dreams is a good idea, right? According to Cal Newport, this is *bad* advice. Actually, it’s not only bad advice, it’s dangerous advice. It might seem paradoxical, but if you want to love what you do, you *shouldn’t* begin by following your passion.

Don’t Follow Your Passion

Steve Jobs stated to 23,000 people in his Stanford Commencement Speech: “*You’ve got to find what you love. The only way to do great work is to love what you do. If you haven’t found it yet, keep looking, and don’t settle*”.

What we have here is the ‘passion hypothesis’. It suggests the key to finding career happiness is to first figure out what you are passionate about, then find a job that matches that passion. We lionise those with the courage to follow their passion and pity the conformist drones who cling to the safe path. People say: “*Do what you love, and the money will follow*”.

However, Jobs wasn’t particularly interested in business or electronics as a student. Looking back, he can connect the dots, and it all makes sense. But at the start of his career, his passions were very different. He studied Western History and dance, took calligraphy classes and dabbled in Eastern mysticism. These early interests were missing from his famous speech. If Jobs had followed his own advice and stuck to what he loved, he would have probably found himself meditating all day on magic mushrooms in a deserted cave on a tall mountain in India.

Apple wasn't born out of passion - Jobs became passionate about business and tech *after* it started to work. He didn't Go Deep in his passions, he actually chose to Go Wide to find something he was passionate about in the first place! If you want to be happy and prosperous, do what Steve Jobs *did*, not what he *said*.

We've both had a front row seat to witness the dangers of passion through a mutual friend of ours named Miller. At university he was a clever student, scoring impeccably in a double degree in Engineering/Commerce. In his final year, Miller was offered a job from a reputable investment bank. But around the same time, he was lured in by a shark rolling out the 'follow your passion' spiel. He convinced Miller that he would be able to earn passive income selling supplements to friends, building his own network marketing company so that he could live with flexibility and freedom. Combining his passion for health and helping people, plus the potential to make bank, it seemed like a no-brainer! It made a lot more sense than following the path of those monotonous drones slaving away at the desk 9-5. In this crucial moment, Miller chose the supps.

Miller made some sales to some suckers (Ashto), but the vast majority of his 'network' only made one-off pity purchases (Jonesy). He's been through a few ups and downs (mostly downs though). It's almost 10 years on since graduating from University, and while his classmates are now hitting middle-management, Miller is still selling supplements (and driving Uber to cover his living costs).

Passion can be a dangerous thing.

- *Conclusion 1: Passion is rare.* Canadian University students were surveyed about their passions. The top five were dance, hockey, skiing, reading and swimming. Though dear to their hearts, these didn't have much to offer when choosing a job. Less than 4% of the passions the students stated had any relation to real-world work.
- *Conclusion 2: Passion takes time.* A study of nurses in the UK sought to identify what made some nurses enjoy their job more than others. The strongest predictor of someone seeing their job as their 'calling' was the number of years spent in the position. Older

nurses who had stuck around long enough started saying that nursing was their ‘passion’, even if they didn’t feel that way to begin with.

- *Conclusion 3: Passion is the side effect of mastery.* We like the things we’re good at. When we get better at something, we begin to enjoy it more. When we get really good at it, we start calling it our passion. Remember that autonomy, mastery and purpose are the three new ‘carrots’ driving knowledge workers today. When we find a job that satisfies all three of these, we’ll start to feel passionate about it.

Be So Good They Can't Ignore You

There are two possible mindsets we can adopt for our careers:

1. *Passion Mindset:* Focus on what the world can offer you.
2. *Craftsman Mindset:* Focus on what you can offer the world.

When you focus on what your job or your company offers you, it makes you hyper-aware of what you *don't* like. When you first start out, you’re going to be doing shitty work. By definition, entry-level positions aren’t filled with challenging projects and autonomy. You need to grind through these levels to get to the good stuff.

The things that make work great are rare and valuable: autonomy, mastery and purpose. Like any trade, if you want to receive something rare and valuable, you need to offer up something rare and valuable in return: your skills. No one *owes* you a great career, you need to earn it (and it won’t be easy). Regardless of how you feel about your job right now, adopting the *Craftsman Mindset* will be the foundation of which you will build a great career. This is the mindset which will allow you to invest the necessary time and effort into getting good at something.

This cycle of developing your skills to become rare and valuable is what Newport calls developing ‘*career capital*’. Imagine going in to buy a new fancy car, but all you’ve got is a couple of dodgy checks that will bounce. That’s like walking into the CEO’s office and demanding that she give you a good job, just because you feel like it’s your passion. If you want to buy

the fancy car, you'll need some real cash behind you. And if you want a good job, you'll need the career capital you've gained developing your rare and valuable skills.

What To Do With Your Capital

Louis XI (1423-1483), the great Spider King of France once asked his astrologer how much longer he had to live. The astrologer replied, "I shall die just three days before your Majesty". The king was stumped. He had intentions to kill the astrologer, but everything had now changed. The King now had to look after and protect the astrologer at all costs. With this new found leverage, the astrologer had the keys to the city.

The astrologer's tricky play on words handed him the reins on his own fate. For our context, *career capital* is the trick for the reins in our own careers. Accumulating it is the hard part. Once you have it, you have leverage and power to take your career where you want it to go. There will be countless employers who are throwing opportunities at you in return for a piece of the valuable capital you've acquired. The most obvious thing to do is trade in your capital for a promotion and a pay rise. But money isn't the only currency you can trade your capital for. You might be better off trading in your hard-earned capital for something more rare and valuable than money.

Trade In For Autonomy

Once you have leverage and you're valuable to an organisation, you can ask for more freedom and flexibility. It may be working from home a few days a week, dropping back to a four-day work week, taking an extended vacation, or working from a different country for a month each year. A brand new graduate asking for any of these would be laughed out the door. But once you've built career capital, you've developed the trust that you will still produce great work even if you're not in the office all day every day.

Trade In For Purpose

When a Graduate is asked to change the watercooler or an Apprentice is summoned to sweep the floor, it may seem unflattering. These uninspiring roles, however, are laying the foundation for career capital and leverage. The payoff? A significant return in capital ready to trade-in for a special ‘purpose’ or ‘mission’ that might just change the world.

Missions are powerful because they focus your energy towards a useful goal enabling you to maximise your impact on the world. People who feel their careers matter are better able to handle the strain of hard work. If you've developed enough career capital, you have the leverage to choose an organisation (or start your own) that is aligned with your values.

So far we've unboxed the importance of building (and using) career capital to take control of our careers. In the rest of this lesson, we'll explore three different approaches to acquiring it:

- *Get focused.*
- *Build a unique stack of skills.*
- *Become indispensable.*

CHAPTER 30

Building Capital: Get Focused

*“What we choose to focus on
(and what we choose to ignore)
plays in defining the quality of our life.”*

Inspired by: **Deep Work**, by Cal Newport

‘Deep Work’: Professional activities performed in a state of distraction-free concentration that pushes your cognitive capacities to the limit.

By continually being pushed to the limit, you create new value, improve your skills and become harder to replace. Decades of research in psychology and neuroscience has revealed that the state of mental strain that accompanies the prolonged focus of deep work is essential to improving your abilities.

Deep Work stands in sharp contrast to the behaviour of most knowledge workers today. The never-ending stream of emails and text messages and phone calls and social media notifications pull us out of our focus. A study found that the average knowledge worker spends more than 60% of the week engaged in electronic communication and internet searching, with 30% dedicated to reading and answering email alone.

When you switch from Task A to Task B, your attention doesn't immediately follow. A little bit of your attention remains stuck thinking about the original task. This ‘Attention Residue’ gets especially thick if your work on Task A was incomplete. Even if you finish Task A before moving on, your attention remains divided. The common habit of working in a state of semi-distraction is potentially devastating to your performance. It might seem harmless to look at your inbox every ten minutes or so, but the “quick check” saps your attention and focus.

Open-plan offices are a disaster for Deep Work - at any moment, you could be ambushed with pointless questions from colleagues pulling you out of the zone. We're losing the ability to Go Deep.

Shallow Work

The opposite of ‘Deep Work’ is ‘Shallow Work’. These are those non-cognitively-demanding, logistical-style tasks, often performed whilst distracted.

These efforts tend *not* to create value for the world, or your career. They are easy to replicate by someone less skilled than you. Worse still, there's increasing evidence that this shift toward the shallow is not a choice that can be easily reversed. Spend enough time in a state of frenetic shallowness and you reduce your capacity to perform Deep Work. That's a scary thought... not only are you missing out on doing Deep Work right now, but you're also *permanently* diminishing your Deep Work capabilities! Our work cultures' shift towards the shallow is exposing a massive economic and professional opportunity for the few who recognise the potential of resisting this trend and prioritising depth.

The Time Vortex

A massive hurdle to Getting Focused is the lure of your social media accounts. Luckily, the chaos caused by social media giants like Facebook is starting to be exposed. In 2020, the hit Netflix documentary *The Social Dilemma* revealed their means of manipulation to keep you scrolling.

The goal of social media giants is to create addiction through intermittent positive reinforcement that releases dopamine. We can't resist our human nature which craves other people's approval, regularly and incessantly checking notifications. On average, we spend 144 minutes every day on social media! This is a serious concern if you are looking to grow rare and valuable skills via *Deep Work*.

Cal Newport's follow-up book *Digital Minimalism* provides a philosophy in carefully selecting the online activities that support the things you value (so that you can gladly miss out on everything else). With the digital detox, you can take your brain back and maximise your ability to learn difficult and valuable skills.

The Deep Work Hypothesis

We're living in an information economy that's dependent on complex systems that change rapidly. To remain valuable in our economy, therefore,

you must master the art of quickly learning new things. This task requires Deep Work. If you don't cultivate this ability, you'll fall behind.

Deep Work is not an old fashioned skill falling into irrelevance. It's a crucial ability for anyone looking to move ahead in a globally competitive information economy that tends to chew up and spit out those who aren't earning their keep.

The ability to perform deep work is becoming increasingly rare at the same time it is becoming increasingly valuable in our economy. As a consequence, if you are one of the few who cultivate this skill, you will thrive.

High quality work = time spent x intensity of focus.

If you lock yourself away from notifications and distractions, you will be able to go deep on the task. Your focus will substantially increase. And as a result, you'll produce much higher quality work. You will become valuable and build your career capital.

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CHAPTER 31

Building Capital: Stack Skills

*“If you want success,
figure out the price, then pay it.”*

Inspired by: **How To Fail At Everything And Still Win Big**, by Scott Adams

Typically, people think success comes from getting world-class at a singular skill:

- If you're a software engineer, you think the best path is to understand computer programming better than everybody else.
- If you're an accountant, you believe you should put in the thousands of hours to find the loopholes in your state's tax laws.
- If you're a builder, you figure you'd better learn how to construct frames better and quicker than anyone else.

However, putting *all* your eggs in one basket isn't necessarily the best way of building career capital. Luckily, there is another efficient approach. Instead of becoming world-class in one skill, talent can come from having a unique 'stack' of skills that no one else has. By stacking together an eclectic mix, you can create value in a way that nobody else can.

Skill Stacking

The Skill Stack is our suggestion for building Career Capital. This concept suggests that: "*Every skill you acquire doubles your odds of success*". While this may not be a precise figure, it's directionally accurate and provides the positive mental mantra that each time you learn something new, you get closer to success.

Being 'good' at two different but complementary skills can be better than being 'excellent' at just one thing. If you can get good at a bunch of stuff, you can eventually become one of the best in the world at your very small niche within the intersection of your skills.

In Scott Adams's case, he says that he's not the funniest guy in the room but he's funny enough, he's not the best artist but he can draw well enough, he's not a business billionaire but has an MBA, he's not a world-class writer but he's good enough. When you add these skills together, they combine to make him one of the best comedic business cartoonists in the world. He created the *Dilbert* cartoons, and they've been syndicated around the world every single day for over three decades.

Extraordinary talent and the maniacal pursuit of excellence in one thing might be a path to success, but it's probably the most demanding path. Instead, we should focus on skill development and continually improving ourselves in quantity, not just quality.

Think of it as though you're making a tasty soup. By adding in different ingredients, you create a unique mixture. With enough good ingredients mixed in, you invent a new soup that only you can make. If you become the best in the world at making this specific soup, you gain career capital.

So what are the best skills to add to your soup? There are obvious skills you need to master in your specific field, and there are also skills that are useless to you (a pilot doesn't need to know how to install an internet connection to a new building, a carpenter doesn't need to know how to edit a book). Then there are the universal skills that anyone can add to their soup to make it much tastier (more valuable). These skills give you plenty of leverage and are highly likely to pay back disproportionate dividends in the future. In addition to your industry skills, you might want to learn these broad-based skills.

Psychology

If you live your life assuming humans are rational creatures, you will be constantly disappointed. Be prepared for constant frustration and confusion. All business and social activities require a basic understanding of how human brains perceive the world. The better you understand human nature, the better placed you are to make optimal decisions.

There are countless biases that all humans (including you) are plagued with. By understanding where these are likely to pop up, you can mitigate the risks brought out by your brain.²

Public Speaking

Not many things will help with career advancement as much as public speaking does. People associate this skill with leadership ability, poise, and professionalism - all qualities valued in the job market.

By displaying only this skill, people (sometimes irrationally) just assume you're competent. We give too much credit to somebody who can stand in front of people and do a presentation without shitting themselves. If you aren't cashing in on the bounty that comes with this skill, now is the time.³

Design

I (Jonesy) have shot myself in the foot when sending out a report far too many times. Sometimes an engineering report may take 50 hours to pull together. I'll send the engineering advice to the architect with the results of all of the detailed and time-consuming engineering analysis. But it doesn't matter how good the computations were - if it looks like shit, people assume the work is shit.

You just need basic skills in design to add an aura of perceived quality to your work. Formatting a document nicely is basic stuff, perhaps so basic that we don't put in the required effort. The final touches of a document usually take less than 5% of the time invested in the project, but this has a disproportionate impact on how people view your work. If you get the basics right, people will stop judging your layout and be able to focus on the work itself.

Accounting

For most of us, accounting is boring as hell. Understanding accounting means you can manage cash flow projections, understand tax impacts and the time value of money. Whether you're interested in being an entrepreneur or managing a team or a project, then accounting will be a critical skill for your success.

Conversation

If you're not trained in conversation, you are probably listening with the intent to reply rather than the goal to understand. If this is you, then sorry, people will think you're a pain in the ass to deal with.

The point of conversation is to make the other person feel important. If you do this, they'll feel good and do things for you. If you don't, then they'll be a hurdle for your progression⁴.

Golf

Golf is a game generally played with upper-class people who may have cash, connections and opportunities. There is an old saying that 'business gets done on the golf course' for good reason.

There may come a time in your life where you get invited to play golf by someone important. If you slice it into the bushes on hole one, you're better off sitting at home. If you can't play golf, in some circumstances you won't have a seat at the table.

Of course, this goes beyond golf. This goes for all types of social activities. If you can connect with people outside of the office, be it golf or go karts or *Game of Thrones*, you'll better connect when it's time to get down to business.

CHAPTER 32

Building Capital: Become Indispensable

“If you need to conceal your true nature to get in the door, understand that you'll probably have to conceal your true nature to keep that job.”

Inspired by: **Linchpin**, by Seth Godin

You were born into a world full of factories. And we're not just talking about the 1930s-style automotive production lines. Today, 'factories' churn out insurance, websites, movies, take care of sick people and answer the phone.

It was implied that good factory workers would get rewarded. There was a promise that if you paid attention in school, followed instructions, showed up on time and tried really hard, in return, the factories would take care of you.

The factories would pay you a lot of money, give you health insurance and offer you job security. It's a pretty seductive bargain. So seductive that we've been holding up our end of the promise for decades. We set up our school and our systems and our government to support that promise. For a long time, it worked. But now that 'take care of you' promise has been broken.

In the face of competition and technology, the factories are no longer holding up their side of the deal: job growth is flat, wages in many industries are declining, the middle-class is under siege like never before, and the future appears dismal. People are no longer being taken care of.

If you're one of the obedient workers, it suddenly looks like you bought into a sucker's deal. You might be the hardest worker in your organisation with a wealth of institutional knowledge that deserves security and respect. But that doesn't mean you'll get it. The educated, hard-working masses are all still being obedient and doing what they're told, but no longer getting what they deserve. It is futile to try and restore this 'take care of you bargain', hoping that if we work hard companies will take care of us. It doesn't work any more.

Even if you wear a white-collar, you might still be working in a factory. Modern factory work isn't just operating a drill press - it includes pushing

around a pencil, processing an application or hitting keys on the keyboard. Today, the grease is from the dirty burger and dim sims at lunchtime, rather than from the mechanical parts. You might have a degree like engineering, law, accounting, hospitality or construction management, but it's still 'factory work'. You've bought into this giant conspiracy, that tells you to be a cog and make the system run smoothly.

White-collar jobs were meant to save the middle-class because they were machine proof. A machine could replace the guy hammering nails, but never replace someone finding a book in a library or answering the phone... or so we thought. White-collar jobs are no longer safe. You weren't *born* to be a cog in the industrial machine; you were *trained* to become a cog. The bargain is gone, and it's not worth whining about. There's a new bargain now, one that leverages talent and creativity and art, more than it rewards obedience.

A *Linchpin* is an unassuming piece of hardware, something you can buy for 70 cents at the local hardware store. It's not glamorous, but it's essential. It holds the wheel onto the wagon, or the thingamajig onto the widget. Every successful organisation has at least one lynchpin; some have dozens or even thousands. The lynchpin is the essential element, the person who holds part of the operation together. Without the lynchpin, things fall apart.

The easiest lynchpin examples to find are the big dog CEOs and entrepreneurs because they get all the publicity. But they are much more common than you think - you probably come across lynchpins all the time.

When I'm working in the city (Ashto here), there are a plethora of cafes to choose from. It seems like every street block has four or five cafes, and they're all pretty similar. I'm no coffee snob, so they all taste the same to me. The reason I choose to cross the street instead of going for the closest one is because of their lynchpin. She goes by the name EG. She's always happy to see me (or at least pretends to be, I know I'm not the prettiest face to see walking into the cafe). No matter if the cafe is full of customers or dead quiet, she always takes the time to make my coffee run that little bit special. Having worked in hospitality (Jonesy and I first met working at a pub together), I thought it impossible to always be happy when you've got annoying customers pissing you off, complaining, rushing or being rude. But EG takes the lynchpin approach and chooses to wear a smile and put in

the extra effort. If she didn't, I'd probably save myself the walk and go to the cafe that is a little closer and a little cheaper.

The same option is in front of you too. Every day when you show up to work, you have a choice: continue to fit in and be a replaceable cog, or choose to stand out and become an indispensable linchpin.

Short Bursts Of Brilliance

Most of the time, you're *not* brilliant. If you followed Arianna Huffington for a day, she'd be doing the stuff that ordinary people do most of the time. She'd be hammering away at the computer like the rest of us. But every so often, there is a tiny burst of energy that secures a million-dollar deal or kicks off a new business with a string of phone calls.

It's the same across all industries. Linchpins display brilliance in tiny bursts, the rest of the time they're doing work that any trained person can do. These are the moments that separate the cogs from the linchpins. The linchpins are the ones that make things happen. For you, it might be the five-minute pitch to the directors to pursue a new project for the business. It might be an email that takes 20-minutes to draft, pulling everyone together for team building drinks after work. Or it could be an impromptu call to a client to see how they're doing. With every short burst of brilliance, you are taking a step toward becoming indispensable. You are stepping away from the cog work to do the emotionally difficult work nobody else is prepared to do.

Dealing With The Fear

The herd is replaceable. To be indispensable, you need to become different. The only way to do this is to stand out and exert emotional labour. You will produce interactions that organisations and people care about deeply. At least temporarily you'll feel like a weirdo, going against the comfortable grain of your work culture. Doing this linchpin kind of stuff can be scary as hell... it's much easier to revert to cog mode.

Cog work is predictable and comfortable. That is why we gravitate towards it. What separates the linchpin, however, is how they handle the fear. The cog feels the fear and stops doing what makes them afraid, and it

works. The fear goes away. But the linchpin feels the fear, acknowledges it, and proceeds anyway. In today's economy, dealing with fear in this manner is a prerequisite for success.

Seeking Failure

Losing sucks. It's never nice to try something that doesn't work out. It's much smoother sailing when you only do things that are guaranteed to work. But playing it safe like this means you're never going to learn anything new.

Going out of your way to find uncomfortable situations and risking failure isn't natural, but it's essential. The road to comfort is crowded, and it rarely gets you to where you want to go. It's those who seek out discomfort that become indispensable. Discomfort means you're doing something that others were unwilling to do because they're busy hiding in their comfort zone. Ironically, those who are most willing to risk losing will learn the most along the way, and eventually become winners.

Becoming More 'Human'

Imagine that you're a restaurant owner with four waiters during an economic crash (not hard to imagine at the time of writing). The tough times require you to give one of your employees the boot. Three of them work really hard and offer great customer service. The other one sometimes makes mistakes but is a master at dealing with problems. He can calm down the disgruntled customer, create a new system to manage a logistical hiccup, or placate the angry chef. Who's job is the most secure?

Think about this: if your organisation wanted to replace you with someone far better at your job than you, what would they look for? It is unlikely they'd seek someone willing to work more hours, with more industry experience or who scores a tad better on the standardised tests. No, the competitive advantage of the new marketplace goes to the person who is more human, connected and mature. This person has passion, energy, sees things as they are, can handle multiple priorities at once and can make decisions without angst.

The best part about these qualities is that they're all choices. You don't need to spend \$30,000 and study an additional four years to learn these skills. You can start making them today, for free.

1 Yes there are big exceptions here. We all have that colleague who has mastered the art of hiding, and not doing anything whilst working from home.

2 We'll be doing a deep dive into human biases in Lesson 25: *Biases of the Brain*

3 If you want to add public speaking to your skill stack, Ch35: *Public Speaking* has a few helpful pointers

4 The gift of the gab will be covered in Ch40: *Communicating With Words*

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Lesson 9

**big
ticket
skills.**

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Some skills have greater leverage than others. By adding some specific skills to your toolkit, you can get where you want to go much faster. It doesn't matter what type of job you have; these Big Ticket Skills are universally applicable across industries. Adding these tools to your toolkit will serve you well across the different roles you take on over the duration of your career.

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CHAPTER 33

A Skills Framework

*“If you rely on finding time to do something,
it will never be done.
If you want to find time, you must make time.”*

Inspired by: **The First 20 Hours,**
by Josh Kaufman

There is so much we want to do, but so little time. Take a moment to consider the list of things you wish you could learn. Maybe it's a new hobby, a new instrument, a new language or a new sport. Likely, two things are holding you back: time and skill.

The most rewarding things in life almost always require some level of skill. Skills take time and effort to master. Time we don't have, and effort we're reluctant to contribute.

Another uncomfortable truth: most things aren't fun until you're good at them. Every new skill has a “*frustration barrier*” - it seems like fun at first, but a few hours in you hit a wall where you don't seem to be improving. You're still horribly unskilled, but now you're painfully aware of it. Maybe you're trying to learn the violin, but you sound like you're torturing a cat. Or you start windsurfing and you're smacked continuously on the back of the head by the sail. Or you want to learn a new language but can't make the right sounds come out of your mouth.

In my case (Ashto), I've been trying to learn to play harmonica. I can play single notes, but I just can't get the ‘bends’ right. The standard draw and blow notes were easy enough, but the bending and the overblowing are a whole different challenge. The instructor says you should be going from saying “eee” to “errr” to “ooo”, but what the hell does that even mean when you've got a lump of tin stuck in your gob?

Wouldn't it be great to master new skills with less angst? The goal is to quickly break through the frustration barrier to get to the rewarding part, spending less time slogging through confusion and doubt, and more time having fun. The goal is to push through ‘the first 20 hours’ quickly, which is the amount of time it typically takes to burst through the frustration

barrier and get to the fun stuff. The first 20 hours are going to suck, so you should make a pre-commitment to yourself that no matter how much you want to give up, you're going to push through before deciding if it's something you want to continue with or not.

It's all about quality, not quantity. To rapidly acquire a new skill, we need to embrace the idea of 'sufficiency'. We're talking about developing capacity in 20 hours at this point, not 10,000 hours to get to world-class mastery. We're tackling the steepest part of the learning curve, the part where we're going from zero ability to a small level of skill. We're shooting for visible results but in a fraction of the time. You won't be winning gold medals, but you can get to the results that matter in less time than you ever thought possible.

Principles of Skill Acquisition

Choose A Lovable Project

You effectively need to cultivate a 'temporary obsession' with the skill you want to acquire. Skill acquisition happens pretty naturally when you become so curious in something that your other concerns temporarily fade away. Whenever we start something new, it becomes our primary focus, for a little while anyway. The key is to tap into that initial spark and use it to drive your first phase of learning.

Karl Popper said: "*The best thing that can happen to a human being is to find a problem, to fall in love with that problem, and to live trying to solve that problem... until another problem even more lovable appears*". The first part of acquiring a new skill is choosing a lovable problem or project - the more excited you are, the more quickly you'll acquire it.

I (Ashto) have violated this rule before. I wanted to learn a new language, and I'd heard of this thing called Esperanto. It's a 'constructed' language that was created in 1887. Supposedly, if you understand how Esperanto works, you can then better learn other languages. So, I downloaded the Duo Lingo app and did ten minutes a day on the train to work. It was kind of cool for the first two or three days, but I didn't love it and quickly grew bored. I'm still on lesson 12 and haven't opened the app for two years.

Contrast this to when I started learning Nepali. I was booked to go to Nepal in April 2020 (those plans fell through, for obvious reasons). But because I had a reason to learn it, I stuck at it much longer. I was wrapping my head around the basic phrases and was feeling pretty confident to land in Kathmandu and start hanging out with the locals... until the trip got cancelled and I stopped learning Nepali. Hopefully I can get there one day!

If you love a project, you're much more likely to take it through to the end and past the frustration barrier. If you're lukewarm, you're probably just wasting your time.

Define “Success”

Before you get started, you want to paint yourself a picture of what ‘good enough’ looks like. Set a goal and give yourself a target level of performance.

If you’re learning a new language, maybe ‘good enough’ means being able to order a meal and get directions to the bathroom. If you’re learning an instrument, perhaps there are two or three simple songs you want to have in your repertoire. Or if you’re learning to code a website, you want to have enough knowledge to build a simple three-page site where you can control the fonts and heading colours.

Before you get started, it’s going to be hard to know what’s possible. You might find that your initial goal only took four hours to hit, or you might have underestimated it and it would actually take 400. The advice is to set a low bar, something you can hit early and then shift to be more challenging later. If you set the bar too high, you’ll struggle and feel it’s impossible. This will drain all your fuel, and you’re likely to give up earlier.

Research

Before you jump into actually learning the skill, it’s worthwhile taking 20-30 minutes browsing the internet, watching a few YouTube videos, reading a few blog posts, and getting an idea of the basics. Even better, ask someone who already knows this skill - they’ll be able to give you a good understanding of the best place to start and expected timeframe for achieving progress.

The intention here is to break down your new skill into many smaller sub-skills. This will help you have more realistic goals and expectations and give yourself a bit of a path that increases in difficulty. Doing this at the start can save you a lot of wasted time and effort, and reduce the need for inefficient trial-and-error.

Remember that all the time spent reading books or watching videos about your skill is time *not* spent actually practising. Keep this research phase short. The purpose here is to streamline the practice process, not to replace the practice itself.

An essential part of this research phase is deconstructing. Let's say the new skill you want to learn is golf. Within that big skill of golf, there are many smaller sub-skills. You need to know how to pick the right club for each situation, drive off the tee, hit from the fairway, chip onto the green, play it out of the rough or a sand trap, and the vital sub-skill of holding a cigar in your mouth whilst putting for maximum coolness.

Now that you've deconstructed this big skill, you can focus on learning one sub-skill at a time. An ineffective way of learning the skill of golf is to go to a private golf course and play 18 holes. A far better method would be to go to a driving range a few times to practice teeing off, then going to mini-golf a few times to practice your putting, then playing some *Tiger Woods PGA Tour* on PlayStation to learn about club selection. By focusing on one sub-skill at a time, your overall progress will be far quicker than if you tried to learn everything at once.

Eliminate Barriers

Make it as easy as possible to learn the skill by removing barriers to learning:

- *Obtain critical tools:* Every skill is going to have some kind of necessary equipment. If you want to learn to play tennis, you need a racquet and balls, plus access to a court. If you're going to learn to draw, get yourself some fancy pens and high-quality paper. I (Jonesy) started learning Jiu-Jitsu. At first, I was borrowing a Gi from the martial arts school. These don't get washed that often. They get pretty sweaty. They're usually pretty smelly, and you

never know what sort of characters have been wearing that Gi before you. This was a major turn off and was a big barrier to practice. I was better off buying my own so I had no excuse to skip training.

- *Intermittent Resource Availability:* If you want to learn to swim, it's going to be tough if your local pool isn't open after work. If you're going to play squash, it's going to be challenging if the courts are always booked. You need to find solutions to barriers before you get started.
- *Environmental Distractions:* TV, phone, email... there are plenty of pings/dings/rings that can suck your focus away from your skill practice. Clear these out of the way before you start each session.
- *Emotional Blocks:* Fear, doubt, embarrassment - these are hard to conquer, but you must find ways to eliminate these barriers. If you're learning to sing and feeling self-conscious, maybe practice in your car so you don't feel like anyone else is listening. If you want to learn yoga but feel embarrassed about not knowing the positions, maybe take some private lessons before joining a class.

How Do You Get To Carnegie Hall?

The most crucial part of acquiring any new skill - practice! You need to set aside dedicated time to practice. Practice takes time, and that time needs to come from somewhere. You can't 'find' extra time in your schedule; you need to *make* time for it. Usually, that will mean taking time away from something else. It might mean turning the TV off after dinner, blocking out an hour in your diary, or splitting up your one-hour lunch break so that you take thirty minutes for lunch then thirty minutes for practice.

These principles can be applied to learning anything, from casual hobbies to more serious endeavours. The rest of this Lesson will look at some of the most important generic skills you'll need if you want to advance your career.

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CHAPTER 34

Remembering Names

*"If you want to live a memorable life,
you have to be the kind of person
who remembers to remember."*

Inspired by: **Moonwalking With Einstein**, by Joshua Foer

Do you shake someone's hand and instantly forget their name... and then you feel like a complete jerk when you run into them three days later? Don't worry; you're human. Most people are like this. But if you're out to forge a strong reputation for yourself, you don't want to be like 'most people'. Forgetting names is disastrous for your career.

Dale Carnegie, author of *How To Win Friends and Influence People*, taught us that a person's name is (to that person) the sweetest and most important sound in any language. So why don't we take a little time to learn how to remember names? Generally, we're too busy trying to think about what we're going to say next, so we either don't listen to the person's name properly, or we quickly dismiss it as unimportant compared to the knowledge bomb we're about to drop into conversation. Not remembering a person's name is the strongest way to communicate you don't think they're important.

Bill Clinton is said to have an exceptional memory for the names of people. Clinton had a large folder with information of all the people he knew, like their names, positions, and how he got to know them. He later had this digitised, and there were tens of thousands of entries in this personal database. He credits it as one of the talents that guided him into office and propelled him to top dog in American Politics.

I (Jonesy) used to tell myself that I just sucked at remembering names. But I realised this was a Fixed Mindset belief. I'd never even tried! All it took was a few simple tips and a little more care for other people - now I remember names easily.

It is something most of us are useless at, but like any skill, it is learnable. If we want to learn to remember names, we need to understand how our memory works.

The Name Hunt

Hunting down the memory of a name after it goes missing can be painful. “*Her name begins with L... she's a painter... I met her at that party a couple of years ago...*” Until one of those memories calls to mind the one we're looking for. “*Ah yes, her name was Lisa!*”

With time, our memories gradually decay along what's known as the 'curve of forgetting'. From the moment you grasp a piece of information, your memory's hold on it begins to loosen, until finally, it lets go. After 20 minutes, 60% of information is retained, after two days, 25% is retained, and after one month, only 10% remains.

Today, we don't need our memory as we used to. When we jump in the car, we use GPS. Rather than remember someone's phone number, we just look up our contacts list on our phone. We don't need to remember important information anymore because we can just google it. Our memories are fading with our increased reliance on gadgets.

But there are techniques we can use to improve our memory, and with these, we have a fighting shot at remembering every name we come across.

A memory, at the most fundamental physiological level, is a pattern of connections between the neurons. Every sensation we remember, every thought we think, transforms our brains by altering the connections within that vast network. If thinking about the word ‘coffee’ makes you think of the colour black, and also think about breakfast and the taste of bitterness, that's a function cascade of electrical impulses, rocketing around a real physical pathway inside your brain.

How to Remember Names

Foer's memory trick is simple: associate the name with something you can clearly imagine. It's all about creating a vivid image in your mind that anchors your visual memory of the person's face to a visual memory connected to the person's name.

To get a grasp on this, it helps to understand the ‘Baker/baker paradox’. Researchers showed two control groups the same photograph. They told one group that the guy's name was John and that he was a baker. They told the other group that his name was John Baker. A couple of days later, the

researchers showed them the same photo and asked for the accompanying word. Those who were told about the profession were much more likely to remember than those told the name! When you hear the bloke is a baker, that fact becomes embedded in a whole network of ideas about what it means to be a baker: you imagine the smell, the taste, the texture of the warm fresh bread, and you can picture him wearing that funny white floppy hat. You've linked a whole bunch of senses and created a vivid image. While the profession of a baker is tethered to our sight, smell, taste and touch, the name 'Baker' on the other hand is tethered only to the memory of the person's face in the photo. Its grip is tenuous. Should it dissolve, it will float off irretrievably into the netherworld of lost memories. The secret to success in remembering names and faces is simply turning 'Bakers into bakers', turning 'Foers into fours', and 'Reagans into ray guns'.

To really get those electrical impulses weaving together, use another tactic grounded in evolutionary biology. Evolution wired us to pay extra attention to things that have to do with sex and fear. So when you're attempting to embed something in your mind, you can link it to these themes.

For example, let's say you met me (Adam Ashton) at a Mensa meeting¹ one day and you wanted to remember my name. You could think of me as 'Adam', the first man on Earth, making sweet love to a naked hairy lady in the Garden of Eden with dinosaurs watching the action. If you picture this vividly, you'll undoubtedly remember my name the next time we meet! For bonus memory points, you can add senses into this imagery: sight, touch, sound, smell and taste (actually, maybe be careful with smell and taste on this particular one). Just make sure you never tell the person what sick images you're conjuring up in your brain!

CHAPTER 35

Public Speaking

“You must learn to speak by speaking.”

Inspired by: **Stand And Deliver**,
by Dale Carnegie

My (Ashto's) first ‘real job’ was a summer internship at a bank in the months before starting my final year of study. It was the type of job all my commerce mates froth over. It was a foot in the door, and a step onto the path that most people want: good pay and job security. If you were good enough at the end of the ten-week internship, they would give you an early offer to start full time in the graduate program the following year. There was a lot of competition for these spots with people flying in from all over the country attempting to get a gig at head office, but although my uni results were sub-par, I did just enough to scrape by and land a position.

The first few weeks were great. The ‘shiny new object’ syndrome was there - I felt pretty cool to be wearing a suit and going into the city every day. I’d never had coffee before and embarrassed myself by ordering an orange juice on the first day, but I quickly learned from my mistake and started ordering lattes like everyone else. But by the third or fourth week, the honeymoon period was wearing off, and I realised it wasn’t a place I wanted to be. Some of the older bankers were wankers, I found the work pretty meaningless and boring, and for better or worse, I’d read books like *The 4-Hour Work Week*, *Crush It* and *The Millionaire Fastlane* and my eyes had been opened to a different path. While the other interns were working hard and slaving away, trying to impress their managers so they’d get a good recommendation and a full-time job offer, I didn’t really work at all.

When the internship ended, there were six graduate spots left for the following year and about 40 interns fighting for them. A betting person would put me at #39 or #40 on that list and very unlikely to get a call-up. Thankfully, the final task fell in my favour: a presentation to the senior managers about what we’d learned throughout our two-month internship.

Most of the interns were nervous and jittery. They were already scared of public speaking, and the pressure was infinitely greater due to the fact

that this ten-minute presentation could dictate their entire future career. The bulk of the candidates couldn't string together a well-formed narrative of what they'd achieved over the ten-weeks.

Thankfully, I'd decided to start reading books on the train during the internship. It was my first time reading "real" books - the kind of books we read for the *What You Will Learn* podcast. And the first book I ever read was by Dale Carnegie. The combination of my experience lecturing in front of big crowds of students in my side business plus Dale Carnegie's public speaking framework gave me an edge. Even though I'd done the least amount of work, the presentation I delivered made me sound like a superstar.

I'd had the lowest performance over the ten-week marathon, but all they measured was the final ten-minute sprint. I was offered one of those rare graduate positions. I completed my final year of uni with the comfort of knowing I had a job already locked in.

Public Speaking is perhaps the highest leverage skill you could learn. You get the benefit of what is known as the 'Halo Effect'. When you see someone good at public speaking, you assume they must be good at a lot of other things too. You assume they're good at their job and that they always submit their projects ahead of deadlines, and maybe you even go as far as to assume they're the perfect partner, parent or friend. Of course, it works the other way too - when you see someone that isn't confident in front of an audience, you assume they're a bit of a no-hoper with nowhere to go in life but down.

Imagine if you conquered the skill of public speaking. What would it do for your career, relationships and general self-confidence? Dale Carnegie gives us his public speaking toolkit to skyrocket you to the top 3% of public speakers. An excellent presentation will entertain and persuade, inspiring listeners into action while holding the illusion of a personal, one-on-one conversation. Carnegie's lessons are from his public speaking course, the same course that Warren Buffet referred to as the greatest investment he's ever made (and if you know anything about Warren Buffet, you'll know that he's made some pretty good investments!).

Know What You're Talking About

When you have a big presentation coming up, the idea of memorising your talk is very tempting. If you prepare to this extent, it feels like you can remove all uncertainty and you'll be ready to shine. It makes logical sense.

However, this is a major mistake people make in preparing for their talks. You shouldn't try to memorise a script word-for-word. You shouldn't even write a script in the first place!

If you do, your presentation will sound like you're reading, not speaking. There is no way of hiding it. It will be boring, and your audience will become disengaged. The nerves you're trying to hide will be on show. Your attempts to remove all spontaneity from your speech will be blatant.

Instead, the best way to prepare is to run through your ideas and thoughts regularly. When you're driving the car, in the shower, walking to the shops, you should rehearse your ideas and thoughts, in your head and aloud. If you repeat this process enough, your thoughts will naturally organise themselves into a great presentation. When the day comes, you won't need to look at your notes. The presentation has well-formed grooves in your brain. You can deliver with a depth of conviction and enthusiasm, which beats logic and knowledge conveyed by reading.

The Beginning

Winning the audience over with a good first impression is vital.

- When you move to the stage, make sure you walk with confidence and purpose.
- Win the first minute with a dynamic opening that grabs your audience's attention right off the bat.
- Don't start with a gag. If it goes down like a lead balloon, you'll struggle to win them back later. Unless you're Amy Schumer or Kevin Hart, go with a safer opening.
- Never begin by apologising. The quickest way to get the halo effect working *against* you is to say something like: "Sorry, I'm not the most polished speaker. I'll be quick..."

- Be your natural self. Your audience wants to like you, but you have to earn their interest and affection. They *want* you to win them over.
- When you speak, it's your eyes that involve your listeners in your presentation. No matter how many are present, everyone wants to feel that you are focused on him or her. Catch people's eyes, hold their gaze, make a genuine connection with the people listening.

The Content

- Have a goal for your presentation. What can you offer your listeners? How can you give them something to help them learn and grow? It's not about what happens during the speech; it's about what happens when they leave the room.
- Make it about them. A person's favourite subject is themselves. Your audience will be interested if it's about them. Frame your presentation around their interests, their problems, their hopes and their dreams.

Use Humour Effectively

Don't take yourself too seriously. If your talk is too dry and heavy, you could come across as arrogant. Dropping a few gags into your presentation will make it much more enjoyable.

But there is one important thing not to miss: make sure the audience knows you want them to laugh! Don't half-ass the gag; you need to commit to it. If the audience is confused as to whether you were serious or joking, you might get a few awkward chuckles from the back of the room. Or worse, crickets. People want you to succeed, so if they know you're whipping out a joke, at the very least, you'll get sympathy laughs. And laughing is contagious - if you can get enough people to giggle, it'll catch on and spread.

Stories And Self

Whenever you want to deliver a point, see if you can link it to a personal anecdote, metaphor or a story from history, then try to relate it to your audience.

Firstly, it increases the chances of you connecting with your audience as a human being. If you like somebody, you're much more likely to be influenced by what they have to say.

Secondly, it is much easier for the listeners to carry around a story that contains facts, rather than the dry facts alone. A story is more engaging than theory, and the content is more likely to 'stick' in their brain. According to research at Stanford University, people can recall 63% of stories and only 5% of statistics.

The End

Many speakers might do an engaging, persuasive and entertaining presentation, and shoot themselves in the foot in the final moment. The weakest possible ending is to say: "That's it, thank you". *Do not* end with a simple thank you. You want a strong finish, so it's worth planning and not doing it on the fly. Your ending should be motivational, challenging, thoughtful, respectful or humorous.

Overcoming Fear

Many people are petrified when they're in the spotlight. It's well known that 'public speaking' is the #1 fear in the world. *Death* is #2. How crazy is that? The average person is more afraid to say a few words in front of a crowd than they are of dying. If you have to go to a funeral, most people would rather be in the casket than giving the eulogy!!²

When you stand on stage, you are vulnerable to attack - all eyes are on you, and you feel like they're just waiting for you to stuff up. But this is not true at all - our mind is blowing this way out of proportion. If an audience is there to see you speak, they want you to do well! They aren't waiting for you to stuff up - they want to be entertained or educated (or both).

The first step to overcoming this fear is acknowledging it, and recognising you're not alone. Second, you should find something important to speak about, shifting the focus from *you* to the *content*.

Fear is also something you can harness and use to your advantage. If you're feeling fear, then use that energy to over-prepare. The more you practice your content, the more confident you will become, helping abate the fear. Push yourself outside your comfort zone and force yourself to practice speaking in front of a crowd in a safe environment.

We both tried to overcome the fear by enrolling in a Stand Up Comedy course with the School of Hard Knock Knock. Ashto pulled together a decent narrative but mostly kept it safe and clean (even ‘borrowing’ a couple of gags from podcast guests) and got some good laughs. Jonesy went wild and made weird sex jokes. He was ‘stealing like an artist³’ from another successful comedian he’d seen, but without comedic skill it backfired and he just looked weird. In any case, it was a great exercise.

We recommend Stand Up Comedy as an excellent comfort challenge for anyone looking to get over their fear of public speaking. Even if you bomb, you are doing it to a crowd that knows you’re a beginner and respects you for at least having a crack. Your fears of public speaking will be diminished after stretching yourself to this level of terror and discomfort.

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CHAPTER 36

Pitching

*“When you are reacting to the other person,
that person owns the frame.*

*When the other person is reacting to
what you do and say, you own the frame.”*

Inspired by: **Pitch Anything**, by Oren Klaff

If you need to sell something as part of your job (a product, a service, an idea), then it's worth taking the time to learn how to do it properly. And when you think about it, almost everyone is pitching *something*, no matter how large or small, every single day. That initial pitch is less than 1% of the entire time and energy you need to invest in a project, but it is probably the most critical 1%. That first presentation of your idea can either drive it forward or see it slaughtered on the spot. Maybe you want to sell an idea to investors, convince a client to choose you over the other crew, or even explain to your boss why you should be paid more. Either way, using a good pitching method increases your odds of getting it over the line.

You Don't Need Long

In 1953, James Watson and Francis Crick introduced the world to their discovery: the double-helix DNA structure. This so-called ‘secret of life’ was widely considered the most important scientific discovery of the 20th Century.

Their presentation won them a Nobel Prize. The most striking part of the pitch? It was only five minutes long. That was the *complete* presentation - introducing the secret of life, presenting their scientific discovery, explaining all the need-to-know-details, and showing how it works.

You need to pause and consider that for a moment. If these two blokes can explain the most significant innovation of the 20th Century in under five minutes, why do you think you need to book in hour-long meetings to present your monthly report to the team? There's something wrong with the way most people are pitching their ideas.

Key To Winning A Pitch: *Control The Frame*

Imagine you're looking at the world through a picture frame you're holding in your hands. As you move around the world, different things come into your focus. Anything outside of the frame is effectively irrelevant to you, as you only see what's in your frame at any point in time. You can never really see the full picture. This is what you might call your 'point of view'. Another person can look at the same image as you but see something different because they have a different perspective and are looking through a different frame.

Usually, it's fine for people to have different perspectives. But when you're trying to pitch an idea, you want to make sure that everyone is looking through *your* frame. Different people look at different ideas through different frames, but ultimately only one frame can win. Whenever two frames collide, the stronger frame always wins. It is not the strongest argument that wins, but the strongest *frame*. The weaker frame gets absorbed by the stronger frame until there is only one point of view remaining.

Frame-based pitching focuses on all the little signals you send and all the setting up you do *before* you even start your pitch. If you're starting with a weak frame, you've already lost.

To give you an example of this, let's talk about a real-world scenario many people will be familiar with. You're driving down the open highway. You've got the top of your convertible down, hair blowing in the breeze, sunnies on, and a hot babe in the passenger seat. Suddenly you check your rearview mirror and see a police car tailing you. The cop flicks its lights on, and you pull over. Your mind races: *Did I do something wrong? How fast was I going?* The cop walks up beside you. You try to detect how she's feeling, but the policewoman shows no emotion whatsoever. It's like she's staring straight into your soul.

“Sir, do you know why I pulled you over today”...

The next words out of your mouth, determine your frame. You've got a few options in front of you:

- You can plead ignorance: "*I was just going with the flow of traffic, or I didn't see the speed sign, or I thought the limit was higher out here*".

- You can feign an emergency: “*My wife is pregnant, so I was rushing to get home*”, or, “*my son fell off the playground at school and broke his arm*”, or, “*my friend was going to take his life because he could never be a banker*⁴”.
- Or, you can try to be the tough guy: “*Don't you have something more important to do than hassle people all day?*”

You decide that trying to pick the ‘Ignorance Frame’, the ‘Emergency Frame’ or the ‘Tough Guy Frame’ are all going to lose, so you go with the ‘Nice Guy Frame’: “*I'm normally a perfect driver, and I've never been fined before, so if you let me off with a warning just this once, I won't do it again?*”

But the ‘Cop Frame’ is almost unbeatable. The ‘Cop Frame’ has the moral high ground and the social and political backing that will win every time. You can try to fight back, but sooner or later your weaker frame will crumble, and you’ll be doing whatever the cop says.

When it comes to business and career pitches, you can pick a few strong frames: the ‘Power Frame’ or the ‘Time Frame’.

The Power Frame

Possibly the most common frame you’ll encounter in business. This comes from people with massive egos. Their power is rooted in status and titles and is fuelled by everyone below sucking up to them. Whenever you experience arrogance, lack of interest, rudeness... you’ve encountered a Power Frame.

They’ll tell a bad joke, and everyone will laugh. They expect you to wait in the lobby until they’re ready to see you. They expect obedience and neediness because that’s what they’re used to getting from everyone else. If you give in to any of these, you show that they have power over you.

If they think they’re dominant and that you’re the weakling, your deal is already lost. You need to show that you’re not a Beta, you’re an Alpha on their level. You need to perpetrate some kind of denial of power to claim back the frame. You don’t aggressively do this to start an alpha war, you do this cheekily and playfully to show them that you mean business and you’re not going to be pushed around.

Oren Klaff was waiting in the lobby for his meeting when one of the Big Boss's underlings came out and said: "*Mrs Big is busy and she can't make it for another hour*". Here, he had two options.

Option One: wait an hour, then do his pitch.

BUT - if you do this, you've already lost. The Big Boss doesn't respect you, and she doesn't care what you have to say. You're wasting your time.

Option Two: you say: "So you're asking me to delay my start time? Okay. I can give you 15 minutes to get yourselves organised. If you can't start by then, then let's call it a day". This is a power move. Either they cave to your power, and they start when you want to start, or they don't cave, and you walk away. You *must* be willing to walk away at this point. It's a Beta move to wait an hour then try to pitch on their schedule. They're not going to buy anyway, so you may as well leave while you still have control. If you show neediness or desperation, you lose.

The Time Frame

Someone can take control with the Time Frame, by walking in and saying: "I've only got 15 mins, let's make it quick". The standard response is: "Thanks for taking the time out of your day to meet with me. I'll be sure to respect your time and be quick". But you're not going to trot out the common response. You know the importance of Frame Control in pitching. Instead, you act out a small denial of power and reclaim the frame by responding with: "That's OK, I've only got 12".

An excellent way to take control of the time frame is to set expectations early. Start with something along the lines of: "Look, I've got a bit on today, so I've only got about 20 minutes to run you through the Big Idea. That will give us a bit of time to discuss and answer a few of your nagging questions before I have to take off".

Most people do the exact opposite. They have 70 slides of graphs and charts they want to talk through. When they see the listener's eyes glazing over, they apologise, they start rushing, they begin skipping slides and saying they're not necessary. This is a Beta move. You lost the Time Frame. You're entirely in the other person's hand. You just lost the deal.

CHAPTER 37

Negotiating For Yes

*“The ability to see the situation
as the other side sees it, as difficult as it may be,
is one of the most important skills
a negotiator can possess.”*

Inspired by: **Getting To Yes**,
by Roger Fisher & William Ury

Negotiation is something you do all the time. You discuss a raise with your boss, try to find an agreeable price for a house with a stranger, you discuss with your partner where you should go for dinner and which movie you should watch.

‘Negotiation’ is simply a back-and-forth communication designed to reach an agreement when you aren’t initially aligned. Every negotiation is unique, but some basic ingredients do not change.

Don't Bargain Over Positions

‘Positional Bargaining’ means each opponent takes a position and argues until they get what they want. You want a 10% pay rise, but your boss says you should only get 5%. From there, you both make concessions until you reach a compromise somewhere in the middle. This is the most common form of negotiation, but not the most effective.

Arguing over positions is inefficient and takes a lot of time. It can strain your relationship because the argument descends into a contest of will. If you get angry and throw a hissy fit that you don’t get your 10% pay rise, it’s going to be awkward next time you cross paths at the water cooler.

In positional bargaining, each negotiator asserts what they will or won’t do, and the weaker one eventually has to cave and lose. You either play ‘hard’ or play ‘soft’. But there’s a better way. If you don’t like this false dichotomy of hard or soft, you can change the game with ‘*Principled Negotiation*’ through these four steps.

Step 1: Separate the People from the Positions

It is natural for people's egos to get wrapped up in the position they hold. It is tempting to attack the other person while you're arguing, but this just leads them to be defensive, solidify their position and become harder to budge. If you let it get to this point, it's nearly impossible to find a real win-win solution.

To separate the person from the position, you need to see the situation as the other side sees it. It is only through empathetic listening that you can better understand where they are coming from and what might satisfy them.

In the case of salary negotiation, there might be good reasons that your boss can only offer a 5% raise. Perhaps her boss has laid down the law and told *her* to hold firm in negotiation, or maybe she has a fixed budget to allocate for her team. If you take more money from the set budget, there is less for your colleagues. Once you understand the reasons behind their positions, you'll realise they're not doing this just to spite you. You'll see there is a genuine reason for them holding their position.

It's important to note that understanding their perspective isn't the same as agreeing with it. But you must at least understand them before you can move on with the negotiation.

Step 2: Focus on Interests, Not Positions

Two kids were fighting over an orange. They both wanted it, so they chopped it in half in an attempt to be fair. One ate the fruit and threw the peel away, the other used the skin to bake a cake and threw the fruit away. They fought over the position ("I want the orange"), and the only middle ground was getting half each. If one negotiator was mature enough to identify their underlying *interests* that supported their surface-level positions, they could've both got everything they wanted, and nothing would've been wasted.

In negotiation, you need to look beyond positions and identify interests. We often try to keep our true interests secret from the other side, but open communication is the best way to maximise both sides' satisfaction. Each side has multiple interests - it's best to get them all out so you can identify which ones are easily fulfilled to achieve as much as possible for both sides.

In our pay negotiation example, perhaps you were asking for a 10% pay rise so you could quit the second job that you worked on the weekend and spend more time with your family. The *position* is “10% pay rise”, but the *interest* is “spend more time with my family”. If you shared this interest openly, perhaps your boss might say: “The budgets are locked in for this year, and I can only give you a 5% pay rise, but I can give you an extra personal leave day each month, or, you can work from home two afternoons a week so you can pick your kids up from school”.

Step 3: Invent Options for Mutual Gain

Most people see the role of negotiation as narrowing the gap between two opposing positions. But a better approach is to focus on broadening the potential options available.

Poor negotiators assume a fixed pie and simply try to cut the pie as evenly as possible. Great negotiators always look to grow the pie first, so everyone’s slice gets bigger.

When going for that pay rise, it is always assumed that 5% or 10% are the only options on the table. If you understand their interests, you might be able to invent new possibilities. If their cash position is fixed, perhaps you can find other things to bring to the table. One employee might value flexible working arrangements so he can pick the kids up at school every day at 3:30pm. Another might prefer an upgrade in title to impress her friends and family with her career progress. You could negotiate for annual leave, extra training in areas you’re interested in, working remotely or even an annual professional development retreat.

Inventing options is not the norm, especially when under the pressure of a negotiation. A simple brainstorming exercise is the best place to start. Both sides should feel comfortable putting new ideas on the table without being judged. Be sure to separate ‘inventing’ from ‘deciding’. At this stage, you’re merely inventing all of the options first, and then deciding on the best ones. Judging and deciding too early kills imagination and creativity.

Step 4: Insist on Using Objective Criteria

No negotiation is likely to be efficient if you put your will against theirs: either you have to back down, or they do. Instead, try to look for ‘objective criteria’. For example, if you are negotiating for a raise, objective criteria may be the fair market value or pay rates of similar roles at other companies in your industry.

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CHAPTER 38

Negotiating Through No

“For every ounce of power you use, you need to add an ounce of conciliation.”

Inspired by: **Getting Past No,**
by William Ury

‘Negotiating For Yes’ is easier said than done. Unfortunately in negotiation, occasionally you’re going to cop a straight up NO.

- You want to buy a brand new Tesla, but your partner is against it. You argue over breakfast. They say: "We can't afford that right now".
- You arrive at work for a meeting with your boss, you present a carefully prepared proposal for a new project, but she interrupts in the first minute and says: "We already tried that and it didn't work".
- At night, you want to watch *Survivor*, but your 13-year-old daughter wants to watch *The Bachelor*. Obviously, *Survivor* is the far superior show. She yells at you saying you should buy her her own TV so she can watch what she wants.

Roger Fisher and William Ury give us a five-step framework to turn a no into a yes.

Go To The Balcony

When someone says no and takes a rigid stance, it is human nature to match them in rigidity. The first response is to retaliate back. Your ego will want to show them that “two can play at this game”. You let your emotions rise, and the strategy can turn into a hostile and costly encounter. But striking back doesn’t advance your interests and damages relationships. Even if you win this battle, you might lose the overall war.

The second response is to give in instead. It is easier to just go along with what they want. But this is also unsatisfactory - you feel like a sucker.

The third common outcome is to break off ties with the other party. You just give up and quit. If it's a marriage - you get a divorce. If it's a boss/job - you quit. If it's a joint business venture - you dissolve it. This is a bad strategy. Rather than working through the problems, you just give up trying altogether.

The worst thing you can do when you get the cold 'no' is to react. Even if it doesn't lead to an error, it feeds to the unproductive cycle of action and reaction. Step 1 of this negotiation formula is to *not* react. Instead, you should go to the metaphorical balcony. Up here, you aren't getting caught up in your emotions. You can think and plan through the next steps strategically to get the outcome you want.

Step To Their Side

Now that you're hanging out on your balcony, you've given enough time for the rational brain to arrive. You can think strategically about the negotiation. Step 2 is to avoid arguments. If you disagree with them entirely and try to teach them about your point of view, it will fall on deaf ears - they might get angry or simply be convinced they are right and you are wrong.

Instead, you need to step to their side.

Above all else, it means *listening*. Under normal circumstances, this might be difficult to do when you disagree with whatever comes out of their mouth. But from the balcony, you aren't acting emotionally. You can hear them out.

As they're speaking, don't interrupt (even if they are wrong or insulting). Once you've heard the other side out, they will most likely be less reactive, more rational and more responsive to problem-solving negotiation.

After listening to the other side, you need to acknowledge their point. A good habit to get into is to reflect what you understand they have said. It isn't enough to simply listen; they need to know that you know. When you do, you're essentially *disarming* them. From this perspective, you've stepped to their side: you're no longer combatants, you're now trying to solve the problem of negotiation *together*.

Change The Game

You've heard what they have to say. Now you need to frame the problem in the right way. The worst thing you can do is reject what they said. Instead, you need to treat their point of view as information that is contributing to your quest for the optimal solution.

Rather than pushing them, you need to do the opposite. You need to reframe their position, then retreat from it as you advance towards a better solution. The reframe you're going for is to move away from positional bargaining to joint problem-solving to the point where you're hunting for the solution together.

Reframing works because every message is subject to interpretation. Reframing is one of the greatest powers you have as a negotiator; the way to change the game is to change the frame.

Build A Golden Bridge

You think you are now ready to reach an agreement. You've successfully suspended your reactions, defused the other side's emotions and reframed their position. But unfortunately, they still may not agree. You'll face a barrier of their dissatisfaction. They'll be asking: what's in it for me?

It is your job to persuade them to cross the chasm from their position to yours. This starts by beginning on *their* side and guiding them into an agreement. You're looking for ways to make the negotiation easy and help them save face. After all, negotiation doesn't take place in a social vacuum. There is always an audience whose opinion the other side cares about - their boss, organisation, family, and friends.

Face saving is at the core of the negotiation process. There is a popular misconception that a face-saving gesture is just a cosmetic effort made at the end of a negotiation to boost the other person's ego. But it is more. It's peoples self-worth, dignity and sense of honour. Plus, of course, their desire to look good to others, all of this may be threatened if they have to change their position. Your success in persuading them will depend on how well you help them save face.

An Intelligent Use Of Power

What if despite all your efforts to build the other side a golden bridge, they still refuse to agree? They're as tough as old boots and are refusing to budge.

You have one more barrier to breakthrough: power plays. Even if your proposed agreement is attractive, they may think of the negotiation as a game where one side wins and the other loses. They may be confident they can dominate you into submission.

The typical power game is supposed to work as follows: you threaten or try to coerce the other side and then they back down. However, unless you have a decisive power advantage, they usually resist and fight back. They get angry and hostile, reversing your attempts to disarm them. They cling even more stubbornly to their position. And eventually, you don't get anywhere. But there is another way.

Sun Tzu wrote: "*To win one hundred victories in one hundred battles is not the acme of skill. To subdue your enemy without fighting is the pinnacle of skill*".

It doesn't matter how hard-ass they are, there's still a way to win the agreement. You need to demonstrate your 'Best Alternative To a Negotiated Agreement', otherwise known as your BATNA. This is an approach where you can use your power to bring your opponent to your terms without a costly fight.

So far, in this example, we've been talking about the standard 10% pay rise. But demonstrating a BATNA is the mother of all power moves. Think about the job of an employer. They need to extract as much value out of you for as small a cost as possible. If you're a pushover and they can get away with it, they'll pay you less than what you are really worth.

What you need to do is say yes every time a recruiter is seeking you out. Even if you don't want a new job, it is always an opportunity to explore a BATNA. If a new job is willing to pay you substantially more than what you are currently on, you can take this information into your next negotiation. You'll be sure to get closer to your true value to the company.

¹ I had to find a way to shoehorn my 'genius' IQ into this book. I thought this sentence was the most appropriate spot. Will continue to look for other opportunities to subtly mention this as many times as possible.

2 Sorry Jerry for stealing your material.

3 Later in the book we'll learn that stealing ideas in some contexts is a great idea. See Ch49: *When An Idea Doesn't Hit*.

4 Seinfeld fans will remember Newman trying to pull this one in Season 4, coincidentally the episode was called 'The Pitch/The Ticket'

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Lesson 10

**in their
shoes.**

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You'd be forgiven for thinking that those who master the technical knowledge are going to be the ones that kick ass. By studying hard and doing well on the test, you'll know more than everybody else and solve more problems. If you solve difficult problems, you'll get paid the big bucks and get to drive Lambos.

But when you enter the real world, you're hit with a tonne of bricks. Sitting in front of your prospective boss in your first job interview, you quickly realise that no one gives a stuff about your grades. Their main concern is social intelligence and how you fit into their organisation. If you can't get along with a diverse range of people, you're unemployable.

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CHAPTER 39

A Different Type Of Intelligence

“There is no psychological skill more fundamental than resisting impulse.”

Inspired by: **Emotional Intelligence**,
by Daniel Goleman

Every day, you'll face some kind of chaos. There are constant screams for your attention: your boss is upset with you, you've got bills to pay, and your housemates are angry that you left your dirty dishes in the sink again. Our economy is on the way up, but so is depression, rage and despair. The ability to handle the situations that life throws at you (without losing your shit) is an underappreciated skill.

I (Ashto) have an IQ of around 150¹, which is a pretty good thing to have. But Daniel Goleman makes the case that your EQ is just as important as IQ, and sometimes more important when it comes to dealing with life's inevitable curveballs. Five elements make up your Emotional Intelligence.

Self Awareness

Being swept up in your emotions can get you into trouble. ‘Self Awareness’ is a skill that helps you step back and avoid getting caught up in short-term feelings.

People tend to fall into different distinctive styles for attending to and dealing with their emotions:

- *Engulfed*: Feeling swamped by emotions and helpless to escape them. They are overwhelmed and have no control over their emotional life.
- *Accepting*: Whilst they are clear about what they are feeling, they also tend to accept their moods, so they don't try to change them.
- *Self-aware*: These people are aware of their moods while they have them. As they are aware, they're able to manage their own emotions to achieve the best outcome.

I'm sure you can think of someone in your life that is the ultimate personification of these three types – a parent, a friend, a co-worker, or a TV character. But more importantly, you should work out which type of person *you* are. Through self-analysis, you must start to shift from *engulfed* to *accepting* and finally *self-aware*.

Managing Emotions

A life without passion would be pretty dull. Emotions alone aren't a bad thing. But they need to be proportionate to the circumstances.

Let's look at an example that every driver has to deal with: someone cutting you off. Maybe, in this case, the other driver cut so dangerously close to you on a freeway that you spilled your morning coffee on your work shirt. Your immediate reaction might be to think: "*That sonofabitch*", and wind down the window and start yelling as you give them the finger. If you let this line of thought keep going, it might be followed by more outrage and even revenge - "*You could have hit me, asshole! That bastard - I can't let him get away with that*". Your body wants to fight, and beads of sweat appear on your forehead. You start tailgating him and revving your engine. You want to kill that bastard! If someone else honked you right now, you'd probably explode. This image of volatility and irritation clearly isn't the type of person you want to be.

Contrast this reaction with somebody who wants to manage emotion. They might brush it off as a minor insignificance that comes with the territory of the morning commute. They might have a less extreme line of thought: "*Maybe he didn't see me, or maybe he had some good reason for driving so carelessly - such as a medical emergency, or maybe he desperately needs to go to the toilet*". That line of thinking tempers anger with mercy. An open mind short-circuits the build-up of rage.

I (Jonesy) have mastered the art of road rage. The body's instinctive reaction is to meet them with anger. Instead, I sing a song at the top of my lungs, headbang left and right, put on a big smile and look at the other person with crazy eyes. They just get perplexed, and the situation is diffused.

Those who can notice and manage their emotions can control situations. Those who are at emotion's mercy will be a victim of the circumstances that surround them.

Motivating Oneself

Everybody has those days where all you want to do is relax and watch some junk TV shows like *Game of Thrones*. Once in a while, this is fine. But some people are more than happy to spend their entire existence sitting in front of the box (TV) and eating out of a box (pizza) - all day every day if they could!

Kicking yourself up your own ass is an invaluable quality. Motivating yourself to get up off the couch and do something useful is what seems to set apart the winners and the losers. Those at the top of competitive pursuits can set (and stick to) their arduous routine to get shit done. While everybody has those days on the couch, finding self-motivation is an essential element on the path to developing emotional intelligence.

Recognising Emotions In Others

We all see the world through our own filter. Everything is distorted through the lens of our interests and values. Most people never realise that other people have their own lens of the world. Something objectively happens, but each individual feels differently about it. Recognising emotions in others is about temporarily taking off your own filters and understanding the filters of those around you.

Empathy builds on self-awareness and takes it one step further by turning it outward. People's emotions are rarely put into words. They are usually expressed through other cues. For example, you might bump into an old colleague down the street and stop to chat. She begins to turn her feet and chest away from the conversation, insinuating that her time in the interaction is up. Somebody with empathy might recognise this, and proactively start to wrap up the conversation. But those who lack this empathy might keep yapping away and chewing the poor ladies ear off.

The key to understanding another person's feelings is in the ability to read non-verbal cues: their tone of voice, gestures, facial expression and so on. Typically, words are interpreted with the *rational* mind, yet it is the *emotional* mind that understands non-verbal cues.

Handling Relationships

The handling of relationships is all about self-management and empathy. People without these skills are in for interpersonal disasters throughout life. They are quite awkward and even a little weird. You never get comfortable around them. Everybody has experienced the presence of a person that makes people uncomfortable for reasons that are hard to articulate, but everyone can feel them.

If you have the social abilities of empathy and self-management, you can shape an encounter, inspire people, put others at ease, or thrive in intimate relationships. During every encounter you have, you'll be sending emotional signals. The smarter you are socially, the better you control the signs you're putting out.

Emotional Intelligence includes managing this exchange. People with these skills are typically called 'popular' and 'charming' because their emotional skills make us feel good. People who can soothe others just with their presence are a highly valued social commodity.

CHAPTER 40

Communicating With Words

*“You can make more friends in two months
by becoming interested in other people
than you can in two years by trying
to get other people interested in you.”*

Inspired by: **How To Win Friends and Influence People**, by Dale Carnegie

We're never really taught social skills; they are something we learn through osmosis from the people we observe and spend time with. Most people are stuck with the social skills they learnt back in kindergarten - they're either trying to be the centre of attention and dominate every conversation, or they're so desperate to be liked and show off how smart they are that all they do is yap about themselves. The same went for both of us for most of our lives - we were relatively confident blokes, but that didn't mean we always had people on our side. This default setting was overridden for both of us when we first read Dale Carnegie's seminal work *How To Win Friends And Influence People*. Once you understand a few basic unwritten rules about social interactions, it's perplexing to see so many people violating them.

Don't Criticize Or Complain

On May 7, 1931, the most sensational manhunt New York ever witnessed had come to its climax. After weeks of searching the police found ‘Two Gun Crowley’ in his girlfriend’s apartment. One officer went inside, underestimating how rogue the gunman had become. As soon as he entered the apartment, Crowley shot him dead. He then stood over the body and shot another five times. The police surrounded the building and started to fire. Nothing like it had ever been witnessed in the city. 15,000 people watched the two-hour shootout.

At the time, Crowley was regarded as the most dangerous criminal New York had ever seen. But what did Crowley think of himself? In his

apartment, they found a letter he wrote: “*Under my coat is a weary heart - but a kind one, one that would do nobody any harm*”. The world saw him as a villain worse than Bane from *Batman*. Crowley saw himself more like Baloo from *The Jungle Book*. Two polar opposite perceptions.

Few criminals regard themselves as bad people - they are just as human as you and me. So what does that say about everyday humans, the people we come into contact with on a daily basis? It doesn’t matter how much of a dick they seem to be; they will always hold a different opinion of themselves - considering themselves a true legend in their own lunchbox.

So criticism will never work. If you see someone doing something wrong, don’t criticise them. It only puts the person on the defensive and makes them strive to justify themselves. They rationalise any mistake they make as a simple oversight, never fully accepting responsibility or blame.² Blunt criticism is dangerous because it wounds a person’s pride. It doesn’t lead to any improvement, it just hurts their sense of importance and arouses resentment.

Give Honest And Sincere Appreciation

Charles Schwab had one of the most successful careers in history. After negotiating the secret sale of the Carnegie Steel group to a group of New York financiers led by J P Morgan, he was paid a million dollars a year to run Bethlehem Steel (that’s a lot in 1930s money!). Schwab told the secret to his success. It’s advice that should be hung in homes, schools and offices everywhere as words to live by: “*I consider my ability to arouse enthusiasm among my people the greatest asset I possess. The way to develop the best that is in a person is by appreciation and encouragement*”.

This is a universal urge in human nature: the desire to feel important and a craving to be appreciated. It makes us want to wear the coolest styles, drive the newest cars and talk about how smart our kids are. Imagine if you gave people honest appreciation to fuel their importance?

Next time you enjoy a steak at the pub, send word to the chef. Next time a salesperson shows extra courtesy, mention it. Try leaving a friendly trail of little sparks of gratitude on your daily trips.

Arouse In The Other Person An Eager Want

When I (Ashto) was a kid, there were two things I loved. Fishing off a bridge at the creek, and jelly beans. It made perfect sense to me that the fish would also find this sugary snack irresistible. As it turns out, fish don't have much of a sweet tooth. One day, a local angler noticed my frustration at constantly coming up empty handed and offered some advice. He told me that for some strange reason, the fish preferred worms. He told me that the key to successful fishing is to think about what *they* want, not what *you* want. I dangled a worm on the end of the hook and caught dinner.

Most people try to get other people to do things in a way that is like fishing with jelly beans. Of course you are interested in what *you* want... but let's face it - no one else gives a shit. The rest of us are just like you: we are interested in what we want. The only way to influence other people is to talk about what *they* want and show them how to get it.

Henry Ford said: "*If there is any one secret to success, it lies in the ability to get the other person's point of view and see things from that person's angle, as well as your own*".

Become Genuinely Interested In Other People

My (Ashto's) dog Charlotte is 10kg, dumb and harmless. But Charlie, like her fellow canine friends, has milked evolution to become the only animal that doesn't have to work for a living. A hen has to lay eggs, a cow has to give milk, and a canary has to sing. But Charlie makes a living simply by giving love. As soon as I walk in the door, she is so excited to see me. If I've been away all day, she'll jump all over me with licks and kisses. When I sit on the couch, she comes and curls up between my legs or rests her chin on my chest. And for some weird reason, when Jonesy comes over she gets so excited she loses bladder control and tinkles all over the carpet. Charlie just can't contain her excitement!

Dogs give us love, and we provide them with food and shelter in return. We can learn an important lesson from dogs: people like people who like them, and are genuinely interested in them. Alfred Adler, who founded the school of Individual Psychology, said: "*It is the individual who is not interested in his fellow men who has the greatest difficulties in life and*

provides greatest injury to others. It is from among such individuals that all human failures spring”.

If we want to make friends, let's do things for other people. Things that require time, energy, selflessness and thoughtfulness. Get excited when you see people. You don't have to wee on the carpet like Charlie, but you can meet them with animation and enthusiasm. When someone calls you on the phone, say: "Hello" in a way that tells them you're excited to take their call (of course, the show of interest must be sincere and not a put-on). Bringing this kind of energy to interactions not only pays off for the other person, but it pays massive dividends for you too. In the short term, you feel better. In the long term, you're building a stronger relationship.

Listen

I (Jonesy) was at a gathering and was introduced to a friend of a friend because we'd both studied abroad, I spent a semester in Turkey and she did a year in Amsterdam. She said: "*I want to hear all about Turkey and what it's like there*". As soon as we sat down to talk though, she started telling me all about the red light district and the 'coffeeshops' there that don't just sell coffee. She clearly wanted to talk more about her trip, so rather than telling her about Turkey I just kept asking her about Holland: "*tell me, did you go and see the windmills?*". That kept her yapping for another 45 minutes, and I only got a handful of words in for the rest of the conversation. All she wanted was an interested listener so she could expand her ego and talk about herself. She later told everyone that I was the most interesting conversationalist she'd ever met, despite me hardly saying a word.

People are so concerned about what they will say next that they don't keep their ears open. Important people prefer good listeners to good talkers, but the ability to listen is rare.

Smile

Actions speak louder than words. A smile says 'I like you, you make me happy and I'm glad to see you'. Again, this is why dogs are such a hit. They're always so glad to see us, so naturally, we're happy to see them.

Maintain good posture, keep your head high, and wear a smile. You'll feel better, and other people will see you as a happy, confident person that they want to be around. Greet your friends with a smile and put your soul into every handshake.

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CHAPTER 41

Communicating Without Words

*“Head nodding has its origins in bowing
to appear subordinate.”*

Inspired by: **The Definitive Book of Body Language**, by Barbara & Allan Pease

Research shows that communication is 7% verbal (what we say), 38% vocal (how we say it) and 55% non-verbal. We're always so focused on saying the right thing that we don't give this non-verbal communication, our *body language*, its fair share of the credit. If you get an intuitive feeling that someone isn't telling the truth, it's because 93% of their communication is incongruent with the words they're saying.

The way our body parts communicate is subtle. Humans have had lots of practice saying things we don't mean and trying to be duplicitous with our words. People perform movements unintentionally, which opens a window to understand better what others are truly feeling. As most people aren't typically trained in body language, their actions become a dead giveaway.

Understanding the dictionary of body language is like going from stumbling around in the dark to turning on the light and seeing what was right in front of you the whole time.

Hand Signals

Our hands and palms say a lot about how we're feeling. If we're accused of something we didn't do, our hands will go up and back with our palms facing outward when we say: “I didn't do it!”. When we're taking an oath in court or when we're praising someone, our palms are facing out. On the other hand (pun intended), if a little kid is caught lying they'll put their hands behind their back. If we're feeling uncomfortable and don't want to talk to someone we put our hands in our pockets. By looking at someone's hand gestures, and specifically the direction their palms are facing, you can detect how open or closed they are.

Arm Signals

From an early age, we look to hide behind things for protection when we feel vulnerable. We might hide behind a tree or a chair, or we tuck in behind our dad's leg or mum's skirt. This is a natural instinct for little kids when they feel unsafe, and it carries over (subconsciously) into adulthood.

Whenever we feel uncomfortable, we put little barriers in front of us to act as a buffer and give us a feeling of protection. Crossing your arms, adjusting your jewellery, fiddling with your watch or playing with your sleeves or cufflinks are all textbook signals. Other barriers might be gripping your purse or handbag in front of you, or if you're at a party, it could be a glass of beer or a bottle of water that you hold across in front of your body. If you see someone using their arms or some inanimate object as a perceived barrier in front, it's a good clue that they're feeling uncomfortable.

Eye Signals

We've all heard the sage advice "*always look someone in the eye when you speak to them*". After hearing the wisdom, I (Jonesy) once applied it on a date with a stunning woman who rocked up in a very low cut top. I resisted all impulses to look at anything but her eyes, relentlessly. I thought things were going well, showing her with my body language that I wasn't hiding anything. But I never got a response to the invite for a second date. I later learned there is a fine line between not enough eye contact and too much. A few percentage points can push you from the 'rapport building' level of eye contact to 'serial killer' level staring.

It turns out, if we want to have a good conversation with someone, we should be looking into each other's eyes about 60% to 70% of the time. We need to have short rest periods where we look away and then come back. If you hold eye contact less than 50% of the time, it won't be a good conversation. The reason you're not making eye contact is probably harmless. You may just be somewhat timid or shy. But the other person interprets this differently. They may feel there's some kind of deceit in what you're saying, or that you're not enjoying their company and you just want to get away from the conversation.

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CHAPTER 42

People And Power

“Appearing better than others is always dangerous, but most dangerous of all is to appear to have no faults or weaknesses. Envy creates silent enemies.”

Inspired by: **48 Laws of Power**, by Robert Greene

If you had to be a sea animal, what would you choose? A floppy fish who is always swimming for his life, or the great white shark who can take anyone out at a moment's notice? When we feel like a helpless floppy fish, we feel miserable.

Nobody wants less power; everyone wants more. Despite this obvious fact, many people act as if they're above power games. Typically, this is just a sign that they haven't achieved any power for themselves. Within every interpersonal interaction, one person will have a higher status than the other. 'Power moves' are happening all around you, especially in your career.

Robert Greene has revealed his *48 Laws of Power*. There are three ways you can use them to your advantage.

The first is to simply become aware of all the unspoken power games going on around you. You can try to ignore them and pretend your workplace is different from everyone else's. You can make out as though you are exempt from these power struggles... but this makes you an ostrich putting your head in the sand.

The second is to gain an understanding of these laws of power, so you don't violate them. We're both guilty of “*outshining the master*” when we moved from university to our first “real” jobs in the city - we thought we were pretty good so, without realising, we overstepped a few unspoken boundaries. By understanding these laws while your power status is still low, you're protecting yourself against making easily avoidable mistakes.

The third way (and in my (Ashto's) eyes, the most exciting) is to learn these laws so that you can actively use them to gain more power and exert your power over others. Greene has laid out the perfect game plan for rising to the top. If you want to gain more power, this is exactly how you do it.

Never Outshine The Master

Always make those above you feel comfortably superior. In your desire to please and impress them, do not go too far in displaying your talents or you might accomplish the opposite - inspire fear and insecurity. Make your masters appear more brilliant than they are, and you will attain the heights of power.

A young person displaying their talents can stir up resentment, envy and other manifestations of insecurity. This is to be expected as you rise through the ranks. You cannot spend your life worrying about the feelings of others, except for those who have authority over you. When it comes to power, outshining the master may be the worst mistake of all.

Instead, you need to flatter and puff them up. If you are more intelligent than your master, make her *feel* more intelligent than you. It might be wise to make a few harmless mistakes and ask the master for their wise help. Overt flattery can be too direct and obvious; they might think you're a suck-up. Discrete flattery can be much more powerful.

I (Jonesy) dealt with this in my first corporate job as a structural engineer. I was doing things differently to the other young engineers and was seen favourable to the company's top directors. But my direct manager Jim,³ was envious of me gaining influence within the organisation. To my face, he'd act very supportive, even telling me to apply for industry awards because he thought I was great. But behind my back, he was actively working against me, telling the directors and colleagues of my below-standard work and lack of focus.

Nothing is more dangerous than stirring up envy and resentment in those who can cut you from the team. The person with authority won't recognise it as envy, as it is too painful an emotion to deal with. To admit it, they'd be admitting you're superior in some way. They will make up some kind of narrative to rationalise why they should be acting against you, or even remove you from the team.

Guard Your Reputation

Reputation is the cornerstone of power. Through reputation alone, you can intimidate and win.

I (Jonesy) went out for two lunches this week. One was with Roger, a university student looking to get advice on his career path. The other was with Davina, a high powered CEO in my industry. As kids we're taught to treat everybody the same, yet it seems impossible to do when it comes to reputation. I changed my behaviour purely based on their respective reputations. With Roger, I commanded the conversation and laid back in my chair in comfort and ease, basking in the higher status I felt in this context. With Davina, I was sweating the night before and when we met I was taking notes like a little schoolboy. The reputation difference between the two caused me to act like an entirely different human being.

Every now and then, you will cross paths with somebody whose 'great reputation' precedes them, inspiring you to act differently in their presence. This same reputation could become of you if you focus on strengthening it. Your positive reputation could create endless opportunities when it's boosted with time and enough runs on the board.

Once it slips, however, you become weak and vulnerable to attack from all sides. With a poor reputation, you're doomed. You might be well qualified for a new job, but the prospective employer just needs to make a few calls to cut through the crap and understand who you *really* are. You'll be stuck back there with the rest of the pack.

People are always speaking behind your back, spreading your brand without you having to do any work. If you play your cards right, this can work in your favour. But it can just as easily work against you. You need to always be alert to potential attacks and thwart them before they happen. A reputation built over years can be ruined in seconds.

Win Through Your Actions

Any momentary triumph you think you have gained through argument is really a Pyrrhic victory: The resentment and ill will you stir up is stronger and lasts longer than any momentary change of opinion. It is much more powerful to get others to agree with you

through your actions, without saying a word. Demonstrate, do not explicate.

Words are a dime a dozen. Everybody knows in the heat of an argument, humans will whip out anything to support their case. We'll find a random statistic, reference the bible, or pretend to be someone else's alibi. But is anybody actually persuaded by bags of air like that?

If you're aiming for power, you need to put runs on the board through your actions. It is much more powerful to get others to agree with you through your actions, without saying a word. *Demonstrate, do not explicate.*

Avoid The Unhappy

You can die from someone else's misery. Emotional states are as infectious as diseases. You may feel you are helping the drowning man, but you are only precipitating your own disaster. The unfortunate sometimes draw misfortune on themselves; they will also draw it on you.

There are plenty of people who are just plain unlucky in life. Circumstances beyond their control have brought them down. This type of person deserves all the help and sympathy that you can give them.

Then there is another category of people, not born to misfortune or unhappiness, but those continually making choices to live in this way. It could be the colleague who is always complaining about Monday mornings, spreading misery throughout the office.

You would have spent time with a miserable person at least once in the past. And you may have made the mistake of trying to help them out of their misery. You could spend a lifetime coming up with the perfect solution to fix their problems. In your attempt to help, they still drag you down. Don't waste your time. They are choosing to live in this way. Worst of all, they are like an infectious disease that can spread and take control of you and your other colleagues. If you spend too long in their presence, you will buy into their victim narrative.

When you suspect you are in the presence of an infector, don't argue, don't try to help, don't pass on the person to someone else, and don't

become enmeshed. Flee the infectors presence or suffer the consequences. In the game of power, the people you associate with are critical. By associating with infectors, you will waste valuable time and energy. Never underestimate the dangers of infection.

Keep People Dependent On You

To maintain your independence, you must always be needed and wanted. The more you are relied on, the more freedom you have. Make people depend on you for their happiness and prosperity, and you have nothing to fear. Never teach them enough so that they can do without you.

Those who are replaceable get destroyed. Sooner or later, someone will come along and do the job just as well: someone younger, sexier, less threatening and less expensive. You'll get the boot before you know it.

The solution is to become the only person with your skillset, with capabilities that cannot be replaced by those who hire you.

One way to increase dependence is to build a unique skill set that isn't easy to replicate. You can do this by building a unique skill stack that is valuable in the market place that nobody else has. If you are the only person who can do a task that is bringing in the bacon for the masters, then they're going to lose the bacon if they lose you.

1 See, I told you I'd get another 'genius' reference in there ;)

2 An extreme example of human's ability to rationalize bizarre behaviour will be explored in Ch93: *Our Capacity For Evil*

3 Not his real name - 'Jim' seemed like a safe choice.

Lesson 11

**getting
sh*t^{*}
done.**

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You'll never have enough time to do everything you want to. We're swamped with work and personal responsibilities, never-ending emails, social media, projects, side projects, a pile of books to read, and a mile-long list of ideas you want to get to 'someday'... as soon as you get caught up on everything else! But the fact is, you are never going to get caught up. The only ticket out of this mess is a productivity system that goes beyond working harder and faster.

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CHAPTER 43

Effectiveness

"Intelligence, imagination, and knowledge are essential resources, but only effectiveness converts them into results."

Inspired by: **The Effective Executive**, by Peter Drucker

If you were living a century ago, you'd most likely be working on a farm or in a factory. Only a few big dogs were needed at the top of the food chain, and the rest were hired for labour, not brains. In those days, it was clear who should be in management and who should be plugging away on the factory floor.

But today, the world has shifted. Almost everyone at every level of every organisation needs to be effective. The workforce previously required you to be a 'manual worker' - today it requires you to be a 'knowledge worker'.

It's easy to measure manual work. All you'd need to do is figure out how many bits and bobs you churned out each hour. But for the knowledge worker, it doesn't matter how many hours you put in, all that matters is how much you achieve and contribute.

As legendary management thinker Peter Drucker said: "*Knowledge work is not defined by quantity. Neither is knowledge work defined by its costs. Knowledge work is defined by its results*".

For you in the modern workforce, it's all about effectiveness. And thankfully, it is something that can be learned by everybody—it's a set of skills, practices and habits that we can all do. Let's look at Drucker's best habits and tips to become a modern-day workforce weapon.

Ask: What Needs To Be Done?

Ineffective people will ask: "What do I want to do?" They'll hammer away taking care of this *want*, which is typically the easy task at the bottom of the to-do list. They might get many things completed, but they won't achieve anything of substance. In essence, you can be efficient without being effective.

To be effective, you need to chip away at the uncomfortable, difficult task at the top of the list instead. Before diving into your tasks, step back and ask yourself: “what needs to be done?”

While working at a digital marketing agency, I (Ashto) started a project for a client who was seeking to increase their furniture sales. It was a family-owned business that had been handed down through generations and were often stuck in the ‘old way’ of doing things. Their web presence was virtually zero, so it was a challenging task. My job was to push more traffic to their website to ultimately increase conversions. When we met, they had a list of things they wanted to fix. Change the colour of a button here, edit some text there, add some extra items to the navigation bar, and change their logo. These changes sounded like good ideas, but this client was stuck in the weeds. They hadn’t taken a step back to see the broader picture. They were focused on a bunch of little fixes, hoping to do them as quickly and cheaply as possible, but none of them would make any real difference to the business. Their real problem was the site wasn’t getting enough traffic to be profitable - changing a button colour wasn’t going to solve that. The client was focusing on what they *wanted* to do, rather than asking the hard questions and concentrating on the right priorities that *needed* to be done.

Take Action

We’ve all sat through those painful meetings that are really just planning the next meeting’s agenda. Some corporate managers seem to love booking in meetings, but effective people don’t get so aroused by them. Effective people *execute*. Meetings are useless until the knowledge is turned into action.

As Mike Tyson said: “*Everybody has a plan until you get punched in the face*”. Obviously planning is essential, but only up to a point. Effective people consider everything that needs to be done, by when and in what order. But they know that getting caught up in an endless loop of planning and replanning is redundant. A perfect plan will never be executed - no such thing exists. Set yourself a solid foundation and acknowledge your plan will change as you move speedily into the action phase.

Know Where Your Time Goes

“The output limits of any process are set by the scarcest resource. In the process that we call ‘accomplishment’, the scarcest resource is time”.

There is plenty of productivity advice out there - make checklists, have a colour coding system, mind-map your projects and so forth. But if you want to be more effective with your time, you need to know where it goes. Effective people know that time is your limiting factor, so you need to optimise time as best you can. This is achieved through planning your time first and your tasks second.

Record Time

I (Ashto) thought I spent 20-minutes a day on my iPhone. After letting Apple record my time, I was shocked it was more like 120-minutes! Ever since learning so much time was wasted on my iPhone, I took a few necessary actions like deleting Instagram and Facebook.

If you've ever worked in client services and had to do timesheets, you know it's a pain in the ass. But you can't be effective until you know how you spend your time. You'd be surprised at how much time you waste refreshing your inbox or sitting through unproductive meetings.

Record the time spent on different areas as objectively as possible, and include everything. Don't rely on memory alone; ensure you write things down as you're doing them - emails, phone calls, meetings, report writing, social media, laundry. It's amazing how our brain grossly exaggerates how much time was productive and underestimates how much time was wasted on useless, ineffectual, meaningless tasks.

Manage Time

Looking at your recorded time, some big time wasters will jump out at you. You need to chop them.

Eliminate the things that don't need to be done at all. Ask yourself: “*What would happen if this didn't get done?*” If the answer is: “*Nothing would happen*”, then don't do it! “Busy” people do so much shit they think is important, but in reality, it wouldn't be missed if it wasn't done.

I (Ashto) previously compiled a monthly report for every client. Each one took a couple of hours at the start of the month. It was usually 15-18 slides of data and statistics from the month before, plus a ‘highlights’ page at the beginning and a ‘key tasks’ for the month ahead at the end. This was what the company had always done, so I adopted the same approach. One month we had several new clients on board so we had a hectic few weeks. I sent an email out to my six clients saying the report would be late this month and asked if there was anything they desperately needed that I could provide in the meantime. To my amazement, half replied and said something to the effect of: “Don’t worry about it, we don’t really read it - the only thing we need is the ‘key tasks’ slide, but you can just send that as an email with a few dot points”. At first, I was a little ticked off that I’d been wasting two-hours every month making each report. But then I realised it was a fantastic opportunity. For these three clients, all I had to do at the start of the month was spend ten-minutes recapping what we’d done in the month prior and listing our priorities for the month ahead. On those three reports alone, I’d saved six-hours of work - nearly a full day every month!

This was a timewaster. If you look at how you spend your time, you might be able to uncover a few time wasters too. If you remove them, you can free yourself up to focus on more productive tasks. For you, it might be the weekly newsletter that no one reads, or the daily catch up that doesn’t lead to decisions, or the back-and-forth passive-aggressive email chains that could be solved with one quick phone call.

Consolidate Time

Once you’ve recorded your time and eliminated any time wasters, you’ll have a better picture of what actually needs to be done each week. The best thing you can do to make yourself more effective is to get your leftover ‘discretionary’ time into the largest chunks possible. The most important and valuable things you can do to create results are going to take time. Rather than trying to develop your new business pitch by cramming in five-minutes here and ten-minutes there between other stuff, you need to give yourself continuous stretches of focused, uninterrupted time.

Try to shuffle all your meetings and phone calls to the afternoon so you can have a few solid, uninterrupted hours in the morning. Use that time to

get down and dirty with your most valuable project.

Busyness Instead Of Effectiveness

I (Jonesy) used to work with a bloke called Jonathan. As a first-year Graduate Engineer, I was very impressed by him. He carried a briefcase and walked frantically up and down the office. He always seemed to be on important phone calls, and he made sure the rest of the office could hear how busy and important he was.

Whenever I asked him how he was, his cheeks would wobble to emphasise his words: “BUSY! I’m so busy!”. He’d stay back late every night, frantically pounding away at his keyboard.

But after a few months, I noticed a few peculiar things. Most blokes went to the toilet once or twice a day, but big Jono seemed to be ducking into the dunny every hour and spending considerable time there on each visit. Then I noticed that often when I walked past his desk, he’d be reading the daily news or checking the sports scores. If I asked how his day was going, he’d quickly change the screen and do his cheek wobble. Busyness was his measure of status, not results.

In the absence of clear indicators of what it means to be productive and valuable in their jobs, many knowledge workers turn back towards an industrial indicator of productivity: doing lots of stuff in a visible manner. The problem for many knowledge workers is that they want to prove themselves as being productive members of the team to earn their keep, but they’re not entirely clear what this goal constitutes. They have no rack of repaired motorcycles to point to as evidence of their worth.

Jonathan wanted to feel important. The clearest way for him to do this was to be (or pretend to be) ‘crazy busy’. In most corporate cultures, Jono isn’t the exception - he’s the rule.

CHAPTER 44

Efficiency

“The world itself is never overwhelmed or confused—only we are, due to how we are engaged with it.”

Inspired by: **Getting Things Done**, by David Allen

When you've got lots on and no productivity system, your brain carries the burden of your to-do list. Your brain becomes so clogged that no matter what you're in the middle of doing, you'll always feel like you should be doing something else. You can never give your complete focus to the task at hand.

The solution to this is to have a robust system you can trust. You can take things out of your brain and store them externally. Once you're confident that everything you need to do has been captured in a repository and won't be forgotten or overlooked, you can relax. You can finally devote all of your mental energy on nailing your immediate next action.

This will leave you feeling calm, in control, and allow you to enhance your productivity. There are five steps of managing your work proposed by the productivity guru David Allen: capture, clarify, organise, reflect and engage.

Capture

Throughout your day there is a constant bombardment of things you *should* be doing. If anything pops into your brain, but you fail to capture it, you've only got two choices: devote a chunk of your brainpower to remembering to do it later, or let it float off into the ether never to be seen again.

You might be washing the dishes and remember: “*Oh, I forgot to put the old TV on eBay*”. And as you brush your teeth: “*Dammit, I didn’t ever finish that last slide of the presentation*”. As you’re falling asleep: “*Shit! forgot to email the boss about the client’s response to the brief*”.

The *Capture* phase is about taking all the things that are pulling your attention and dropping them into an external system (that isn’t your brain). You need a range of tools that are going to be available at all times, even

when brushing your teeth. It may be a list next to your computer, a voice recording app on your phone or a notepad in your pocket. It doesn't matter what these specific tools, programs or software are, as long as they work for you. The only requirement is that your system is so reliable that you trust *everything* is in there.

For us, whenever we have an idea, a project, a task or a new book to read, we create a ticket in our system of choice, Asana. As we both have day jobs in addition to the podcast (and projects such as writing this book), there is too much shit flying around in our brains. Without a system, we would implode from the chaos and complexity. Once we have the confidence that everything in our brain has been translated into this external system, we can stop thinking about it and trust that it won't be forgotten. This allows us to give our full attention to the task we're giving in that particular moment.

Clarify

Everything you've captured is now in your 'in-tray'. The next step is to empty that in-tray, and we do that by clarifying each item. The questions to ask yourself:

- *What is it?*
- *Is it actionable?*
- *Does something need to be done about this?*

If there is no next action, like a business card or a receipt, either trash it or keep it somewhere safe for future reference. If action is required, get it on your to-do list. If it is a bigger task, put it on a projects list or schedule a time to tackle it. If it's a small and simple task, just do it. When that email comes through, don't think: "*I'll reply to that later*", reply now and move it out of your inbox.

One of the best productivity 'hacks' we've come across is *The 2-Minute Rule*: if a task takes two minutes or less, *do it now*. Some people even put the smallest tasks on the to-do list because they get joy out of crossing it off the list (Ashto: guilty as charged).

Organise

Keep a range of lists: a 'waiting for' list, 'someday/maybe' list, and 'next actions' list:

- *Waiting For*: The items you've delegated to other people. You can stop thinking about them as the ball is no longer in your court.
- *Someday/Maybe*: The projects you'd like to do 'someday'. They're ideas you had but *now* isn't the appropriate time. You'll no longer need to stress about that business you never launched or that gig you never booked because it's captured on your someday/maybe list. You can stop worrying about *not* doing these right now because you'll revisit this list next time you're looking to start a new project.
- *Next Actions*: The things you need to do *right now*. Looking at all your projects, you should be asking 'what do I need to do next?'. Determine what the immediate next action is, then put those onto your calendar. Keep the calendar sacred - once you put something on there for a specific date, make sure it gets done.

Reflect

With all these lists and items in your system, you might start to get overwhelmed. But there's a straightforward solution: have a weekly review. Take an hour on a quiet Sunday afternoon to review the week just gone and plan the week ahead.

You might have specific appointments that need to go on your weekly calendar first (a visit to the doctor, the day you need to pick up your dry cleaning), so get those on there and plan your work around them. Don't leave yourself any excuse for putting something on your calendar and not doing it, because that calendar is sacred. Then, review your 'projects' list and plan the progress you're going to make this week, dropping specific times for specific tasks into your calendar. This weekly review is the time you can step back and tie your daily actions together with your big goals and grander visions for life.

Engage

It's natural to become unproductive if we're not engaging properly. We need to select the things we do based on their priority (what is most important), our energy levels, the time we have available, and the context we find ourselves in.

For example, you might have a 30-minute block of time that opens up just before your Zoom call. You shouldn't rush in and try to start on the big data dive that's going to take you hours. Instead, pick a simpler action you can tick off your to-do list, or even go for a short walk to re-energise before the meeting.

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CHAPTER 45

Ugly Frogs

“One of the very worst uses of time is to do something very well that need not be done at all.”

Inspired by: **Eat That Frog!** by Brian Tracy

On its own, one domino isn't much—two inches tall and weighing two-tenths of nothing. But, if placed correctly, its force can knock over another domino 50% bigger. If enough are strung together, that first domino can be responsible for taking down bigger and bigger things. If each subsequent domino gets 1.5X bigger, the 18th domino would take down the leaning Tower of Pisa, the 51st domino is the size of Everest, and the 57th domino reaches the moon.

All great things have small beginnings. Every masterpiece has the first brushstroke, every successful podcast started with one recording, and every great book began with one paragraph. By harnessing the power of ‘the domino effect’, you can start small and build your way to greatness.

Most people skip effectiveness and efficiency and jump straight to productivity. They spend time on websites trawling through the best productivity hacks, looking for ways to save a minute here, 20 seconds there. But increasing your productivity before determining your destination is like turning on the rocket boosters before you've pointed the nose toward the moon - you'll get *somewhere* quicker, but probably not where you want to go.

Once you've sorted out your effectiveness and efficiency, here are a few productivity tips that will help you get more done in less time.

Choose The Frog

There's that saying: “*If the first thing you do each morning is eat a live frog, you can go through the day with the satisfaction of knowing that's the*

worst thing you have to do". If there's something you've been dreading doing, something you've been putting off for days (or weeks), resolve to cross it off your list first thing in the morning. If you can knock over that one massive hurdle, your day is already a huge win. Any extra productivity beyond this is an awesome bonus.

Ignore The Tadpoles (For Now)

Hitting the desk each morning, you may find all sorts of frogs sitting on it. On one end of the spectrum, you have little tiny tadpoles that almost dissolve with your morning glass of water. At the other end, you've got the enormous ugly toad with its wart-infested obese dad-bod that occasionally forgets to wipe its ass.

Which one do you think you're going to *want* to eat first? Slurping down a mouthful of tadpoles is easy, but not very effective. Which one do you *need* to do first? Start chomping down on the big papa.

The tadpoles may be small and quick, but they're probably not that important. This is actually a form of procrastination - you feel productive ticking things off your list, but you're just avoiding the frog.

Once you begin work on a valuable task, you will be naturally motivated to continue. A part of your mind loves to be busy working on significant tasks that can make a difference, so your job is to keep feeding this. Start on a small part of the frog rather than just an easy thing to tick off the bottom of your list.

As Goethe said: "*The things that matter most must never be at the mercy of the things that matter least*".

Choose The One Thing

There are so many distractions in a day it's sometimes hard to get things done. The key to maximising your productivity is remembering the power of the dominos. You need to find the right 'lead domino', the one lined-up best to knock over a long string of dominos. If you pick the right thing to do first, the chain reaction builds momentum, and you'll start knocking over massive projects. How do you find the right lead domino? Gary Keller and

Jay Papasan, authors of *The ONE Thing*, say you need to ask yourself one vital question.

THE FOCUSING QUESTION: "*What is the ONE thing I can do such that by doing it, everything else will be easier or unnecessary?*"

It might be hard to think of just *one* thing, so cast your net wide. Think of 100 things you need to do next - your one thing is somewhere on that list. If you write down everything you need to do, you'll start to see chains or patterns. You might notice that a straightforward task could knock out a whole bunch of items in one hit. This is an excellent place to start. You might notice there is one crucial task that you can do that will give you huge leverage over other things on the list. This is a good place to start too.

This focusing question helps you narrow down your to-do list to only the most important task. This *one* task is the single most important item. If you do this first, the rest of your day becomes easier and more productive.

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PART III

run your
own show.

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When you are young, your future is full of dreams. Bright-eyed and bushy-tailed, your heart races when you think of what is coming around the corner. As you hit adolescence, you start to put your dreams in a Dreambox.¹ The lid remains wide open, so you can always see what your life will bring.

As you get older, some of these dreams might seem silly. They go way too far beyond the ‘normal’ lives that everyone else around you is living. You see what your parents, neighbours, teachers and friends are all doing, and suddenly your big dreams seem ridiculous. You close the lid on your Dreambox, worried that someone might see your delusional ideas and laugh in your face.

The course is now set. As you settle into your ‘normal’ life, you open your Dreambox less and less. The further you progress down *the path they taught you*, the more painful it becomes to glance inside and think of what could have been.

At some point, you settle. You stop looking inside your Dreambox altogether. It hurts too much. Eventually, you become too old, too tired or too overcommitted to a different path. You pretend those dreams never existed. You lock yourself into a comfortable routine instead.

This comes at a great cost: meeting the end of your life filled with regret about what you could have been.

It is time to pull open that lid and take a peak. You can bring gifts into the world that are uniquely yours if you’re willing to *Run Your Own Show*.

¹ The ‘Dreambox’ concept is borrowed from the book *Life in Half a Second* by Matthew Michaelwicz, the first person we ever interviewed on the *What You Will Learn* podcast way back in December 2016.

Lesson 12

the
big
slap.

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Alice: “Would you tell me, please, which way I ought to go from here?”
The Cheshire Cat: “That depends a good deal on where you want to get to.”

Alice: “I don’t much care where.”
The Cheshire Cat: “Then it doesn’t much matter which way you go.”

It’s hard to work out what you want to do in life. Unaware of alternative paths, some people just stroll forward, oblivious to what else is out there. What other options might be on the table?

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CHAPTER 46

The Scripted Existence

*“The problem is not people being educated.
The problem is that they are educated just enough to believe what they've
been taught, but not educated enough to question what they've been
taught.”*

Inspired by: **Unscripted**, by MJ DeMarco

One day you will come to your final moment in life. What will your spirit sing? Will you suffer from regret and remorse, or enjoy blissful peace and happiness?

Humans weren't born to slave nine-to-five, Monday through Friday, pay the bills then die. The unexamined choice of trading five days a week to someone else and getting two back in return seems like an awful deal. As MJ DeMarco reveals in *Unscripted* - if you fail to reach your dreams, it won't be because of a lack of effort or enthusiasm. It will be because your life was sold into a system where you were *scripted* an uninspiring performance.

The Scripted Path

School

The first destination on the scripted path is school. You go to high school, then you think you have to go to college to earn a degree, regardless of the cost or the future demand for those skills. You're taught to pay for a commodified education with government loans. The partying on the weekend is financed with the pre-approved credit cards the bank thrust on you. Finally, you celebrate your graduation, completing a potentially useless degree with millions of others on the same path. You leave the world of university with no valuable skills and saddled with debt. Nevertheless, you're optimistic about your future and ready to take the next step on your journey.

First job

If you're lucky, you land your first job. You join the ranks of the people who sign the contract of trading time for money. You trade huge blocks of your life's time bank (five days out of seven) in exchange for little pieces of paper called money. You slave all day at the desk like an emotionless drone, repeating monotonous tasks so you can pay off the education your bosses don't seem to value anymore.

On the weekend, in your only 'free time', you party hard at the club to try and feel good about life. You buy rounds of drinks to impress strangers you don't care about, putting further strain on those bank accounts.

And then you get older.

As the years pass, you climb the corporate ladder. Every day you wake up, hit snooze, then wake up again nine-minutes later. You get into a simple routine: traffic, work, traffic, *Friends* reruns, sleep. You work overtime to prove to your corporate overlords that you're willing to do whatever it takes. You hate your job, tolerate your coworkers, but love your paycheck.

And then you get older.

You vacation two-weeks every year, only when the overlords permit. You spend the money you earn to fill a void you can't explain. You feel trapped: job, home loan, car loan, personal loan, credit cards. Your freedom is slipping away, so you keep distracting yourself from the truth by posting pictures of your perfect beach holiday on Instagram.

And then you get older.

You notice your biological clock ticking. You date much more seriously, in search of 'the one'. You get married, inviting all those friends you haven't seen in years, spending a fortune on a six-hour wedding that takes six years to pay off. You continue working, spending money, distracting yourself and dreading Sunday nights. You dread Monday morning even more. You

dream about quitting your job and travelling the world. But these are just the remnants of dreams in your Dreambox that died long ago.

And then you get older.

You get responsible and have kids. You start retirement planning and saving for your child's education. You work even harder and even longer, desperate to clear the debt that hangs over your head. It feels like the Sword of Damocles - at any moment, something could slip, and that sword could cut your head off. You follow a strict budget, cancelling Spotify, lattes, and Friday drinks.

And then you get older.

You trust that your plan will allow you to retire at 65 (and that you'll be *alive* at 65). You talk about your investments at the family barbecue, boasting that compound interest will give you 10% annual growth to provide a comfortable retirement.

You start teaching the kids your life lessons. You insist that they get good grades so that they can get a good job like you. If they work hard, they can follow the same 'death march' as you did, the one you can't escape. The kids are taught the difference between pipe dreams and reality. Whenever they tell you their dreams, you subtly encourage them to pop those crazy ideas in their Dreambox and close the lid. You continue working. Wrinkles appear as you age in indifference. You set yourself to autopilot, ready to cruise to 65 before cruising through your last two decades in pure relaxation.

And you near the end.

You begin to feel regret and remorse. Your bucket list is full, but your time bank is nearly empty. The record low zero interest rates have meant that your portfolio hasn't reached anywhere near what you thought it would at 65. The unpleasant truth hits that the stocks didn't return what was promised. You delay your retirement to keep on working for at least another five years, but it might have to be ten.

Time couldn't give a shit that you worked so hard your entire life. Time doesn't care what was promised on the path and what was actually delivered.

What presumptive rules, social norms and cultural norms are you following without question? Before the script was dumped on you, you were once pure and carefree. There was a time you'd wake up and be excited about the day ahead. Yes, even on Mondays! You had fantastic dreams and powerful visions for an optimistic future. You wanted to be the next Leonardo DiCaprio, Jeff Bezos, Serena Williams, Sheryl Sandberg or Lionel Messi.

And then something happened. You grew up.
Who knocked those dreams out of you?

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CHAPTER 47

A Different Path

*“I awoke to the epiphany
that I was the driver of my life,
and my problems were the
consequences of my choices.”*

Inspired by: **The Millionaire Fastlane**, by MJ DeMarco

You've been led down the paralysing scripted road that guarantees mediocrity. *Go to school, get good grades, graduate, get a good job, save 10% of your paycheck, then someday when you are 65 you will be rich and can retire.* This strategy relies on hope: hope that you won't be made redundant, hope that the share market returns an above-average result, hope that your pot of gold will last long enough, hope that you've still got some life left to live by the time you finish working.

There is another path to your dreams. You have to unlearn all the crap that has been poured down your throat. You can live rich, retire early and live a life that most can't. But sadly, the path towards this life is cleverly camouflaged. You need to get UNscripted.

Scripted Path #1: *The Sidewalk*

This is the road most travelled. You live in the moment, living for *today*. You're living paycheck to paycheck, spending everything you earn (but usually more). Your lifestyle is fuelled by credit and debt.

The simple equation is: money out exceeds money in. 50 Cent broke out as a rapper but ended up \$32.5 million in debt in 2015. Michael Jackson was 'The King of Pop' but in 2009 died with \$400 million of debt. Mike Tyson, one of the highest-paid athletes in history, was bankrupt with \$23 million in debt in 2003.

It doesn't matter if you're an NBA basketballer or a McDonald's fry cook, you could still be on the sidewalk. If you earn \$500 a week and spend \$501, you're on the sidewalk. If you make \$30m a year but spend \$40m, you're on the sidewalk.

The Sidewalker's fundamental wealth perception is that debt is what allows you to buy the things you want *now*. You choose the job that pays the most so you can make the most out of today, regardless of where that job could (or couldn't) take you tomorrow. At times you might be lured into the silver-bullet 'get rich quick schemes'. We're no strangers to the multi-speaker pitch fests, and Ashto is no stranger to getting suckered¹.

The Sidewalkers blame everyone else for their problems. Sidewalker's say: "They laid me off", "They changed the rules" or "They raised the rent". It's always the fault of the boss or the bank or the government.

You might complain about being paid \$13.95 an hour because you can't afford your car insurance or your first home or go out for breakfast with your mates. If you're tired of making \$13.95 an hour, MJ DeMarco would reply: *Stop blaming the world - raise your value to society!* Stop whining and read some books, then go and do shit.

Scripted Path #2: *The Slowlane*

On the Slowlane, you sacrifice your present for a more secure future. You're always living for *tomorrow*. You believe the driving force behind wealth is time. You stop yourself from buying the things you want now and enjoying life so that you can retire comfortably in 50 years. If you make the right decisions now, eventually you'll benefit from compound growth. Typically you work hard during the week and weekends are spent "recharging".

Slowlaners don't recognise that wealth is best lived in the prime of your life, not in its twilight after 40 years of 50-hour work weeks that pulverise your dreams into surrender.

Why are Slowlaners so pumped up on a Friday? What makes it so special as opposed to Monday or a Wednesday? For Slowlaners, Saturday and Sunday are the payment for trading in their workweek. Friday symbolises the emergence of that payment: freedom for two days. The prostitution of Monday through Friday is the reason 'Thank God It's Friday' exists.

Slowlaners think time is infinite. I (Jonesy) once walked past a donut shop in the city that was offering free donuts to attract new customers. I later found out that a work colleague had driven 20 minutes each way and

waited in the line for another 20 minutes so they could get a free donut. By that math, they're valuing their time at \$3 an hour.

The most significant theft in humanity is to act as if time on this Earth is infinite when it isn't. You can always acquire more money, but you can never acquire more time.

The Unscripted Path: *The Fastlane*

The Slowlane is a job, but the Fastlane is a business system. The Fastlane means you can get rich quick. We use the label 'get-rich-quick schemes' as a negative, but we're not talking about any 'fake guru' silver bullets here. There's no secret system that only a few people know about that takes two minutes a day to set up a passive income stream for life. Serious effort is required to get rich.

We're not talking about get rich *easy* - that is impossible. But if you work hard, you can get rich *quick* - much quicker than investing 10% of your paycheck every month and waiting for compound interest to kick in over your five or six-decade career. 'Quick' for the Fastlaner means that by working hard, you can get rich while you're still young, rather than waiting to slowly get rich when you're old.

The *Fastlane* is entrepreneurship. Instead of buying products, you sell products. Instead of borrowing money, you lend it. Instead of taking a class, you teach a class.

If you choose the Fastlane, you break free from consumption and re-enter the world as a producer. Society's gravity is constantly pulling you down towards the ordinary. So if you want extraordinary results, you're going to need extraordinary thinking.

A Fastlaner's perception is that time is the most important asset you have, far more important than money. Their education perception is to never stop learning. Their wealth perception is that money is a reflection of the lives you have touched.

So Now What?

Realise That Difficulty Is An Opportunity

We've both fallen for 'the myth of the silver bullet'. Here are just a few examples (of many):

- Jonesy made an online course to sell for Graduate Structural Engineers. The idea was to sell it for \$20 and reach every graduate in the world. With conservative estimates, it was obvious he could make a killing whilst living in Lombok Indonesia. Despite spending \$5,000 in ads and getting 100,000 digital impressions, there were *zero* sales.
- Ashto started a sock subscription business. He figured he wasn't the only bloke that didn't like shopping, so having a few new pairs of socks arriving on your doorstep each month seemed like a winning idea. From there, the possibilities were endless - once you got office workers signed up to the sock subscription, you could branch out to jocks, ties, shirts... and that was only the beginning! So a few sock samples were ordered from Chinese manufacturers, and a few uni students were given \$20 to walk around the train stations during the morning peak hour commute handing out the thousands of flyers Ashto had printed. Surprisingly, someone actually signed up! But the economics of buying a pallet of socks from China didn't line up if there was only one customer, so the idea was canned.
- We both teamed up to join the army of people writing eBooks for Kindle. Ours was called 'Problem Solved'. But rather than writing it ourselves, we removed every ounce of difficulty by outsourcing it to the cheapest person online for \$3 an hour. The idea was to sell it for \$3 and produce books about essential oils. We'd switch on the passive income tap and stick the finger up to all the losers who are slaving it away in jobs. Again, no sales to speak of.

It's seductive. We were on the lookout for shortcuts, just like the rest of the world. If you look around, the easy way out is everywhere: the drug company, the guru, the financial planner, the plastic surgeon, the personal

trainer. You don't have to look very hard for somebody selling a shortcut that will make you millions and give you a dream life.

Real entrepreneurship is a different path. It's about problem-solving. It means becoming valuable, creating convenience and satisfying the desires of your fellow humans. When you say: "*I want to be an entrepreneur*", you're really saying: "*I want to be a lifetime problem solver*". You're looking for challenging problems and trying to come up with a viable solution.

If you're an entrepreneur scoping for ideas, the best ideas are the hard ones! The difficult ones represent an opportunity. Don't look for a shortcut to millions of dollars; look for a way in which you can improve the lives of millions of people. The money will follow.

Get Domain Experience

Your best bet at uncovering a great idea and paving your unscripted path comes from exactly what the entrepreneur doesn't want to do: get a damn job!

You might be perplexed at this point. The last ten pages we've been saying that a job is the Slowlane, it's the Scripted Path. But that doesn't mean you should never work for anybody else. Getting into the "real world", the world that most people live in, gives you empathy and genuine insight. By getting a job, you're developing your skills and getting a valuable understanding. You'll see what is difficult, and you'll see what problems people are facing. The first business for most entrepreneurs is something in their field - something they already have domain experience in and intimate knowledge of.

For MJ, he worked as a limousine driver. He saw the difficulty of clients booking limousines - each driver could only drive one group of passengers at any time. Having seen his clients' frustrations, MJ's first business was an online booking system for limousines. You told the system what time you wanted to book a limo, and the system found a bunch of drivers that were available at that time. MJ uncovered a problem that he could never have seen if he never got a job in the first place.

I (Jonesy) recently had a coffee with a listener of the *What You Will Learn* podcast. She'd been managing the operations for her father's old run-down car wash business. She wanted to quit and pursue entrepreneurship.

But, if she quit, she'd be throwing all her domain experience down the toilet. Her best opportunity might just be within the carwash industry.

Remember: the difficulty is the opportunity. The wanna-be-entrepreneurs aren't competition because they aren't prepared to slog it out in the job to learn the industry as you did. If you're already working in a job, lift your eyes from the computer screen every now and then. Look around (both literally and metaphorically). If you look hard enough, you'll see problems in your job that you could find solutions for.

Improve Your Odds Of Connecting

Every year, thousands of people try to become their own boss. Every year, thousands end up as disastrous failures. The stats will tell you that 90% of businesses fail within the first year. If you're taking risks on the Unscripted Path, you are going to contribute to that statistic at some point. The question is: will you give up? Or will you keep swinging?

Entrepreneurship is a lot like baseball. There are going to be foul balls and strikeouts. But if you keep stepping up to the plate and taking a swing, you can improve your technique and refine your skills. Eventually, if you work hard enough, someday you might hit your home run.

¹ The full story on this saga is told in Lesson 19: *The Plans of The Puppet Masters*

Lesson 13

**planting
the
seeds.**

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It's easy to get home, click 'deliver' on Uber Eats and hang out on the couch. But while the driver can deliver the dinner of your choosing, he can't deliver you a life of your choosing.

Nobody is going to come and save you but yourself. There is a smorgasbord of paths people have gone down to end up living life on their terms, and they all have one thing in common: they started.

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CHAPTER 48

When An Idea Hits

“The universe buries strange jewels deep within us all, and then stands back to see if we can find them.”

Inspired by: **Big Magic**, by Elizabeth Gilbert

Elizabeth Gilbert was speaking to her boyfriend Felipe about Brazil in the 1960s. Felipe told her how the Brazilian government was looking to cut down a big chunk of the Amazon Rainforest to make way for a new highway. The Brazilians went forward and invested a fortune into this ambitious plan. But the planners had no idea how brutal the Amazon could be. The rainy seasons came and destroyed the project: the site was made uninhabitable, and the crew had to leave the equipment behind. After a few months, the jungle had devoured the project - the bulldozers were sucked into the Earth forever. There wasn't anything particularly special about Felipe's delivery of the story... But something *hit* Gilbert.

SMACK. Chills ran up her arms, the hairs on her neck stood up. She felt a little sick and dizzy, akin to the feeling of falling in love or hearing alarming news. *Her next book idea came to her.*

Gilbert had felt this feeling before and knew exactly what was going on. Such an intense emotion and psychological reaction doesn't smack humans like this often. But it happens to all of us at some point. It is so consistently described as the same symptoms throughout the world, and throughout history, we can call it by its name: *Inspiration*. This is what it feels like when an idea comes to you.

How Ideas Work

This may sound a bit kooky, even Harry Potter-esque. It's the supernatural, the mystical, the inexplicable, the surreal, the divine or the otherworldly. Gilbert says our Earth isn't occupied only by humans, animals, plants, bacteria and viruses. It is also occupied by *ideas*. These ideas are floating around in the ether, ready to latch onto humans. They have no material body, but they have a consciousness and a will. They have one goal: to be

made manifest. And the only way they bring themselves into the world is through human efforts. Therefore, the ideas are swirling around looking for willing humans to inhabit. If the *idea* thinks that it's found an ideal human, it will go to work.

Most of the time, you don't even notice this. You blow it off like it's nothing. It will attempt to wave you down when you're having a few pints with some pals at the pub, grocery shopping, or stewing on that rude email you're mustering the courage to reply to. The idea won't give up easily; it will seek your attention for days, months or even years. Until it becomes tired of not being engaged with... then it eventually moves on to someone less oblivious in an attempt to be brought to life.

Thankfully, there are times when we are a little more open and relaxed, ready to receive. Your defences are down, and an *idea* finds its way to sneak in. It will sense your openness and get to work on you. Then the feelings of inspiration hit.

It will send the physical and emotional signals of inspiration. The chills up the arms, hair standing tall on the back of the neck, the nervous stomach, the racing thoughts you can't control. You will start to notice all sorts of signs pointing you towards that idea. The idea will not leave you alone until it has your fullest attention. In a quiet moment, it will ask "do you want to work with me?"

At this point, you have two options.

Say No

The simplest answer, of course, is just to say no. Because then you're off the hook. You can get back to the comfortable routine you're lodged in. You can push play on Netflix rather than getting to work.

Eventually the idea will go away. Congratulations – you don't have to be bothered about anything!

Most people say no. Most people spend their whole lives walking around, day after day, saying no no no no no.

Say Yes

If you do say yes, it's showtime. Your job becomes simple yet difficult. You know what needs to be done, but it's not going to be easy. You have officially entered into a contract with inspiration, and you must try to see it through to its end.

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CHAPTER 49

When An Idea Doesn't Hit

*“Start copying what you love.
Copy copy copy copy.
At the end of the copy, you will find yourself.”*

Inspired by: **Steal Like An Artist**, by Austin Kleon

OK, so maybe those ‘inspiration’ angels don’t seem to take a fancy to you. Maybe they haven’t visited you in quite a while. What should you do?

There is another way to get started: to *steal* from others. Even Picasso recommended this method when he said: “*Art is theft*”. We’re not sure if every arty quote is automatically attributed to Picasso to make it easier, but apparently he also said: “*Good artists borrow, great artists steal*”.

Discovery Through Theft

When you're just starting, it might feel impossible to make anything that is entirely your own (let alone anything ‘good’). Thankfully, you don't have to. No one expects a first-timer to come up with something that's never been done before. And by the same token, no one really expects *anyone* to come up with something that is entirely brand new. As writer Audre Lorde said: “*There are no new ideas, just new ways of making them felt*”.

But that doesn't mean that your work here is done. Just saying that you'll never come up with a wholly original idea doesn't mean you should give up right now and never try. Quite the opposite: it relieves the pressure of having to be ‘original’ and allows you to get on with your work. Knowing that you can't possibly come up with a brand new idea will enable you to start creating more, sharing more, and putting more of your work out into the world.

If you can borrow (or ‘steal’) and mix them in your own unique way, you’ve made art. Obviously, we’re not talking about going out and literally stealing or plagiarising. Printing a picture of the Mona Lisa and putting your name on it won’t work.

Instead, we're borrowing a few bits and pieces from a few different sources, and we put them through our own process of remixing, recycling and reusing. Something different comes out the other end. Realising you can use the ideas of others in your own work is a real starting place. Much better than believing you have to start with a blank slate and create something 100% original.

Some people are waiting to ‘discover themselves’ or work out ‘who they truly are’ before they start making art. This is precisely the wrong way to go about it: creating new things will assist on the journey to determining who you are. In the early discovery phases, you should pick someone that you really like and respect. Steal things from them.

For example, you might like the way your boss signs off her emails with a personal note, or the colours a colleague uses for their PowerPoint slides, or the way your Mum speaks to the person behind the counter when she buys lunch. Take these elements and mix them into your personal style. Remember, we’re starting small: you don’t have to carve the Statue of David to be an artist, you just need to interact with the world in your unique way and inject some creativity into your work.

We stole like artists to make this book! We borrowed ideas from the best books of all time, then mixed them together in new ways. You’ll notice this actually happens in most books you read. People always borrow theories and concepts from other authors and researchers to help bolster their own work. *The Sh*t They Never Taught You* takes 115 different ideas from 115 different books, but the end result is totally unique.

CHAPTER 50

When Should You Start

*“Whatever excites you, go do it.
Whatever drains you, stop doing it.”*

Inspired by: **Anything You Want**, by Derek Sivers

The tale of Buridan's Donkey goes like this: A donkey is standing halfway between a pile of hay and a bucket of water. It keeps looking left and right, trying to decide hay and water. Unable to decide, it drops dead from hunger and thirst.

If you're not careful, you might end up in a similar stalemate but your dreams could be the casualty.

Waiting For The Perfect Time To start

When you're considering starting a business, there are plenty of reasons NOT to. Often it boils down to it not being the 'perfect' time to start. But of course, this is all in your head. There will *never* be a perfect time. You can't wait until things quiet down at work, or until the kids move out of home, or until you get a promotion. Even if you overcome all your current reasons for not starting right now, you'll find another excuse just around the corner. If anything, responsibilities typically increase with time. The longer you wait, the more difficult it will become.

It's like waiting at home until every traffic light turns green before you go to work. Waiting for the perfect time where everything lines up means you would never get to work again! The ideal time to start a business will never arrive, so you're just going to have to start when it's not perfect.

Waiting For A Better Idea

The idea of Airbnb is pretty obvious in hindsight. The vacancy rate of people's spare rooms and holiday homes is high. If you could rent it out, and scale it up, it clearly had the potential to be a successful business. But as good as the idea was, nobody took it and ran with it. Perhaps hundreds of

people across the planet got hit by the same idea. But only Brian Chesky and Joe Gebbia got moving and executed on it.

We all have a mate who informs us of their “new idea”, and we’re told “not to tell anyone” because it’s theirs and it’s top secret. But this is meaningless. Ideas don’t mean much; only the ability to execute does. By the same token, don’t be fooled by the person that says they want to start a business but they don’t have any awesome ideas. This is just another excuse. A ‘great’ idea is obviously better than just a ‘good’ idea, but a good idea that works in the real world is way better than a great idea that remains a fantasy.

Waiting For Funding

Be careful of anyone who tells you they have an awesome idea to change the world but can't get funding. Again, this is just an excuse. Some people get more obsessed with the *dream* of building a business for the status, rather than manifesting the idea by creating something valuable, and genuinely making a positive difference.

You *can* start on your idea without first raising capital and hiring a team. In fact, it can be an advantage. Starting small lets you put 100% of your focus into your customers. Rather than trying to create the Taj Mahal full-scale version of your business idea, you can start with just 1% of your grand vision and grow from there.

Necessity is a great teacher. By starting small, you'll only do what is vital, and you won't waste money on things that don't need to be done. *If you don't have money to waste, then you won't waste money.*

Maybe your grand vision is to build an international chain of education centres that will revolutionise the way children are taught new ideas. Whilst this is a worthy cause, it's not the best place to start. Instead, start with just 1% of your vision. Start by finding someone willing to pay you to teach them something new for one hour on the weekend. Whatever massive vision you have in mind, break it down to the smallest possible step in the right direction and go out there and do it. From there, you can build. Step-by-step.

Get Started

Anything You Want, the inspiration for this chapter, was the first-ever episode of the *What You Will Learn* podcast. After months of both of us catching up for breakfast and coffees, talking about the books we were reading and the podcasts we were listening to, inspiration *smacked* Ashto. He thought - why don't we start a podcast about books ourselves? We already had these conversations every week at the cafe anyway, why not record them? No offence to Ashto, it isn't an original idea. In fact, we've been emailed countless times by people who were hit by the exact same idea.

While many people have had this idea, very few of them *started*. At the time, we were both students with hardly any cash to spare. We scraped money together to buy a \$150 Blue Yeti microphone. We each bought a copy of *Anything You Want*, a short book that we could read in under a week. We did five minutes of preparation each. Then we just hit 'record', and off we went. We winged it. In one early episode, we had Alison (Ashto's girlfriend) cooking spaghetti sauce in the background. In another, I (Jonesy) was watching a horse race - when I saw I lost my bet I dropped in an expletive mid-episode. In yet another, my next-door neighbour came and nearly banged the door down mid-recording because we were too loud and woke him up early on a Sunday morning after a big Saturday night.¹

Week after week, episode after episode, we gradually improved. There were significant steps (getting new equipment that sounded better, landing some big-name interview guests, hiring an audio engineer to produce the episodes). Plus, there were heaps of mini-steps along the way, where we gradually improved our storytelling and our delivery.

If we waited until we were 'good', we never would've started. At first, we were delighted when we hit a hundred downloads. As we kept chipping away at it over time, we reached millions of people - only because we *started*.

Yes, of course, the quality of your product matters. It's a good idea to begin with something that was much better than the first episode of *What You Will Learn*. But if you're waiting until your business idea is bulletproof before you begin, then you'll be waiting a long time. If you don't start today, when will you?

1 Before we had intro music we used to start each episode by yelling “YES! YES! YES!” at the top of our lungs. This obviously didn’t help in this situation. This incident made the recording - check out the episode *To Sell Is Human* to hear it for yourself.

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Lesson 14

**when the
going gets
tough.**

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Most of us have two lives: the life we live and the unlivd life. The unlivd life is everything you dream for, everything you wish you could do, everything you hope to accomplish.

If you've ever quit a diet, stopped attending yoga class, announced you were starting a business but never got your first customer, then you know how hard it is to keep going.

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CHAPTER 51

To Quit Or Not To Quit?

*“Quit the wrong stuff.
Stick with the right stuff.
Have the guts to do one or the other.”*

Inspired by: **The Dip**, by Seth Godin

Quitters never win and winners never quit. It is popular advice, but it's wrong. Winners quit all the time. They just quit the right stuff at the right time. When you have a lot of ideas and plenty of options ahead of you, it's crucial to select the right project to start at the right time.

In this case, the ‘right’ project is the one you’re going to stick with and the one that will end up with the best results. Common advice in project selection is to weigh up the costs and benefits of various options, comparing them on a range of different criteria. But before we dive into any calculations or map out a decision matrix, let’s talk about the three trajectories our project could take: a cliff, a cul-de-sac or a dip.

The Cul-de-sac

For some projects, no matter how long you work on it, you don't really go anywhere. You spend 20-years doing the same stuff for the same pay. You're not going down, but you're not going up either. You're stuck right where you are.

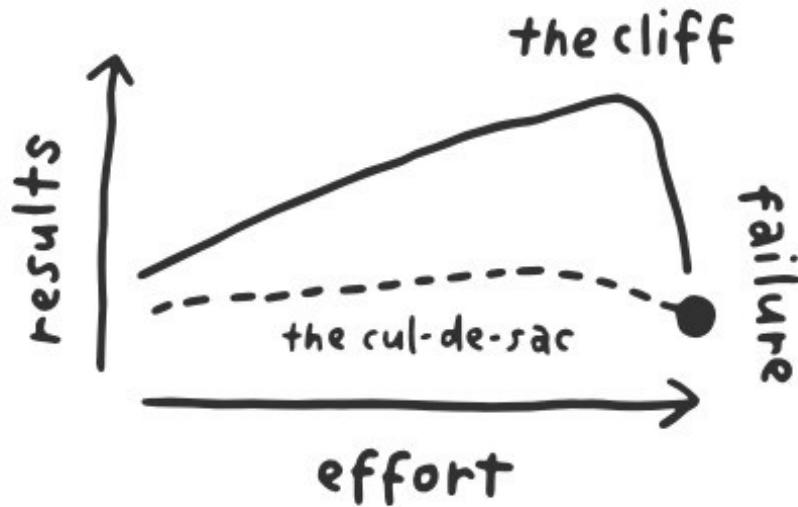
An increased effort has no impact on results, as the shape of the cul-de-sac is flat. Nothing gets worse, but nothing gets better. You're at a dead end. Every day you're on this curve is another day *not* getting closer to winning.

The Cliff

In some activities you may make improvements. It can be enjoyable at the time, but sooner or later you will encounter a big drop.

A cocaine bender is an example of a cliff. The drug pumps morphine into the brain, you can party all night, and it's a grand old time. But like it

or not, participating in this ‘project’ regularly will lead you to a cliff. You’ll run out of money or brain cells, and your life might fall apart.

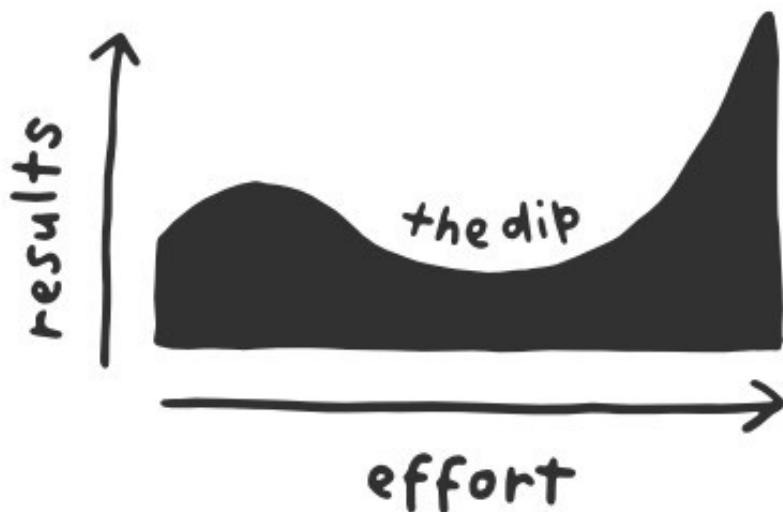


The Cut-de-Sac is boring, the Cliff is exciting (for a while), but neither gets you through the dip and both lead to failure.

The Dip

When we began writing this book, it was fun and engaging. We had early wins: we told our friends we were going to be authors and they gave us praise, we wrote the first couple of pages and it felt great. But these early wins dried up pretty quickly. It wasn’t long before we hit what Seth Godin calls “The Dip”. It’s that long hard slog between starting and mastery.

In The Dip, increased effort doesn’t necessarily lead to increased reward. It’s tough in The Dip because it feels like you’re not making any progress. It’s tempting to quit. But if you stick to it and push through, one day you’ll get out the other side and achieve exponential success. These are the projects we should be selecting.



The Dip is obviously the project you want to select. But the worst possible thing you can do is quit while you're in *The Dip*. When it's getting boring or tough or repetitive, and it doesn't feel like we're making any progress, it's very tempting to quit. And most people do. But that's precisely why *The Dip* is so valuable. Because so many people are quitting halfway, it becomes scarce to make it all the way through the curve and collect the pot of gold waiting on the other side. This scarcity is your friend. Generally, the longer and harder *The Dip*, the more people quit, and the greater the rewards at the end of the curve.

Why You Shouldn't Quit

Queue Jumpers

Think about the different types of strategies people use in the supermarket. Generally, if there are four or five checkouts open, people use one of three possible techniques.

1. Pick the shortest line, get in it, and stick there no matter what.

2. Pick the shortest line, but if something holds up your line (like a customer dashing to the back of the store to grab the milk they've forgotten), then you can switch *once* (at a maximum) to a line that's moving quicker.
3. Pick the shortest line, then keep scanning for the shortest, and continue jumping from line to line, always looking for a short cut.

The problem here is, every time you switch, you're starting over. In your search for a quick fix, you're wasting time, and you're wasting energy jumping back and forth. Remember, if you're always looking sideways for short cuts, you're never looking ahead and getting to the front of the line.

Of course, we're not just talking about supermarkets. There are queues everywhere. The entrepreneur-wannabe who started a YouTube channel, but quit. Then started selling supps to cousins and friends, but quit. And then jumped on eBooks in search of passive income, but quit. And now they're telling you they're about to start a new business. It's a safe bet that they won't make it through The Dip. Starting something new is exciting, but if you're always looking for something new, you never get a good run at what you start, and you will fail to get through The Dip.

Hungry Woodpeckers

When faced with a Dip, many people choose to diversify to give themselves more options. If you can't get to the next level in your pursuit, you think you should spread your efforts to add another string to your bow.

Record labels have thousands of artists in their stable they need to promote, instead of taking a risk and sticking with the ones that show the most promise. Job seekers feel they need to demonstrate proficiency or competency in a dozen different tasks, rather than mastery of one. Diversification feels like the right thing to do.

But the real success goes to those who obsess. The focus that leads you through The Dip is rewarded by a marketplace searching for the best in the world.

A woodpecker can tap twenty times on a thousand different trees and still be hungry. Or he can pick one tree, tap twenty-thousand times, and get dinner.

Before you think about entering a new market, learning a new skill, or starting a new business, consider what would happen if you focused your efforts and managed to get through The Dip you're already in.

Skinny Bodybuilders

When you look at Arnie pumping iron at the gym, it looks a lot like the way I (Jonesy) do it. Both of us are doing bicep curls, squats and lat pulldowns, and letting out large groans on our final reps. But Arnie gets on the cover of *Men's Health* magazine, and I'm thinking twice about whipping off my shirt in the middle of summer. Why? Because big biceps, sculpted calves and a rig of steel are hard to obtain. The very scarcity is what makes it desirable.

Weight training is a bizarre science. Basically, you do one to two minutes of work for no reason, other than to tire your muscles out. It is only the last few seconds of work that causes the muscle to grow. People who train successfully pay their dues for the first minute or two, then get all the benefits at the very end. Those who train unsuccessfully pay exactly the same dues but stop a few seconds short of the gold. Arnie and I are both doing the same initial reps, but he's pushing out those last extra few at the very end - the ones that are essential for improvement.

It's human nature to quit when it hurts, but it's that reflex that creates scarcity. So quitting when you hit The Dip is a bad idea. If the journey you started was worth doing, then quitting when you hit The Dip just wastes time you've already invested. Do this often enough, and you'll find yourself becoming a serial quitter: starting many things but accomplishing little.

If you're going to quit, then quit *before* you start. Reject the system. Don't get caught in the all-too-common trap of chasing the shiny new object. Don't play the game if you realise you can't win. The simple solution: if you can't make it through The Dip, don't start. If you can embrace that simple rule, you'll be a lot choosier about which journeys you start. It's pretty easy to determine if something is a Cul-De-Sac or a Dip. The hard part is mustering the courage to do something about it.

Seth Godin's Three Rules

1. Quit the wrong stuff.

2. Stick with the right stuff.
3. Have the guts to do one or the other.

If you discover you're on a Cliff or a Cul-de-sac: quit. Stop wasting your time on fruitless pursuits. You're only sapping resources and attention away from work that truly matters.

If you realise you're in a Dip, and you believe the rewards on the other side are going to be worth it, then you must keep going. You shouldn't quit, even when it's tough.

This sounds easy. But when you're in The Dip, there is a powerful enemy that is determined to make you quit. This enemy kills most of the population who are willing to try something new. This enemy, outlined in the next chapter, is hiding around every corner, ready to sabotage any chance we have at success.

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CHAPTER 52

The Resistance

*"There's a secret real writers know
that wannabe writers don't.
That secret is this:
It's not the writing that's hard.
What's hard is sitting down to write.
What keeps us from sitting down is Resistance."*

Inspired by: **The War Of Art**, by Stephen Pressfield

I (Jonesy) once put on a few extra kilos around the gut and finally thought enough was enough. A television advertisement got me right in this sweet moment. On the screen was a beautiful woman, a true 10/10, twisting her hips on the revolutionary ‘Ab Pro 3000’. Her picture-perfect smile was enough evidence to convince me she was enjoying tightening her midsection. It used the momentum of your body to work out your abs with minimal effort on your part. It toned your abs, hamstrings and quads, whilst doing a cardio workout at the same time! I thought: “*I want to be like that chick*”. This was my ticket to chiselled abs, and at a bargain price of \$110 (or 4 easy payments of \$29.95).

When it arrived I tested it out with ten ab twists. I then vowed that tomorrow I’d begin my real journey to becoming a walking cheese grater.

Tomorrow never came. Each ab twist cost me \$11. I haven’t used it since, and I’ll never use it again. *The Resistance* got me.

The Resistance pops up when you’re in the Dip. It’s true for ab exercises, but also for starting a new diet, sitting down to write, overcoming an addiction, beginning an education course, or any undertaking to help others. And of course, the Resistance is felt most strongly when launching a new entrepreneurial venture or starting a new business.

The act itself isn’t that hard, but those first few obstacles can feel almost impossible to overcome.

Problem: *The Resistance*

- *The Resistance is invisible*: It cannot be seen, heard or touched. But it certainly can be felt. It's an opposing force whose aim is to shove us away, distract us and prevent us from doing our work. Anybody who has ever tried to start something new has heard the Resistance whispering in their ear, trying to hold them back.
- *The Resistance is internal*: It may appear to be outside ourselves. We blame our boss, partner, kids, and jobs for standing in our way. But the Resistance is actually an enemy that comes from within.
- *The Resistance is impersonal*: It doesn't know you, and it doesn't care about you specifically, it's a force of nature that acts objectively.
- *The Resistance is Universal*: We may think that we're the only ones struggling against Resistance, but we're wrong. Anyone who has a mind and body experiences Resistance. Everyone who attempts stepping into the arena will feel the Resistance draining them.
- *The Resistance is most powerful at the finish line*: If it feels like you're about to win, Resistance bombards you with one last dose of negative force. It tries to stop you from getting the job done. This might be its last chance - it hits the panic button, marshalls one final assault, then slams you with everything it's got. When we started writing this book, it was easy to sit down and go to work. But that last 10% now feels like eating glass.
- *Procrastination is the Resistance*: We rationalise that we're still going to do what we planned, we're just going to do it later. We don't admit that we're caving to the Resistance, we just put it off a little. We don't say: "I'm not going to open my cafe", we just say: "I am going to open that cafe... but I'm just going to start tomorrow".

That's the bad news. *Resistance*. The good news? Thankfully, this problem has a solution. Resistance can be beaten. If it couldn't be, there would be no Golden Gate Bridge, no iPhone, no Amazon, no *Romeo & Juliet*, no Sistine Chapel, and (devastatingly) no *Survivor*. Defeating Resistance is like giving birth: it seems impossible until you remember that women have been doing it successfully for fifty-million years.

Solution: Turning Pro

Now that we understand the problem, we can focus on the solution. Pressfield only presents one way to combat the Resistance: *Turning Pro*. Amateurs suffer at the hands of the Resistance; professionals overcome it. Pros push through The Dip and reap the benefits of scarcity. Resistance hates it when we turn pro.

Thankfully, you already know *how* to turn pro. You're already a professional in your working life. Like clockwork, you get up and start work every day at 9 am. You show up each day, stay on the job until it's done and commit to the long haul. You don't take work too seriously, and you don't over-identify with your day job. You just go to work.

My (Ashto's) cousin finished high school and went on to become a plumber. He put in his years as an apprentice, learning the trade, building up his skills, getting his licenses. Once he'd finished, he decided that he'd had enough of working for someone else and wanted to run his own show.

At first, it wasn't too bad. His first few clients came from his mates and some families from his local footy club. But after those initial wins, he hit the Dip. It became a slog. No one knew who he was. No one really knew the name of his business, and no one really trusted the tradie whose qualifications were so fresh the ink was still wet. The client pool was drying up, but the repayments on his new tools and new ute weren't. He felt like giving up and throwing in the towel. Resistance was about to defeat him.

But he stuck at it. He turned pro. He battled through, working harder than most, gradually building a solid reputation for himself.

A professional accepts no excuses - giving up today only makes you twice as likely to give up tomorrow. A professional endures adversity. The pro knows that being in the arena and getting stomped by the bull is better than being an anonymous onlooker in the stands.

A professional doesn't take failure (or success) personally. The Resistance knows we fear failure and rejection, so it tries to use our fear against us. A professional knows the risks of stepping outside their comfort zone and starting a new business. But they give it a shot anyway.

When asked if he wrote on a schedule or only when inspiration struck, famed novelist Somerset Maugham said: "*I write only when inspiration strikes... thankfully it strikes every morning at 9 am sharp*". He doesn't sit

down to write because he gets inspiration; he gets inspiration because he sits down to write.

The hill is a sonofabitch, but what can you do? Put one foot in front of the other and keep climbing. There is no mystery to turning pro. It's a conscious decision brought about by an act of will. If we decide to view ourselves as pros, then we do the work and push through The Dip. Simple.

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Lesson 15

**swinging
for the
fences.**

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All home runs have one thing in common: you need to first step up to the plate. When you're standing on the plate, you'll see new opportunities that weren't visible from sitting in the dugout. At first, you'll inevitably swing and miss. But with each swing, your odds of connecting increase.

Eventually, you might even knock it out of the park.

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CHAPTER 53

The New Currency

“People will choose unhappiness over uncertainty.”

Inspired by: **The 4-Hour Work Week**, by Tim Ferriss

Most people assume that regardless of which path they take, life will be a tough slog. They *think* there is some pot of gold coming that justifies spending the best years of life, *hoping* for happiness at the end. Tim Ferriss presents Option C, *Lifestyle Design*: enjoy your *time* now and live life on your terms.

Most people look to work their butt off so they can retire safely. But retirement as a goal is flawed for at least three reasons:

- You dislike what you’re doing, so you’re dreaming of the day you can stop doing it.
- Most people will never be able to retire, as the math doesn’t add up (life expectancy and what you’ll really have left).
- If it *does* add up, it’s probably because you are one ambitious working machine. If that is the case, one week into retirement, you’ll be bored.

The ‘New Rich’ (NR) are those who abandon the *deferred life plan* of waiting until retirement before doing the things you want to do. Most people believe their most important currency is *money*. Instead, Lifestyle Designers put a greater emphasis on *time*.

Who are the New Rich? They appear in many shapes. The employee who rearranges their schedule to work remotely 90% of the time. The business owner who eliminates the least profitable customers and outsources work entirely. The student who elects to risk it all (which is practically nothing when you’re a student) to establish an online service that delivers \$5K/month, allowing her to volunteer full time as an animal rights lobbyist.

The question is then, how can one achieve the millionaire lifestyle of complete freedom without first having the million dollars?

Unlocking Time

Effectiveness Over Efficiency

Being ‘busy’ is often used as a guise for avoiding a few critically important but uncomfortable actions. The options are almost limitless for creating busyness. For most corporates, even if it only takes you 10 hours to achieve what other workers can do in 40, the boss will still tell you to work 40 hours a week. You don’t really get the benefits of your extra productivity, you just get more work piled onto your plate. This is an endless game you want to avoid.

Some people convince themselves that they are productive by creating an elaborate system of email folder rules to ensure those brain farts move as quickly as possible. An effective person may produce a system for eliminating the need for emails altogether.

What you do is infinitely more important than *how* you do it. *Effectiveness* is doing the things that get you closer to your goals. *Efficiency* is performing a given task in the most economical manner possible. Being efficient without regard to effectiveness is the default mode of the universe.

The Pareto Principle

Pareto’s Law can be summarised as follows: 80% of consequences come from 20% of causes, 80% of results come from 20% of the effort and time, 80% of company profits come from 20% of products.

Ask yourself: Which 20% of sources are causing 80% of my problems and unhappiness? Which 20% of inputs are resulting in 80% of my desired outcomes and happiness? Being selective and doing less is the path of the productive. You can apply 80/20 to everything. If you had to stop doing 80% of your activities, what would you remove?

The 9–5 Illusion And Parkinson’s Law

The classic work schedule is a collective social agreement and a dinosaur legacy of the ‘results-by-volume’ approach. Since we have eight hours to fill, we fill eight hours. If we had 15, we’d fill 15. If we had an emergency and suddenly needed to leave work in two-hours but had pending deadlines, we’d miraculously complete those reports in two-hours.

Parkinson’s Law dictates that a task will swell in perceived importance and complexity in relation to the time allotted for its completion. It is the magic of the imminent deadline. It works both ways: given more time we’ll add in complexity, given less time we’ll focus and get it done.

Automation

Becoming a member of the NR is not just about working smarter; it’s about building a system to replace yourself. If you make \$25 an hour and spend your time working on something that someone could do for \$10 per hour, it’s a poor use of resources. Using a virtual assistant is a simple exercise with virtually no downside.

I (Jonesy) once got a little too excited after reading *The 4-Hour Work Week*. Single at the time; I realised a considerable chunk of my time was being spent on Tinder. This was somewhat necessary. You needed to lay a lot of groundwork to land a date - I couldn’t *eliminate* that time but thought perhaps I could *delegate* it.

I proceeded to hire a man named Daniel from Kenya for \$4 / an hour as my Virtual Dating Assistant. Daniel’s goal was to score hot dates for me every Friday night doing fun activities such as ‘Tenpin Bowling’, ‘Dinner and Drinks’ or even ‘Netflix and Chill’. I sent him some blogs to read on how to win on Tinder and gave him access to my calendar. I was expecting two-three dates a week for the cost of six-hours of Daniel’s time. The plan was great, but the execution was poor.

Daniel’s English wasn’t the best. In every conversation, he’d politely ask: “How are you?”. Solid start. But when they asked back, he replied: “I’m restless”, every time. I’m not sure what Google Translate he was using, but the poor date prospect was confused and a little creeped out.

I landed no dates.

The exercise was still worth it though. Ever since learning this skill, Ashto and I have saved ourselves hundreds of hours of work delegating different monotonous tasks around the world to focus our time on more valuable things in our businesses.

Lifestyle Arbitrage

I (Jonesy) have been on two major trips in my life. I saved up for the first one by working for \$22/hour at the local pub, socking away \$10,000 and travelling through Indonesia, India and Nepal. I lived like a king for eight-months. The second trip was through Europe. I saved \$15,000 but lived like a peasant for three-months. High-cost travelling doesn't always correlate with high enjoyment.

I discovered my favourite cost-effective place to travel, Indonesia. For just AUD\$30, I could hire a motorbike, get a boat ride out to the surf, three full meals, coffee, and a few beers to finish the day. If I was in Australia, I'd barely be able to get breakfast for \$30.

I recently landed contract work on average Australian wages. Little did the client know I was going to do the job remotely, living in Indonesia. I lived off \$30 a day but earnt \$300 a day, meaning I had plenty of cash left over at the end of the project.

Lifestyle Arbitrage is just one option available for the new rich. The internet unlocks the ability to earn Australian dollars and live off Indonesian Rupiah.

Power Of Scalability

To live like the NR, you need to stop trading time for money. A product is the key to achieving scalability.

Some professions like dentists, consultants or massage professionals cannot be scaled. Despite earning amazing dollars-per-hour, there is always a limit on how many people you can see each day and, therefore, how much you can earn. In these professions, no matter how much you get paid, your income is restricted by this time gravity. Moreover, these professions are very predictable: you may have tiny daily variances, but never to the point

of making a single-day income that has any significance to the rest of your life.

In scalable professions, you do the same work whether you produce one unit or a thousand units. For a podcast, the effort to reach ten people is similar to that of reaching ten-thousand people - either way you need to invest the time it takes to create the episode. In writing, the same effort is taken to attract one reader or several hundred million. JK Rowling doesn't have to write a book each time someone reads it: she invests the effort to write the book once, then it can be bought by millions of people.

The upside of winning in a scalable profession would give you a life beyond your wildest dreams. And most importantly, you're unshackled from the burden of trading time for your money.

If you're in a service profession, you can still make *information products*. This could be an online course or an eBook, where you package all your best information into something downloadable. There is a lot of work upfront, but there is no additional effort required at each sale once you have it.

Our goal here isn't to create a business that is as large as possible, but one that bothers us as little as possible. We want to build a system that can ultimately run without us. As Warren Bennis once said:

"The factory of the future will only have two employees, a man and a dog. The man will be there to feed the dog. The dog will be there to keep that man from touching the equipment".

Take A Swing!

A dark quote from Robert Frost: “*By working faithfully 8-hours a day, you may eventually get to be a boss and work 12-hours a day*”. Tim Ferriss goes even darker: “*Most people aren't lucky enough to get fired, so they die a slow spiritual death over 30-40 years of tolerating the mediocre*”. People typically wake up to their buzzing alarm on Monday morning filled with dread thinking: “*I have to do this for another 40 or 50 years?*”

If you were to pursue your dream, what is the worst-case scenario? Say it's to take a significant risk and pursue a business opportunity closer to your interests. The worst-case scenario might be moving back home until

you find a new job and pick up where you left off. Eating two-minute noodles on the couch in your mum's basement would be pretty rough, but it wouldn't be the end of the world. If you played your cards right, it might just mean a year or two off your current career trajectory to try something new. If it doesn't work out, you can jump back in where you left off. You'll be a few years behind your peers, but you won't have the nagging feeling of '*if only...*'.

99% of people in the world are convinced they are incapable of achieving great things, so they aim for mediocrity. Thus, the level of competition is fiercest for the 'realistic' goals, paradoxically making them the most time-intensive and energy-consuming.

What are you putting off out of fear? The fishing is best where the fewest go. The collective insecurity of the world makes it easier for people to hit home runs while everyone else is aiming for base hits.

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CHAPTER 54

Harnessing Uncertainty

*"Innovations must not only be valuable,
they must also be put to use by others in society."*

Inspired by: **The Click Moment**, by Frans Johansson

In 1998, men who were concerned about high blood pressure and heart disease symptoms were taking an innovative drug produced by Pfizer. While this new drug didn't actually help the heart issues, there was an unintended side effect that kept the men coming back for more. Today, Pfizer sells more than two billion dollars of these little blue 'blood pressure pills' every single year.

The Pfizer scientists were out to solve heart issues but accidentally solved another perennial men's problem instead, one that has plagued blokes throughout human history. The drug unexpectedly sent massive amounts of blood straight to the penis. The men now had a weapon that would win the psychological war they had with their crown jewels, staying long and strong and keeping all involved parties satisfied. Pfizer *accidentally* invented Viagra.

Success Is Random

1. Lloyd Braun was the chairman of the ABC television station in America from 2002 to 2004. He approved two brand new shows. One became the most expensive show the network had ever made, with the pilot alone costing more than \$14m to produce. After numerous arguments and disagreements with Michael Eisner, the CEO of Disney (who owns ABC), Braun was fired. Everyone at ABC and Disney assumed these shows would flop. No one at ABC had any faith because these shows went completely against the tried-and-true formats of what had previously worked. The two shows were *Desperate Housewives* and *Lost*, and they went

on to be the two biggest shows of 2004 and saved the network from its decline to ruin.

2. Bill Bowerman was a track-and-field coach. He was always seeking to improve athletes' performances and was looking for ways to engineer a spike-less sports shoe. None of his creations worked until he saw his wife pulling a waffle out of the waffle iron and he saw how the geometric shapes were flexible. Experimenting with putting rubber in the waffle iron, he eventually developed the world's first sports shoe (and went on to co-found Nike, which has done pretty well since!).

These two stories show how 'success' is random and unpredictable. We can't possibly know what is going to work and which ideas are going to take off.

Take Action To Benefit From Randomness

If success is random, your aim should be to capture as much randomness as possible. You can do things to make this randomness work for you.

We've mentioned the '10,000 hours' rule¹ a few times already. The idea is that to get really really good at something; you need to put in a lot of time and effort. Violinists who practised for 4,000 hours across their career were the 'least accomplished', those that hit 8,000 hours practice were 'good' violinists, but the 'stars' were the ones that had clocked up 10,000 hours of deliberate practice across their career.

The '10,000 hours' rule is a real thing - the more you practice, the better you'll get. But in terms of becoming a 'star', this only holds true in certain fields. In specific domains where the rules are clear, and the path to success is predictable: keep your head down and rack up those hours. Playing chess, practising the violin, learning a language... the more time you put in, the better you'll get.

But when it comes to business and entrepreneurship, the path is far less clear. Richard Branson had no experience in aviation before he had a swing with Virgin Airlines. Reed Hastings had no domain experience when he started Netflix. When the rules are always changing, you don't need 10,000 hours. You just need to be able to use unpredictability and randomness in

your favour. When opportunities come your way, regardless of your level of experience, take action and seize them.

Click Moments

According to Frans Johansson, a ‘Click Moment’ is that spark of an idea or the point where your thinking ‘clicks’ into place and things appear clear.

Looking back at these random success stories, we can find a click moment that started it all. For Nike, the click came when Bowerman saw the waffles. He realised he could take those shapes and apply them to the soles of a shoe. For Branson, the click moment came when he was trying to fly to the Virgin Islands to meet a girl, but got stuck in Puerto Rico when his plane was cancelled. He realised he could charter a plane and divide the costs by selling seats to everyone else desperate to get to their destination. Everyone jumped at the opportunity, and Virgin was born.

Pay attention to these moments. When you feel the lightbulb going on inside your brain, don’t ignore it! We might be writing a book about *your* success one day.

It’s hard to give you specific directives or actionable advice - business success is random, so we can’t tell you *exactly* what to do. We can’t tell you to create a blood pressure pill that gives blokes stiffies, nor could we tell you to eat waffles every morning, speculating that it will bring about your next great idea. We *can* provide you with advice that is directionally accurate, some general ideas that can expose you to more randomness in the hope that something might ‘click’. You should say yes to the late-night cocktail party instead of the late-night at the office. You should follow your curiosity as much as possible, even if it takes you to weird places. You should learn a new skill that piques your interest. You should go to more events, meet more people, take in new ideas, try new hobbies, and test out any business ideas you get. Rejecting the predictable path and following the bizarre is the way to invite more click moments into your life.

It sounds counterintuitive, but if you want to hit a home run, sometimes you need to take your eye off the ball. You need to look around for the opportunities everybody else is missing.

Purposeful Bets

Just getting *an* idea doesn't mean it's a *good* idea. Similarly, just getting an idea doesn't mean it's going to work in the real world. You need to place 'purposeful bets' to turn your idea into a reality.

A 'bet' is a small version of the idea in your head. At the poker table, you wouldn't go all-in on your first hand and risk going bust, so when you're trying out a new idea, you shouldn't go all in and risk everything before you're sure it will work.

We need to test the waters of the idea by taking the smallest step possible. If things work out, you plough forward. If it doesn't work out, you've suffered an affordable loss. You've got the resources (time and money) to swing at the next good idea that comes your way. After enough swings, by the laws of probability, you might finally connect.

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CHAPTER 55

The Minimum Bet

*“The only way to win
is to learn faster than anyone else.”*

Inspired by: **The Lean Startup**, by Eric Ries

Your Aunt Susie is fed up with her marketing job and instead wants to launch a new Yoga Studio.

When she's writing up her business plan, she makes predictions about how many people will sign up for monthly packages. Her method of acquiring customers is to offer free classes, and she guesses that about 10% of these will become paying customers the following week. After asking a few other Yoga instructors, she assumes that 200 registrations at \$100 per month is a conservative estimate for her revenue stream. If successful, she would have monetised her passion and entered into a dream life.

With her ‘conservative’ income prediction of \$20,000 a month, she has the data to get the business loan from the bank to launch her business. This is exciting; the first time she has ever followed her passion. She signs a 12-month lease on a studio, buys a bunch of new yoga mats, prints flyers and advertises in the local newspaper.

Good on her! She stepped up to the plate and took a swing... right?

Wrong!

Aunt Susie is making a big mistake. She needs to be stopped!

We human beings are subject to confirmation bias and will find any data that supports the decision we already want to make. She is unaware of a huge issue that lurks deep inside her ‘business plan’. Her ‘data’ is not data at all. It was just a blind guess.

This business she is launching has the potential to be a home run, but it also has the potential to completely ruin her life if she doesn't approach it carefully. What happens if nobody signs up? Aunt Susie already spent the money she borrowed from the bank, with nothing coming back into the account...

The story of Susie isn't unique. A good portion of entrepreneurs have never heard the idea of ‘purposeful bets’ and are paying the price. They are

investing too many of their resources into unqualified business plans, full of unknown risks. They're putting all of their chips on the table and they might go bust.

'Leap Of Faith' Assumptions

Business plans can be useful, but you need to recognise what is in them. In any business plan, there is some combination of 'facts' and 'assumptions'. You must not confuse the two.

The 'leap of faith assumptions' are the riskiest. These are the 'guesses' that you're using to prove that your idea can work. You're taking a leap of faith on these and hoping you guessed right. Somewhere in the business model, buried in a spread-sheet, there will be something that says: '*5% of website visitors will make a purchase*' or '*two-thirds of our social media followers will sign up to our email list*' or '*half of the people that see our ad will sign up for a free trial*'.

In the case of Aunt Susie's Yoga Studio, her 'leap of faith assumption' was that 10% of people who came to a free class would convert to paying customers. This '10%' figure is really just a guess. It can be based on historical data and research and anecdotal evidence from similar businesses and benchmarking - it can be as thorough as you like. But at the end of the day, if she's wrong, then the rest of the numbers in her business plan won't add up. The real number might end of being 20% (hooray!), or it could just as easily be 1% (boo!) You won't know until you test it out in the real world. Before you go securing expensive long-term leases and borrowing money from the bank, you must *test* these leap of faith assumptions. And the way to do that is to get 'validated learning' by building a 'minimum viable product'.

Minimum Viable Product

A *Minimum Viable Product*, or MVP, is that version of a new product which allows a team to collect the maximum amount of validated learning about customers with the least effort. Get it out of your head and into the real world - try legitimately selling to potential customers. Find out what they

love and hate about the product. If they don't like it, you need to pivot and change your product quickly.

For Aunt Susie, this could mean buying an ad in the paper offering a free class to see how much interest she gets *before* she commits to renting the studio. It will be a small sample size at first, but she will get a real-world understanding of what the conversion rate from free class to paying customer *actually* is, not what she *thinks* it will be. If there are sufficient sign-ups, her assumptions are now validated, and she can justify further investments. If it doesn't work, she must adjust her business plan accordingly. This is the 'Build - Measure - Learn' feedback loop, and it's crucial to your business success.

A real-world example is that of Drew Houston, who started Dropbox. Building the whole finished product would've taken an enormous investment of time and money. A team of developers would take months, if not years, and hundreds of thousands of dollars to build the fully-fledged file-sharing system. Instead, Drew created a simple MVP to test his assumptions before investing. He created a short three-minute demonstration of the tech he *imagined* he would be making and targeted early adopters². If people liked his idea and were intrigued by what they saw, they were driven to the Dropbox website landing page to sign up for the waiting list. Overnight, the YouTube video went viral, and the waiting list ballooned from 5,000 to 75,000 in less than 24 hours. The video was an MVP that tested (and confirmed) the leap of faith assumption that customers actually wanted the product he was developing.

You might be upset if your product fails in these early stages. You might get disheartened that your MVP flops and your assumptions were wrong. But don't be! Think of all the resources you saved in *not* pursuing your product to the end, only to find out no one wanted it.

Build - Measure - Learn

We went through multiple 'build-measure-learn' feedback loops in writing: ~~The Book About Books~~, ~~The Reading Journey~~, ~~Masters In Books~~, ~~The Sh*t They Never Taught You~~.

Over the years, we've put out a range of 'free products' for the *What You Will Learn* audience. The most successful of these products was the 'Top 50 Books of All Time', which ranks our favourite books accompanied

by a short write up on each³. We were getting email signups every day that confirmed our audience were keen to learn about our book recommendations. When we were thinking about what book we should write, this ‘Top 50’ document turned out to be the perfect MVP. We decided to write a full print book of our ‘Top 100’ containing a lot more detail in the summaries.

The first iteration was to write a 1,000 word summary of our favourite 100 books. Once we were done, we sent this out to about 20 of our loyal listeners, people who knew what we were about and whose opinions we respected. The feedback was pretty unanimous: the ideas were solid, but the execution of the writing was a little dry. It was too bland and not enough like the engaging style of our podcast episodes. Our first learning was that we should add more personal stories and more of our unique takeaways from the books.

When we sent it out again, people said that these were great! We only did them on about every third or fourth book, and people wanted more of these. So the second iteration of our ‘build-measure-learn’ cycle was to inject these funny stories into the summary itself, rather than keeping them to the end.

The next pretty unanimous piece of feedback was that some people who loved Tim Ferriss’s *The 4-Hour Work Week* had no interest in Jared Diamond’s *Guns, Germs and Steel*, and people who liked Richard Dawkins’s *The Selfish Gene* were less interested in Malcolm Gladwell’s *Outliers*. Different types of people liked different kinds of books. In its current format, people would have to trawl through the crap (as perceived by them) to find the gold (also as perceived by them). So we pivoted again.

Our original list of 100 books was in random order based on how much we liked them, so we needed to find a way to group them. The final iteration is what you’re holding now. Now, you can avoid the types of books you have no interest in. It was a long journey, but it was well worth it. With all the different versions, we got better every time. We got more and more feedback and continued to pivot accordingly. This was real-world feedback on what people *actually* wanted, not just what we *thought* people wanted.

Get It Done VS Get It Right

The Lean Startup shows a way that minimises the investment (by building an MVP) to find out if your business plan is worth pursuing or killing. Some people see this as an excuse to put out shitty low-quality MVPs. They're destined to fail. It's a delicate balance you must strike - it should be as cheap, quick and easy as possible, but it must also accurately reflect the vision you have for the end product. Any successful product requires a certain level of financial and emotional investment to reach a quality that can attract users in the first place.

Sometimes you need to be in 'get it done' mode, building quick and dirty MVPs, but there are also times where you need to invest appropriate time and money to 'get it right'. Most people have a bias to one or the other, which is a significant hindrance in the creative life. You need both.

1 In case you missed it, this was explored previously in Lesson 7: *Various Paths to Mastery*

2 For more on the different types of consumers, especially as it pertains to new technology, see Ch65: *Concentrate The Forces*

3 Download the free PDF of our favourite books of all time at whatyouwilllearn.com/top50

Lesson 16

**creating
the
future.**

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Heraclitus said: “Change is the only constant”.

It was true when he said it 2500 years ago, and it feels even more real for the world we find ourselves in today. New technologies such as artificial intelligence, virtual reality, autonomous vehicles, robotics and genetic engineering all have the power to change your world beyond comprehension. Understanding what is coming our way will put you in the best spot to capitalise on change and innovation. Perhaps you can be the one who is Creating The Future.

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CHAPTER 56

A Case Study In Innovation: Steve Jobs

"If you want to live your life in a creative way, as an artist, you have to not look back too much.

You have to be willing to take whatever you've done and whoever you were and throw them away."

Inspired by: **Steve Jobs**, by Walter Isaacson

The saga of Steve Jobs is an iconic representation of what it takes to build a world-changing revolution. After launching a startup in his parents' garage, he built Apple into the world's most valuable company.

Teased for being adopted, bullies would say to Jobs: *"So does this mean your real parents didn't want you?"*. But his parents had a different narrative, saying: *"We specifically picked you out"*. This became an important part of how Jobs perceived himself. His life narrative was that he was abandoned, but he was also special for being 'chosen'.

Before he even started school, it was clear he was a gifted kid - he could already read and write well ahead of everyone else. Bored for the first few years, he occupied himself by getting into trouble. It became clear it was not in his nature to accept authority: *"I encountered authority of a different kind that I had never encountered before, and I did not like it. And they really almost got me. They came close to beating any curiosity out of me"*. Jobs also quickly became bored with college. He refused to go to classes he was assigned to, and instead, he went to the ones he wanted - such as dance class or calligraphy, where he could express creativity (and meet girls).

He recounted in his famous Stanford Commencement address: *"I had no idea what I wanted to do with my life and no idea how college was going to help me figure it out. And here I was spending all the money my parents had saved their entire life. So I decided to drop out and just trust it would work out OK"*. At the time, there were all kinds of movements: Zen and Hinduism, meditation and yoga, primal scream and sensory deprivation. This fusion of flower power, enlightenment and technology was embodied by Jobs as he meditated in the mornings, dropped into Physics classes during the day, worked nights at Atari and dreamt of starting his own

business. "*There's something going on here,*" he said, looking back on this period in history.

Jobs's first serious venture was with Steve Wozniak, building and selling printed circuit boards. Woz sold his calculator for \$500 and Jobs sold his Volkswagen for \$1500. They already had the design and the product plan, and now they had the working capital to bring it to life. Together they started their own computer company. In 1977, Jobs and Woz valued their company at \$5307. Four-years later they decided to take it public. By the end of 1980, Apple was valued at \$1.79 billion. In the process, it would make 300 people millionaires. At the age of 25, Jobs was worth \$256 million.

The Fall

After early success, Jobs faced his first real challenges in business. Product sales were well below expectations, and he pursued shady strategies like rebranding old products as new to boost sales. He was also a perfectionist beyond reasonable utility, wasting money on items that had no impact on product quality and that nobody would see. Due to his sporadic nature and poor performance, the Apple board decided to remove Jobs from the company's leadership.

Jobs was still young and had plenty of money in the bank, so he started another computer company: NeXT, targeting higher education markets. Here he made similar mistakes - his perfectionism and extreme nitpicking lead to overinflated costs, beyond market expectations and commercial realities. This didn't just stop at the products he was creating, but extended to the buildings and offices themselves. The factory walls had to be 'museum white', the leather office chairs cost \$20,000 each, and Jobs designed a custom made staircase out of glass and titanium. Everything had to look perfect. Unfortunately, while the offices were schmick, the product they built was crap (even though they charged a single price of \$6,500). The high-cost and low-quality meant the beautifully painted factory robots remained mostly idle. NeXT hemorrhaged cash.

Jobs also bought 70% of Pixar for a \$10 million investment. He quickly realised all three of Pixar's endeavours were losing money: hardware, software and animated content. After a failure at NeXT, he couldn't afford another strike...

The Comeback

After Jobs was ousted, Apple coasted comfortably for a few years with a high-profit margin. But Apple steadily lost market share in the 90s, and by 1996 they were down to 4%. Jobs said: "*They cared about making money... rather than making great products*". Microsoft, their rival, released Windows 95 which dominated the market and became the most successful operating system ever. Jobs still dreamed of revolutionising computing and had maintained connection with Apple, so he got to work on strategising for Apple Computers to buy NeXT Software. On December 2 1996, Jobs was successful and set foot on Apple's headquarters for the first time in 11-years. He would later return as interim CEO (abbreviated to iCEO, of course), before dropping the 'i' and becoming the fully-fledged CEO of Apple again, whilst he was still CEO of Pixar.

Some leaders push innovations by being good at the big picture, others by mastering details. Jobs did both relentlessly. He launched a series of products over three decades that transformed entire industries:

- *Apple 2* which took Wozniak's board and turned it into the first personal computer.
- *Macintosh* popularised graphical user interfaces.
- *Toy Story* and other Pixar blockbusters opened up the miracle of digital imagination.
- *Apple Stores* reinvented the role of a store in defining a brand.
- The *iPod* changed the way we consume music.
- *iTunes* saved the music industry.
- The *iPhone* gave mobiles music, photos, videos, email and web.
- The *App Store* spawned a new content creation industry.
- *iPad* launched tablet computing.
- *iCloud* demoted computers from their central role in managing our content and let our devices sync seamlessly.
- *Apple* itself became the most valuable company in the world.

Steve Jobs is still regarded as the modern master of innovation. While he didn't invent every single element, he was masterful at putting together ideas, art and technologies in ways that invented the future. He did a few things we're about to learn: created blue oceans, he was a contrarian, and unleashed the technological forces of the time to ride the trends for our benefit.

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CHAPTER 57

Making Competition Irrelevant

“Create. Don't Compete.”

Inspired by: **Blue Ocean Strategy**, by Renée Mauborgne & W. Chan Kim

The Problem: Current markets are flooded with competition. More and more companies are competing for smaller and smaller profit margins. This cut-throat battle leaves the waters bloody. This is the *Red Ocean*.

The Solution: Swim away from the competition. Make the competition irrelevant. Find wide open space. Create a *Blue Ocean*.

The *Blue Ocean Strategy* challenges companies to create uncontested market space that makes the competition irrelevant.

Red Oceans

In Red Ocean industries, the boundaries are known and accepted by all. Companies try to outperform their rivals to grab a more significant share of existing demand. As the market gets crowded, profits and growth potential are reduced. Products become commodities, and cut-throat competition turns the ocean red and bloody.

This analogy applies to your career journey and business. When I (Jonesy) finished high school, the university degree hardest to earn a spot in was Law. It made sense - we all knew an affluent baby boomer making a killing in this industry. This generation told their kids to study hard so they too could one day climb the ranks of a big firm. With this advice, Boomers took only the smartest kids with the best scores, so the competition in high school was intense. For those that made it through this first trial, the competition on the other side of university was just as fierce. With more students than positions available, the firms held all the leverage. Despite having the best talent supply, the industry becomes a red, bloody ocean, with average pay.

Some people are born to be lawyers. The other majority who wanted to enter just to make money had made a poor decision guided by ignorant elders. They now found themselves in the reddest ocean of all the

industries, with overflowing talent and limited opportunities. Most kids would have been better off sailing into the pristine Blue Oceans.

Blue Oceans

Blue Ocean industries present untapped market space with opportunity for highly profitable growth based on innovation. While Red Oceans represent the ‘known market space’ (all industries in existence today), Blue Oceans denote the ‘unknown market space’ (any industry *not* in existence today).

While everyone in the Red Ocean is too busy fighting over room to tread water and keep afloat, most miss the Blue Ocean hidden in plain sight. All it takes is a sideways glance. While some Blue Oceans are created by sailing somewhere completely new and different, they’re often found simply by expanding your current perceived industry boundaries.

The sustainable strategy is to always look for new ways to innovate in your business. Of course, your Blue Ocean won’t stay blue for too long. When competitors take a break from their battle, they might see you frolicking all on your own, dominating your niche. They’ll want to sail over to you and take a slice of the action. So you’d better keep sailing and keep innovating, always looking for new Blue Oceans to make your home.

Creating Blue Oceans

You have a fixed amount of resources, where will you find the money to go into this Blue Ocean? You need to compromise on some things, and then put all your remaining resources on the items that will distinguish you from your competition. By thinking about these four vital questions, you’ll understand how you can set yourself apart.

Which industry factors that are taken for granted should be eliminated?

Companies in your industry have long competed on the same grounds. If you can identify one of these competition areas that you believe the consumer doesn't really care about, you can eliminate it from your strategy. By removing something that everybody else is fighting over, you can shift your focus and reallocate your efforts to improving the more important and more valuable things. Thus, you will make your offering far more attractive.

For example, think of the automotive industry that litters your TV with commercials. For almost every prime time program, you'll see the happy family taking on an action-packed adventure with their new family car. Most companies start with the question: "*How do we make the best advertisement for our product?*". Tesla asked themselves a different question: "*Do we even need to advertise at all?*" Tesla decided to scrap the ad budget altogether, pumping this extra money back into product development.

Which factors should be reduced well below industry standard?

You can't be perfect in every criteria. You need to compromise on some things so you can dominate others. In this case, these are the things that can't be *eliminated* altogether (as in action #1 above), but you can *reduce* them to the bare minimum level required to pass.

Say you're running a pub. It's pretty standard that most pubs have an extensive range covering beers on tap, wines, spirits, and bottled drinks. If everyone else is buying 30 different bottles of wine that barely get drunk, you could reduce your wine offering to the bare minimum - a couple of whites and a couple of reds. By minimising your wine list well below the industry standard, you're saving on inventory and have more cash (and more physical space) to overinvest in other areas you see as more worthwhile.

Which factors should you raise above industry standard?

These are things you feel are most valued by customers. By eliminating some things and significantly reducing others, you have spare resources that you can allocate to being exceptional in these specific key areas.

Perhaps the pub we were just speaking about can now double the number of beers on tap and offer your punters more variety. Or, you could go another way - if you want to focus on the 'wine and cheese' crowd, get rid of the taps altogether, keep a few bottles of beers in the fridge, and focus on having the most extensive wine offering in the city.

Which factors should be created that have never been offered?

This is where innovation comes in. What is something that no one else in your market is doing? What's something brand new that your customers

care about that you can create to solve their needs or wants? Finding the right answer to this question goes a long way to setting you apart in your own Blue Ocean.

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CHAPTER 58

Inventing The Future

*“What important truth
do very few people agree with you on?”*

Inspired by: **Zero To One**, by Peter Thiel

Every moment in business only happens once. The next Bill Gates will not build an operating system, the next Larry Page or Sergey Brin won't make a search engine, and the next Mark Zuckerberg won't create a social network. If you're copying these guys, you aren't learning from them. New innovations are precisely that: *new*.

Of course, it's easier to copy than to make something new. Doing more of what we already know takes the world from *1 to N*, producing more of something familiar. But when we make something new, we move from *0 to 1*. We create something that never existed before. The act of creation is singular, and the result is something fresh and strange.

Note: there are patterns of success, but no formulas you can copy. The paradox of teaching entrepreneurship is that there is no clear path. By definition, innovation is something unique and new - no authority can prescribe how to innovate in concrete terms.

The Contrarian Question

According to Google, the most common job interview questions are: ‘Why should we hire you?’, ‘What is your greatest strength?’ and ‘Why do you want this job?’. All employees can find an easy answer that doesn’t require brilliant thinking or courage. You can whip out a pre-prepared spiel you think the interviewer will be happy with.

When Peter Thiel (a co-founder of PayPal and Facebook’s first investor) conducts a job interview, he asks a very different question: *“What important truth do very few people agree with you on?”*.

It’s a simple question, but it’s bloody tough to answer. You can’t whip out a pre-prepared spiel. Most people can come up with predictable answers like: “*I don’t believe in God*” or “*I think global warming is the greatest*

challenge of our generation". But these aren't original answers; they're just picking a side on an ongoing debate. Even if you're in the minority, you're still not being a contrarian.

At school, we're only taught the stuff that's already agreed upon. Brilliant thinking, by definition, can't be taught by schools. Courage is even more difficult to teach and a rarity in our world today. And this is what it takes to answer the question well: brilliant thinking, courage and a willingness to be a contrarian. Unfortunately, displaying different ideas might make you look a bit strange to your group of mates. So most people prefer to have ideas that are consistent with the group they're a part of.

But a willingness to be contrarian, despite the costs and risks, is the most essential attribute for anyone looking to be an innovator.

The future is a set of moments that haven't happened yet. We know that it will be rooted in today's world, but at the same time, vastly different. Creators of the future will have answers that aren't trapped in common thinking.

How To Invent The Future

If you dare to be a contrarian, you may have a shot at being an innovator. Which leads us to the business version of the contrarian question: "*What valuable company is nobody building?*"

If the idea is somewhat predictable and lurking around culture, like self-driving cars, you can be sure that the ocean is already red. To have an idea that no one has thought before requires a contrarian with the courage to swim out into the new waters and be different from the crowd.

If you look at the founders of the most successful companies, you'll find that most of them are weirdos. Think of Elon Musk: he is convinced we're in a simulation. If someone without Elon's cred told you that on the street, you'd pretend to take a phone call so you could walk the other way. And if you spoke to him in the early 2000s, when he was trying to buy a rocket ship to go to Mars, you'd think he was bonkers. But Elon isn't trapped in today's thinking. He's finding opportunities in the ether that nobody else is. He's travelling in waters humanity has never ventured to before.

According to Thiel, a startup is the largest group of people you can convince to build a *different* future. If you can convince people of a

genuinely new idea, you can get moving on the journey to running your own show.

In this context, every correct answer is like a secret - something meaningful and unknown, something hard but doable. Every idea that we take for granted today (the iPhone, the skateboard, the lightbulb, the suitcase with wheels, and the chocolate bar) were all once a secret waiting to be discovered. The entrepreneurs who created them had the right mix of brilliant thinking, courage, and vision to bring it into the world.

There are still so many secrets left to be discovered. Due to the large-scale disruption, we're about to encounter over the next few decades; opportunities are popping up left right and centre. Will it be you who discovers one?

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CHAPTER 59

Technologies Of The Future

*“40 percent of today’s Fortune 500 companies
will be gone in ten years,
replaced, for the most part,
by upstarts we’ve not yet heard of.”*

Inspired by: **The Future Is Faster Than You Think**, by Peter Diamandis & Steven Kotler

There is nothing more soul-sucking than sitting in bumper to bumper traffic. I thought Melbourne copped it pretty bad, but Los Angeles takes first prize in the unenviable stat of ‘most gridlocked metropolis in the world’. Every year, they spend the equivalent of two and a half working weeks sitting in traffic.

But help is on its way. Uber's mission is to solve human mobility. And to do this, they're looking at introducing a new form of transportation to the world: *aerial ridesharing*. Their goal is to have it operational in cities worldwide by 2025.

At the moment, cost is the most significant barrier. Like in any innovation, a good idea can be a good idea. But it will be stuck as just that (an idea) until it is financially viable. Thankfully, for car drivers everywhere, the cost of personal aerial transportation is headed in the right direction. If we look at the marginal cost of car ownership, it's 59 cents per passenger mile. This cost includes everything: the cost of the vehicle, registration, insurance, maintenance, fuel, wear and tear, and so on. For a helicopter, it's \$8.93 per mile. Clearly, that's not viable for blokes like us - we'll stick to our cars. But Uber is creating new eVTOLs: Electric Vertical Takeoff And Landing Vehicles. They've projected that within the next few years, they'll have the marginal cost of ownership for flying cars at 44 cents. That's cheaper than the cost of driving! Once the cost becomes a no brainer, Uber hopes that flying cars will replace the ancient four-wheeled dinosaurs we're using today.

Humans have been dreaming a long time about flying vehicles. The Jetsons were zooming around in them in the 1960s. In a famous IBM

commercial, Avery Books asked: "*It's the year 2000, but where are the flying cars?... I don't see them! Why!*". Peter Thiel quips: "*We wanted flying cars, and we got 140 characters.*" Well, the wait could finally be over. It looks like flying cars are just around the corner. And all sorts of pie-in-the-sky innovations are following just behind. Which brings us to the question: Why now?

Converging Technology

In 1965, Intel's founder Gordon Moore noticed that the integrated circuit had been doubling every 18-months, meaning computers were frequently becoming twice as powerful with the cost remaining the same. 'Moore's Law' drove the supercomputer of the 1970s to be a thousand times smaller, and a thousand times cheaper until it became the smartphone you're carrying around in your pocket today.

Today, there are many exponential technologies on similar trajectories. They're happening simultaneously, and they're converging. These technologies are overlapping like waves, stacking on top of each other to produce an unprecedented tsunami of innovation, threatening to wipe out the 'normal' way we do things. These converging technologies are creating Blue Oceans at an unprecedented scale. If you can get some of these to work together, you'll no longer be trying to drown your competitors in the same sea; you'll be smooth sailing with your unique innovation.

Artificial Intelligence

Innovations of AI are also on an exponential trajectory. In 1995, AI could read Zip Codes. Whoopdidoo.

By 2011, it could read 43 different types of traffic signals with 99.46% accuracy. By 2012, AI outperformed humans by classifying thousands of different images, distinguishing things like cats from birds. And today? It can pick you out in a crowd, read your lips and examine your biomarkers to figure out how you're feeling. If you mix AI with drone technology, you have a robot that can follow a human sprinting through a dense forest (*Black Mirror* starting to feel a little too real?).

Robotics

In 2016, Boston Dynamics released a robot called Atlas. It could stack boxes in a warehouse, but it could also hike through slick, snowy woods like Rambo. A human smacked it with a stick, then Atlas regained balance. Lucky for that construction worker, robots don't hold grudges (yet).

The revolution in robotics has vast economic consequences. The UR3 Collaborative Robot from a Danish manufacturer costs \$23,000, roughly the same annual wage of a factory worker. This robot doesn't get tired, take a whiz, complain about minimum wage or go on vacation. It can, in fact, work 24/7! Plus, you only have to pay for it once, rather than every single year. Do you still think your job is safe?

Virtual Reality & Augmented Reality

When I (Jonesy) was younger, I used to dream I could fly. I'd take 20 steps and jump in the air, and then in my mind, I was flying all around the neighbourhood. Nothing was more exciting than those dreams - I looked forward to them every night. But then I woke up and was smacked in the face by reality. In the real world, we're limited by gravity and laws of physics.

With virtual reality, we can rewrite the rules. It's letting us digitise our experience into a computer-generated world, where the only limit is our imagination. I'm sure you don't have to think too hard about what you might be able to do with this power - I know what the first thing that pops into my mind is...

3D Printing

The most expensive supply chain in the world is only 241 miles. It's the resupply network from Mission Control on Earth to the International Space Station. The expense comes from the weight. You need to beat the force of gravity to reach the astronauts hanging out in space. The company Made In Space was the first to build a 3D printer on the International Space Station. In 2018, when an astronaut broke his finger, they didn't need to order the

splint from Earth and wait a few months. All they needed to do was find 'splint' in the 3D printer's archive and hit 'Go'.

Today, we can print in colour with hundreds of different materials - metal, glass, plastic, leather, even chocolate. We can print the expensive stuff like apartment complexes and jet engines. 3D printers are approaching the price point where everybody can have them. Currently, they can be purchased for under US\$1,000.

Materials Science and Nanotechnology

Thomas Edison famously had to find '10,000 ways that didn't work' on his road to inventing the lightbulb. He spent over 14-months trialling over 1600 materials before landing on carbon-coated cotton. His first light bulb didn't even last a day. But if Edison were born in the 2000s, it wouldn't take him 14-months. Modern engineers can skip the benchwork and get simulations to do the heavy lifting, rather than manually testing new materials.

By using AI to map millions of combinations of elements (hydrogen, lithium, carbon, etc.), engineers can essentially play with the periodic table to generate properties previously unreachable. With nanotechnologies, windows can be self-cleaning and generate electricity, or fabrics can iron themselves.

The Drivers of Innovation

The pace of change is accelerating. Technologies are converging upon each other. The overlap threatens to wash away everything in its path and wipe out millions of jobs. Taking one step back, these are some of the underlying drivers that allow these technologies to grow exponentially.

Saved Time

Prior to the internet, finding information was tedious (and that's putting it lightly). In 2014, the University of Michigan compared the time it took to search the library to answer questions versus how long it took to 'Google it'. Online enquiries took 7 minutes per answer, offline took 22 minutes. This means every time we look to Google to find an answer to something

important, we are effectively saving 15 minutes. If we do the math, 3.5 billion worldwide search queries a day saves us 52.4 billion minutes. That's time that is free to be reallocated to working on inventions and innovations instead of flicking through pages in the library.

I (Ashto) used to have a marketing client in a different city. They were an old-school brick-and-mortar business into its third generation of family ownership. They had their way of doing things, which involved face-to-face meetings to plan new campaigns. This meant getting up at 4 am to get to the airport for an early flight, an hour in the Uber, an hour waiting at the airport, an hour on the plane, another hour Uber on the other side to get to their store, just to have a one-hour meeting then do it all again going the other way! This one meeting wiped out an entire day. When we weren't allowed to travel interstate in 2020, they finally realised the power of virtual collaboration. Instead of meeting face to face and writing down notes with pen and paper, we could do a Zoom call instead and have a Google Doc open that everyone could edit. Not only did we save the expenses that come with interstate travel, we also saved an entire day that we could use to work on other important tasks.

Availability of Capital

When John F Kennedy announced the Space Race, the 2.2% of GDP he pumped into the Apollo program made it possible. The aerospace industry had its biggest innovation era ever and took humans to the moon.

Nothing accelerates innovation more than money. More cash means more people experimenting with new projects, swinging for the fences. There will be more failures, but ultimately more home runs. The unprecedented rise in the abundance of capital makes it easier for innovators to find funding than any other time in history.

More Genius

Srinivasa Ramanujan was an unlikely talent. Born in Madras, India in 1887, he got a lucky break when a few old British blokes discovered his intellect and brought him back with them to Cambridge University. Soon after, he became the youngest member in history to join the Royal Society. He was a

genius. He contributed 3900 formulae to mathematics, many of which were previously thought to be unsolvable. Although you probably haven't heard of this dude, the world would be a little worse off if it wasn't for him.

Until recently, most geniuses were unable to contribute their talents. Gender, class and culture were serious barriers. If you weren't born wealthy and male, the chances of getting a decent education were slim. The fact that the great man Ramanujan was discovered was a bit of a fluke.

With the democratisation of education and the global reach of the internet, new geniuses from developing countries will have their opportunity to contribute to a better future.

Longer Lives

Steve Jobs got a lot of stuff done before he died at the age of 56. He was just entering his prime in terms of his innovation potential to the planet. Imagine if he had another few decades to unleash new ideas?

In our later years, we have the most knowledge and the greatest number of fruitful relationships. But old age takes us out of the game. Extending human life means increasing the number of years we're operating at peak capacity and capable of making our most significant contribution to society. It's the ability to chase our dreams for a much longer period.

Two hundred thousand years ago, the average life span was 25 years. In the Middle Ages, it crept up to 31. By the end of the 19th century, it broke 40 for the first time. By 2000 we were pushing 76.

More money and more minds than ever before are focusing on anti-ageing. Ray Kurzweil talks about 'longevity escape velocity', the point at which science can extend life spans by more than a year every single year. Big Ray thinks it's only 10-12 years away. Eventually, we might be living centuries, not just decades.

CHAPTER 60

Trends Of The Future

*“This is not a race against the machines.
If we race against them, we lose.”*

Inspired by: **The Inevitable**, by Kevin Kelly

Jesus died at 33 and (so the story goes) he rose from the dead three days later. Let's imagine that he changed his mind and decided to come back a millennium later instead, in the year 1000 AD. Jesus would find himself in a pretty familiar world to what he left.

Now, let's think of another person, your Great Grandpa George, who was 33 years old in 1921. Imagine if he entered a time-travelling machine and zoomed forward just a century, to 2021. Stepping out of the machine, he sees iPhones, computers, drones whizzing around and jets flying overhead. The world would almost be incomprehensible. Technology is moving fast. Things that were considered 'make-believe' for Great Grandpa George are no longer a fairy tale.

Now, extrapolate this speed of technology and imagine the change that you'll see in your own life. Established industries will be blown apart, old business models will no longer work, entire occupations will be made redundant, and some people's livelihoods will disappear without a trace.

The best products of 2050 haven't been invented yet. People in 2050 will look down at their wearables through virtual reality contact lenses, downloadable avatars, AI interfaces and will say: "you didn't *really* have the internet back then, you were still on the beta version".

Some people will wonder: "*Can you imagine how awesome it would have been to be an innovator in the 2020s? It was a wide-open frontier! If only I realised the opportunities back then*".

There has never been a better time to be an innovator. You're not too late. Change is just ramping up.

So far we've looked at the philosophy behind innovation - creating your own Blue Ocean. Then we looked at what attributes you need to be the person who innovates - the ability to be a contrarian and go against the grain. Plus, we looked at the specific technologies that are converging right now - the waves that will drive future growth. Now, let's look at the *trends*, as outlined by futurist Kevin Kelly. These are trends that have been building for the past few decades, and they are the trends that will build the next few decades. While we can't predict exactly what is coming next, we can be pretty sure these trends will continue to strengthen. Those that can harness these trends are the ones that will invent the future.

Becoming

We're moving from fixed products to upgrading services and subscriptions. We don't buy videos and DVDs anymore - we're buying Netflix and Amazon Prime subscriptions that are continually repopulated with new content. Technological life in the future will be endless updates and upgrades. We all hate getting those notifications on our phones and laptops telling us there's a new version of our software we need to upgrade to... but if we want things to improve, we need to cop it. When you buy a piece of software, you're no longer buying it solely in its current state; you're also purchasing the yet-to-be-released updates that will (hopefully) make it even better.

Cognifying

We're adding 'smarts' and making everything 'intelligent' using cheap AI. The arrival of artificial intelligence accelerates all other disruptions. A machine will soon be the world's best lawyer, engineer, doctor and diagnostician. In the future we will use AI like we use electricity today - we just plug into the grid and turn it on. Business plans for the next 10,000 start-ups are easy to forecast, Kelly says: "*take X and add AI*".

By the end of the century, at least 70% of today's jobs will be replaced. It doesn't matter what your role is, the robot takeover will be wild. We are already at the inflection point. If you want to be benefiting from these changes, you should find ways to learn to work with the bots and machines.

Flowing

Depending on unstoppable streams in real-time. The future will consist of on-demand services. Watching, listening or reading on-demand means everything must ‘flow’.

The first industry to switch to real-time was music. Steve Jobs’s iTunes Store was the first step in replacing your local record store, then a subscription to Spotify eliminated your CD collection. Then it happened to movies. No need for those weekly trips to the local video store - one simple subscription wiped out Blockbuster.

Screening

Every surface can become a screen to interact with. For builders, in previous generations, you’d print out physical construction drawings. Today you get the job done with an iPad.

In the future, we will be able to play with the screen on your cereal box. The smart surface screen will be able to read your emotions and react accordingly, showing you just the right images and videos to perk you up and set your day off on the right foot.

Accessing

We will go from owning assets to having access to all services at all times. Possession isn’t as important as it once was. Uber owns no cars, Airbnb owns no hotels, and Ali Baba owns no merchandise. ‘Accessing’ allows dematerialisation and decentralisation of the products we use.

Previously people would buy hundreds of little toys for a child as she grows up. It’s different now. For example, my (Jonesy’s) niece Ruby has a subscription to the toy library rather than purchasing individual toys. She doesn’t own anything. She borrows and replaces all the items which change as she enters new phases of her childhood.

Sharing

We're already seeing online collaboration at a massive scale - designers sharing their ideas, programmers sharing their code, companies making their IP publicly available. I (Jonesy) was able to take an online course in freehand architecture drawings. In the past, I would've had to find some local art teacher and try to find a time to go for lessons every week, but today, I can type into YouTube 'Engineering Drawing Lessons', and options are abundant. Some legend has decided to spend their weekends creating free content, sharing expertise for myself and the tens of thousands of other engineers.

The 'open source' movement will only continue to strengthen. As more people share more of their ideas with more people, innovation will be sparked worldwide.

Filtering

The data of the world will be nicely filtered and personalised just for you. It may even anticipate your desires, knowing you better than you know yourself.

There are obvious benefits to this. You want Netflix to know you so it can give you the movies you'll like. Spotify suggests new music that is better than any of your mates could recommend.

But the dark side of this is already on show. YouTube, Facebook and Google are filtering the opposing views out of your life and only showing you the things you want to see. This is an amplification of confirmation bias that people aren't aware of. There are right-wing and left-wing bubbles that are failing to understand each other's points of view. It feels like everything online lines up with your beliefs, so you *must* be right - but that's only because things are being shown to you specifically. These tech giants know what will capture your attention and keep you on their platform.

Remixing

Unbundling existing products into their most primitive parts and then recombining in new ways. We will have the option to record every conversation we have, and it will be easy to rewind and relisten.

Tools such as megapixel phone cameras, YouTube Capture and iMovie are quickly reducing the effort you need to create moving images. In the future, you won't need to shoot a whole movie - you'll be able to manufacture it from still photos. Previously, you'd need to buy and learn an instrument to play music. Today, you can play multiple instruments at once with computers, or invent your own instrument by breaking down the basics and rebuilding it.

Interacting

Immersing ourselves into our computers to maximize engagement. Virtual Reality and Augmented Reality will be similar to an LSD trip. Anything is possible in this world. Physics doesn't matter. We will have wearables and special spectacles that reveal the AR. Over time, our interaction will increase to encompass more senses, more intimacy and more immersion.

With Virtual Reality and Artificial Intelligence, you can program in an imaginary sex partner and get up to anything you like. If you're the 40 year old virgin, no problem - you could still end up with a virtual evening with Kendall Jenner

Architecture will change. In VR, the AI will assist in building the most beautiful and efficient set of buildings based on structural engineering, buildability and cost.

Tracking

Soon you will constantly track your blood pressure, variable heart rate, oxygen level, temperature, and skin conductance. You will 'lifelog' everything. Constant 24/7/365 monitoring of vital body measurements will give you your best shot at a long healthy life. The FitBit was just a taste. With all this data available to you, you'll be able to detect the slightest changes sooner than ever before. You can get ahead of your sickness or diseases and get a headstart on the cure.

Questioning

Even though our answers are expanding exponentially, our questions are expanding exponentially faster. A good question is the seed of innovation in science, technology, art, politics, and business. A good question is what humans are for.

Beginning

Over the last 30 years, we've seen some wild new inventions. But the *next* 30 years will be even wilder. What we see right now is just the beginning of something epic.

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PART IV

**marketing
to the
masses.**

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The goal of any marketer is to go ‘viral’. To create something so popular that it takes on a life of its own and spreads through the population.

Germs have worked out how to do exactly this - leaping from one person to the next through a simple sneeze. Without intervention, this germ can find a home in millions of people at an alarming rate.

The ‘R naught’ value measures the transmissibility of a virus. This is a mathematical term to indicate how contagious a disease is, which became all too familiar in the world’s attempt to ‘flatten the curve’ of COVID-19. But when it comes to marketing, we want to go the other way. We want to infect everybody.

- If R_0 is less than 1, each existing infection causes less than one new infection. In this case, the disease will decline and eventually die out.
- If $R_0=1$, each infection causes one new infection. The disease will stay alive in the same size population.
- If it is greater than 1, each infection causes more than one new infection. The disease will be transmitted between people on a long exponential journey (if nothing is done to stop it). Epidemics that reached entire populations were those that maintained an R_0 value much greater than 1. Early estimations of the R_0 of SARS-CoV-2 (the virus that caused the disease CoVID-19) were around 2.5.

That's how real viruses work. Ideas, products and behaviours act similarly. If on average, each person tells more than one person ($R_0 > 1$), your market will continue to grow. Optimising transmission is the main element that will determine the success of your product. Like a virus, you want to cause a reaction from your target market. You want your users to ‘sneeze’ and infect others. This process will continue until you’ve hit the mainstream market.

Lesson 17

**powerful
positioning.**

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You could have the best product or service ever invented... and it would mean absolutely nothing if nobody knew about it. It doesn't matter what value you create - without marketing, no business can survive.

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CHAPTER 61

The Golden Circle

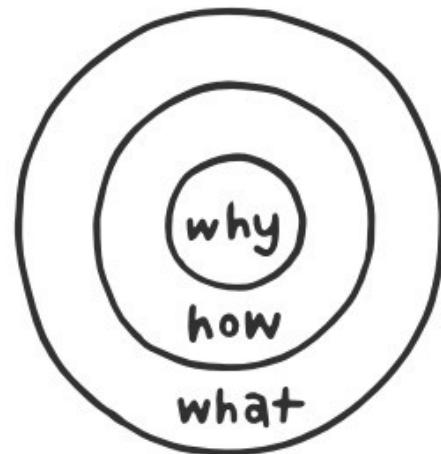
*“People don’t buy what you do,
they buy why you do it.”*

Inspired by: **Start With Why**, by Simon Sinek

You might think the success of Apple’s iPod was based on the invention of new superior technology. You might just assume they were the first ones to come up with a portable MP3 player that could store all your music. But they weren’t. A company called ‘Creative’ developed a much better product, but it was never able to capture the world’s attention.

Why did ‘Creative’ flop and Apple knock it out of the park? It all comes down to *The Golden Circle*, presented by Simon Sinek in the third most-viewed TED Talk of all time. Sinek argues that the elements you choose to focus on when you first present your new idea, has a drastic impact on how our brains receive your message:

- *What*: This is the basic proposition. You build a gadget. Or you make websites. Or you sell pens.
- *How*: This is your unique value proposition. A *reason* why people should be choosing your product and why it might be better.
- *Why*: This is your *purpose*. Why does your company exist? Why do you get out of bed in the morning to do the work? And why the hell should anybody care?



Creative, like almost all companies, got this wrong. They did the typical sales pitch:

"We make great MP3 players. They are beautifully designed, simple to use and user friendly. Wanna buy one?"

This is how they shared their idea: *what* (great MP3 player) and *how* (beautiful design, simple to use). It gives you the logical, rational parts of the equation. But humans aren't rational creatures. We act based on emotion rather than reason.

Contrast it with a message that starts with *why*, from Steve Jobs at Apple:

"Everything we do, we believe in challenging the status quo, we believe in thinking differently. The way we challenge the status quo is by making our products beautifully designed, simple to use and user friendly. And we happen to make great music players. Wanna buy one?"

Why (challenging the status quo) then *how* (beautiful design) then *what* (iPods). Rather than appealing to the rational brain, it appeals to emotion. The best companies, the ones that win, are the ones that have the clarity of why, the discipline of how, and the consistency of what. Steve Jobs 'started with why' when he launched the iPod. They didn't talk about how much storage it had (the 'what'), they spoke about '1,000 songs in your pocket'. By this stage you're not just buying a product, you're buying into an idea and an identity – you're buying the 'why'.

Creative isn't the exception to the rule. Most companies cook this. Let's have a look at a few lousy mission statements we've found on the web:

- *MGM Resorts*: "MGM International is the leader in entertainment and hospitality - a diverse collection of extraordinary people". This is a clear *what*.
- *Barnes and Noble*: "Our mission is to operate the best specialty retail business in America". This is a clear *how*.
- *Avon*: "Avon's mission is focused on six core aspirations the company continues to achieve...". This is clear *fluff*.

It might be hard to imagine that companies of this size spend millions of dollars in marketing budgets and come up with such crap. Let's compare it to the ones that *Start With Why*:

- *Asana*: "To help humanity thrive by enabling all teams to work together effortlessly."
- *Uber*: "Transportation as reliable as running water, everywhere for everyone."
- *Vibease*: "To see a world where women can have orgasms as much as men do."

As I'm (Ashto) writing this paragraph, we're approaching the tail end of finishing *The Sh*t They Never Taught You*. If I think about our marketing strategy to our audience, my brain gravitates to the 'what' and 'how', and leaving it there. In this case, the marketing strategy would be: "we've packaged the best bits of the best books (what) by thinking about the things school didn't teach us (how)". If we were to *Start With Why*, our pitch would sound a little more like this: "Our book will make readers healthier, happier and more productive (why) by teaching what schools missed (how) by bringing together the best lessons from books (what)". What do you prefer?

If you're a business owner or a marketer, you know *what* you do. And if you've taken the next step to figure out your unique value proposition, you've figured out the *how*. But very few companies take it the next step and figure out the *why*. Whenever you pitch a potential investor, write copy for a Facebook ad or want to engage your team, starting with *why* is the way to inspire minds and motivate action.

CHAPTER 62

First To Mind

*“Marketing is a battle of perceptions,
not products.”*

Inspired by: **The 22 Immutable Laws Of Marketing**, by Al Ries & Jack Trout

You could spend a fortune building one of the best products the world has ever seen. But if it crawls into existence and disappears after release, what's the point? Instead, you need to find a way to be first in the mind of your potential buyers.

Thousands of would-be marketers are tripped up every year by making simple marketing mistakes. Someone has an idea or concept they believe will revolutionise an industry. Having an idea in your own mind is one hurdle, then getting that idea into a prospect's mind is another challenge altogether.

The conventional approach is spending truckloads on ads. This is not a solution. More money is wasted on marketing than any other human activity. The way out of this mess is to follow the laws of marketing. Violate them at your own risk.

The Law of Leadership

Neil Armstrong was the first man to walk on the moon. Who was second? Roger Banister was the first man to break the four-minute mile. Who was second? George Washington was the first president of the United States. Who was second? The second is never as memorable as the first. The lesson is:

It's better to be first than it is to be better.

Many people believe that the primary issue in marketing is convincing prospects that you have a *better* product or service. This is not true. The basic challenge in marketing is being first. *It's better to be first than better.* It's an easier task to be the first thought in a buyer's mind than to be compared with a product that's already available.

In today's competitive environment, a lookalike product has little hope of becoming big. After WWII, Heineken was the first imported beer into the USA. Which is selling more now: the beer that tastes best? No. Heineken is still in front. It tastes like cat piss but dominates sales.

People tend to stick with what they've got. If you meet someone a little better than your husband or wife, it's really not worth making the switch. Once you've chosen a brand (the first brand available), you won't change if the second one that comes along is just a little better. There's a cost in switching. It must be *significantly* better, or you're just going to stay with what you're already doing.

Regardless of reality, people perceive the first product as superior. Marketing is a battle of perceptions, not products.

The Law of the Category

Who was the first billionaire? You've probably heard of him - John D Rockefeller made a fortune through his ownership of Standard Oil. Today, there are now thousands of billionaires worldwide with very little reason to know their name. But you might have heard of one in 2012. Spanx founder Sara Blakely clocked over a billion bucks for her revolutionary clothing label. She took the crown for the youngest-ever self-made female billionaire. She wasn't the first billionaire, but she was the first in a category—*youngest self-made female billionaire*.

If you're already too late for the first law and you can't get into your customer's mind *first*, don't give up hope. Find (or create) a new category you can be first in.

If you can't be the first, create a new category you can be first in.

It's not as difficult as you might think. In the US, you may consider the beer market as already saturated. There are plenty of different brands of 'beer'. No new beer could be the 'first beer'. But Michelob was able to claim market share when they became the first in the category of 'high-priced beer'. Miller Lite came in and was the first in the category of 'light beer'. Even after Miller claimed the first 'light beer', Amstel Light still found success when they became the first 'imported light beer'.

The principle is - if you can't be first in a category, set up a new category to be first in. If you're in a highly competitive industry: think about

how you might add elements to create a unique cocktail that is scarce and in-demand.

When you launch a new product, the first question to ask yourself isn't "*How is this new product better than the competition?*", but rather "*What category is my product first in?*"

The Law of Perception

There is no objective reality. There are no facts. There are no 'best' products. All that exists in the world of marketing are perceptions in the minds of the customer or prospect.

The three largest selling Japanese-made cars in America are Honda, Toyota and Nissan respectively. You would assume they rank in this order because Honda makes objectively 'better' cars than Toyota cars or Nissan. But this is not necessarily true. What people *think* about the brands determines who wins.

If marketing was about objective product quality, then sales in America would match sales in Japan. But while Honda is the market leader in America, they're trailing in third place in Japan. Toyota sells more than four times as many cars as Honda in Japan.

The reason boils down to perceptions. If you told your friends in New York that you bought a Honda, they'd ask: "What kind of car did you get? A Civic? An Accord? A Prelude?" But if you tell your friend in Japan that you bought a Honda, they'd ask: "What kind of motorcycle did you get?". The perception in Japan is that Honda is a motorcycle manufacturer. That's why they're third - people don't want to buy a car from a motorcycle company.

Marketing is not a battle of products; it's a battle of perception. In order to be first to mind, we need to work with the perceptions of buyers.

CHAPTER 63

Product Marketing

*"Each new work competes for customers
with everything that came before it
and everything that will come after."*

Inspired by: **Perennial Seller**, by Ryan Holiday

One day I (Jonesy) went to Ashto's house to record a podcast. But he wasn't home. Worried about where he might be, I walked up the street to his local park to see if he was walking his dog, Charlie. I saw him there, but there was no Charlie in sight. The part that concerned me was the intensity in which he was staring at a brick wall. It looked like he was trying to take a photo of it with his iPhone. I've never been too worried about his mental health, but this was a red flag. What kind of weirdo stares at brick walls through their iPhone with such concentration?

It turned out that Ashto, like millions of people at the time, was swept up in the 'Pokemon Go' craze. He wasn't pensive in depression; he was trying to catch a Snorlax.

The world spent almost a billion dollars in a short period, and Nintendo once again became a household name. It was the first mainstream technology that nailed augmented reality and the world approved. But after a couple of months... it seemingly all stopped. The news stopped talking about it, most people stopped playing Pokemon Go, and the brick walls were left alone by strangers once more.

The goal of perennial products is to stand the test of time. Rather than being some flash-in-the-pan short-term cash grab, you want to make a product that reliably and sustainably makes continued sales. The goal is to make the product once and then let it sell itself, for the longest stretch of time possible. Do not enter the graveyard of fads. Instead, produce an enduring creation that lasts generations.

The Lindy Effect

There was a delicatessen in New York called Lindy's that had been around for decades. It was still as popular as ever. The *Lindy Effect* says that the expected life span is proportional to its age. For humans, our mortality rate increases with age - the older we get, the more likely we are to die. But when it comes to art, ideas and ideologies, the mortality rate actually *decreases* with age - each additional year it survives adds another year to its life expectancy. The longer it lives, the more likely it is to stick around.

If something has been around for 100 years and it's still popular, there's a good chance it'll be around for another 100 years. We've been playing Beethoven for three centuries and talking about the Mona Lisa for five. *The Seven Habits of Highly Effective People* has been selling strongly for three decades, so there's a good chance that it'll still be popular in 2050. *Think And Grow Rich* has been going strong for 80 years, so it'll probably keep going for at least another 80.

VB, the beer of choice for the working class within Victoria, claims to be 'for a hard-earned thirst'. And it is one of the most disgusting drinks you'll ever lay your lips on. At most parties, you'll always have a few token new craft beers that come and go with every summer. But you'll still see a few of those 'green demons' waiting to be slammed down.

If this beer launched today, it would be hard to imagine it cutting through the market. But it's benefiting from the Lindy Effect. The beer has been around since 1854, passed down from generation to generation. And you can bet your bottom dollar that it will outlast all these new upstarts.

Making Something Timeless

Our goal is to create something perennial. Most people struggle to make something that lasts more than ten minutes, let alone ten decades.

Unfortunately, most people are so caught up in the here and now that they don't think strategically. They want to ride the new wave and cash in on the latest fad. They're so focused on immediate payoffs that they don't make anything worthwhile that could stand the test of time.

The Evergreen

Consider the world of books. Some are clearly doomed for a short lifespan. *The Future Is Faster Than You Think* makes predictions that will launch between 2022 and 2025. So within a couple of years, these ‘cutting edge future technologies’ will be a thing of the past. Similarly, in 2018 Gary Vaynerchuk spoke about the newest trends in social media in his book *Crushing It*. But social media evolves so fast that within a few months, these tactics were outdated. Instead, you should ignore the brand new trend and focus on things that will never change.

Product First, Marketing Second

Make something of the absolute highest quality possible, and then do everything you can to generate word-of-mouth that will keep it moving for months, years and decades.

Old marketing advice was along the lines of: “*Spend 20% of your time making the product then 80% of the time marketing it*”. You’ll end up with an average product, but if you flog it with above-average marketing, then you might be able to make something of it. But those days are over. Today we have too many options available to us - we’re not going to settle for merely average. We need to flip the old equation on its head and channel most of our effort and energy into making something great.

Committing

If you’re on the path to making something perennial, you’re going to have to make sacrifices along the way. You’re committing your soul. There is going to be a lot of time, energy and effort going into creating your masterpiece. Elon Musk says that creating his companies feels like: “*Eating glass and staring into the abyss of death*”. George Lucas was literally pulling his hair out when he was making Star Wars. George Orwell says writing a book was: “*A horrible, exhausting struggle... like being driven on by some demon*”. Creating something monumental isn’t going to be a breezy walk in the park. It won’t be something you can crank out on a weekend. The ceiling of the Sistine Chapel took four years to paint. Or look at La Sagrada Familia in Barcelona – Gaudi laid the first brick in 1882, and at the time of writing, almost 140 years on, it’s still yet to be completed.

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CHAPTER 64

Service Marketing

*“Don’t charge by the hour.
Charge by the years.”*

Inspired by: **Selling The Invisible**, by Harry Beckwith

We’re normally only taught how to market products. But in the real economy, 80% of people are working in ‘service companies’. Yet while the other 20% *think* they are only selling products, they’re really selling a service as well. You’d think a cafe’s product is their coffee. But there are ten cafes near my (Jonesy’s) house within a radius of 1 km, all selling this same product. So I choose the cafe with the best service: the barrister who remembers my name and doesn’t keep me waiting for my order.

When you buy a product, you can see it, touch it, and depending on the product; you can taste, smell or hear it as well. Services, on the other hand, are intangible. There’s no exact clear definition of what you’re getting when you buy a service - you’re just purchasing what you hope the end result will be. Services are different from products, so service marketing must be different from product marketing.

How Services Are Different

Invisibility

When you walk into a store and look at buying a new jacket, you can clearly see the price tag. You can touch it to confirm the quality matches the price to see if it is worth it. You can see it.

But when you walk into the salon and buy a ‘haircut’, you’re not receiving something tangible, all you’re getting is the result. Before you get the service your hair is a mess, then after the service you’re (hopefully) starting to look pretty sharp.

When Things Go Wrong

With products, you can easily tell when something goes wrong. The speakers conk out, the clutch stops clutching, or the milk tastes like vomit. But for a service, it's hard to tell when it fails, at least while it's in progress.

Is the advice you receive worth the money you paid for it? Did the designer make the most eye-catching design? Did your tax accountant maximise your return? Did the consultant drive enough growth with the marketing campaign? Who knows!

A product can have a guarantee or a warranty because you know exactly what it's supposed to do. If it doesn't do as promised, you get your money back. You don't blame anybody. You blame the product.

But a service is far more subjective and therefore a lot harder to guarantee. With services, you're often working directly with the service provider. You know who they are, you met with them, vetted them, and chose them over their competitors. Because you have a much closer relationship with the service provider than the product manufacturer, you take it far more personally if they don't deliver on their promises.

What Are You Really Selling

Some service products, like a haircut, are pretty straightforward. But in many other professions, the actual product being sold is less clear. For example, most expert services such as lawyers, accountants, doctors and engineers think that their clients are buying expertise. But most prospects for these complex services cannot evaluate the quality of the expertise. How can you tell a good lawyer from a bad one? How can you tell a good medical diagnosis from a wrong one?

Because the buyer isn't an expert and can't identify the quality of the service, prospects look for proxies instead. Most people can't tell if an accountant could've squeezed an extra hundred bucks out of a tax return or not... but they can *feel* if the relationships are good and the phone calls and emails are responded to in a timely manner. Clients are experts at knowing if they feel valued. In most professional services, you're not really selling expertise. Your ability to do the job is assumed, so you're actually selling a

relationship. For most service businesses and ‘experts’, you don’t need to get better at your craft; you need to get better at relationships.

When I (Ashto) first entered the workforce at a prominent financial institution, I thought the ‘real world’ would be all about technical expertise. I assumed those that were the best with numbers and spreadsheets that could most accurately assess financial viability and risks would be the ones that earn the big bucks. But the higher up the food chain I looked, the more likely they were to spend half of their day away from their desk. They’d either be on phone calls, or playing golf, or having long three-hour lunches with clients, coming back from the pub half-whacked while the rest of us peasants had been slaving away all afternoon. At first, I thought this was inappropriate. But it turns out, this skill of building rapport with business owners was the *real* skill that determined the success of the division. Not technical skills. The bankers were really selling a *relationship* to win work, not *interest rates*.

Positioning

You must position your service in your customer’s mind. It means picking *one* position. But of course, the uncomfortable thing is that by choosing one position, you’re sacrificing every other possible position you could take instead.

Think of Domino’s pizza. For years they never mentioned any of the things you would usually think people associated with their pizza. They never mentioned their quality, price or value. The only thing they focused on was speed: “*30 minutes or it’s on us*”. They owned this distinctive advantage of speed in the pizza delivery business, meaning whenever you want a pizza fast, Domino’s is the only thing that pops into your head.

This idea of picking a position is scary to service marketers. What terrifies them is the idea of sacrifice. Marketers want to be all things to all people so they can sell anything to anyone. But if you try to be everything to everyone, you end up being nothing to no one. It’s scary to sacrifice and focus on one position, but it’s the only thing that allows you to market yourself properly.

Pricing

A Lesson From Picasso

A woman strolling along the streets of Paris spotted Picasso in a cafe practising some sketches. The presumptuous woman walked up and asked him if he would sketch her, then charge accordingly, and she'd pay him for the sketch. Minutes later, he'd finished, and there was an original Picasso in her hands. She asked how much she owed him for the sketch. "\$5,000," he responded. "\$5,000?! But it only took you two minutes to draw like that?". "No," Picasso said, "it took me all my life".

Charge according to your experience, knowledge, and output - not by the length it takes you to render the service. You're worth far more than just your time.

The Picasso of Carpentry

What is a service worth? What is expertise worth? What is talent worth? Some lawyers charge a thousand bucks an hour to read legal documents. Consultants, photographers, artists – the value of these services is subjective, so there are no hard and fast rules for pricing.

Here's another story for you. A bloke had a squeaky floorboard that annoyed him to no end. It had creaked for months. He tried everything in an attempt to silence the floorboard, but nothing worked. He finally got fed up and called a carpenter. The carpenter walked in, crouched down, looked the floor up and down... 30 seconds later, he took out a hammer and nail and banged it in with three quick blows. The creak was gone.

He pulled out his invoicing pad and scribbled the price on the bottom: \$50. The homeowner was outraged: "*You've been here less than a minute! How can you justify that?*" The carpenter took the invoice slip back and added two simple line items to it:

- Hammering = \$2.
- Knowing where to hammer = \$48.

Avoid The Deadly Middle

When you're just starting, there's an easy way to set your price. You do your market research, find who is charging the most, find who is charging the least, then plonk yourself somewhere in the middle. This is an easy way to do it. But it's also a stupid way to do it. The middle is the death zone. For the people who want the cheapest, you're too expensive. For the people willing to pay top dollar for the best, you're not good enough. Are you less expensive than the best because you're not as good? If you don't value your own service, neither will they. So really, you're not appealing to anyone.

You want to either be the cheapest, or the best. But if you choose to be the cheapest, it won't be long until someone else comes along who is just a little cheaper than you. Then all of a sudden, you lose your customers to this competitor. You could try to go into war by constantly undercutting each other. But the problem with the race to the bottom is that you might win. Or worse, you may lose. Better to shoot for the best.

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Lesson 18

**spreading
the
word.**

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'Great marketing' in the 20th-century used to mean buying billboards and TV ads. Enough people would see the ads and buy your product that you could afford to buy more ads. But 20th-century marketing is just soooo last century. The way to win today isn't about getting your product in front of a lot of people, but getting it in front of the right people.

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CHAPTER 65

Concentrate The Forces

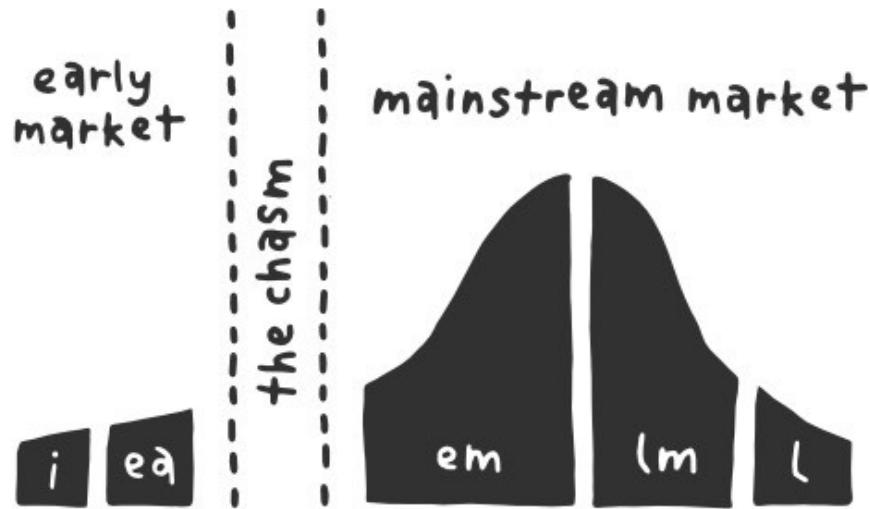
*"Entering the mainstream market
is an act of burglary, of breaking and entering,
of deception, often even of stealth."*

Inspired by: **Crossing The Chasm**, by Geoffrey Moore

If you've got something brand new (an idea or a product), it's instinctive to want *everybody* to know about it straight away. If you want to sell a lot of units, you want to tell a lot of people! At the family barbecue, you tell both your 16-year-old tech-head cousin Drew and your climate-change-denying Great-Uncle Andy about it. Everybody should be in on the action... or so you think.

But you'll probably find that most people don't care about your innovation. That's because different ideas appeal to different people at different times for different reasons. Spending your time blasting your message out to everybody is the sure path to failure in marketing. Cousin Drew cares about the latest cutting-edge gadgets, and Great-Uncle Andy just wishes kids played outside more like the good old days. Thankfully, there is a path for having your new idea or product adopted by all people, despite their differences.

New ideas and new products go through a predictable cycle of adoption, starting with newcomers looking for new shiny things and eventually reaching the most risk-averse and conservative among us. Experts like Everett Rogers and Geoffrey Moore have broken down five different groups of people based on their psychographics, as well as the 'cracks' that separate each group. If you can't traverse these cracks, your new product doesn't have a hope in hell.



Groups & Definitions

1. *Innovators*. The first to buy into new ideas or try new products, they like being on the 'cutting edge'. They derive personal benefit from being the first to know. There is an element of pride and identity for these people in being 'first'.
2. *Early Adopters*. They buy into new ideas in the very early stage, but they're not so entrenched within the industry that they were first to know. They love getting a taste of new things, but they're not actively seeking it out.
3. *Early Majority*. The masses understand that most things are fads that fade with time. A sense of purpose and practicality drives the early majority, so they wait to see what others are doing before they jump on board.
4. *Late Majority*. These people are not comfortable with buying something new. They prefer to wait until it has been proven and other people can vouch for it. When something is established as the 'standard' though, they are pragmatic enough to go with the herd and not be left behind.
5. *Laggards*. These people ultimately don't want anything new. They like things the way they are. They will resist change altogether and cave only when they have to, once the things they're using get

phased out, or they become the only ones *not* adopting the new idea.

As you can see, each different group has a different approach to change: young cousin Drew on one end, old Uncle Andy on the other. Therefore, each group requires different messaging and different proof or reasons before they adopt a new idea or buy a new product.

Cracks

Whilst you might hope that the bell curve flows smoothly, there are distinct gaps and 'cracks' between the different groups of people. If you always present your product in the same way, you will find it difficult to spread from one group to the next. Each group cares about different things, so will react differently to your marketing. Due to the differences between the psychographics in the groups, you will need slightly different positioning if you want your product or idea to be accepted by the next group.

The First Crack: *Innovators To Early Adopters*

The Innovators love something when it's brand new. They like being involved in the early stages. They love it if there are a few bugs and defects. They thrive when they feel as though they are genuinely 'hands-on' in developing the product. The Innovators are the '*Enthusiasts*' who appreciate progress for the sake of progress. They are the first gatekeepers for any new idea because they're the ones who will take the time to evaluate the new proposition. These enthusiasts are the kindling that could eventually start the fire – they must be cherished, and you can do so by letting them in on the early 'secrets' and let them play around with it before it's officially 'ready'.

The Early Adopters are '*Visionaries*'. While the Innovators are excited by an emerging technology purely because it's new, the Early Adopters have the rare ability to be able to match the technology to a strategic opportunity. They are not looking for an incremental improvement; they're looking for the fundamental breakthrough. They're looking for something that will

benefit them. So, you must carefully navigate the transition from appealing to the Innovators to appealing to the Early Adopters.

Kindling is a necessity to start the fire, but the Early Adopters are those medium-sized twigs that are going to take the fire up a notch. In negotiating your way over this first crack, you must begin to shift your messaging. A focus on *newness* will attract the Innovators, and then your focus needs to shift to *benefits* to attract the Early Adopters. Rather than relying solely on 'innovation', you need to craft the real-world benefits that will highlight the possible applications of the technology.

The Chasm: *Early Adopters To Early Majority*

If you take another look at the Adoption Curve, you'll see the major crack where many ideas and products can be found dead. This graveyard is *The Chasm*. This crack is the biggest and thus the hardest to cross. Early Adopters want to be seen as the first to implement change in their industry, so they purchase if the benefits outweigh the costs. But the Early Majority will reply: "So what?" They don't care about the newness or benefits; they want to buy a *productivity improvement*. They want evolution, not revolution.

The crack here reflects the largest of the differences in psychographics between all the groups. The Early Majority aren't willing to listen to the left side of the curve until they see reliable references, proven case studies and ongoing stability.

Here is the chicken and egg conundrum: the Early Majority want references, but won't listen to the Early Adopters or Innovators (who take too many risks). They only want references from the Early Majority, of which there isn't any yet... If marketers fail to navigate this problem and attempt to 'cross the chasm' to reach the Early Majority, their product will die like countless others.

Crossing: *Concentrate The Forces*

At the start, the early markets offered a lot of promise and potential. Up to this point, your revenues have been growing. But now you're at the chasm

and can't seem to build a bridge. You're losing traction and need to enter the mainstream market soon, as they will ultimately control your destiny.

The campfire analogy runs deep in marketing. If your kindling is spread out and heats the log from all angles, you won't get very far. You might get your log a little warmed up, but it ain't catching on fire. However, if you apply that same amount of kindling correctly, you *can* get that bad boy to light up. You just need to concentrate the kindling, the flame and the heat on *one* small section of the log. If targeted narrowly, it will catch alight. It's like the old sun through the magnifying glass trick - usually, the sun won't light a leaf on fire, but if you concentrate that light with a magnifying glass on one small point, you'll start to see some smoke and eventually a flame.

Similarly, taking your relatively small idea to the masses will suffer the same fate. Most companies fail because when they're confronted with the immense opportunity of the mainstream market, they lose their focus and start to chase everything that pops up. Without the discipline of starting small, you'll find yourself unable to deliver your promises.

Crossing the Chasm to reach the Early Majority is like going into war. The chasm is a bad place to be. It's the abyss where most good ideas go to die. So get your weapons ready.

The solution: Concentrate an overwhelmingly superior force on a highly focused target.

You must target a small, specific niche market first. To use a war analogy, this is like the 'beachhead' in the Battle of Normandy.

In 1944, the Allied Forces were looking to penetrate the defences of Germany. To prepare for the invasion, the Allies amassed troops and equipment in Britain. Of the entire coastline of France, they focused only on a small beachhead. The artillery of the whole Navy and Airforce bombed the hell out of this poor beach. Tens of thousands of troops unloaded in this one unlikely entry point. The Germans were no match. In securing the beachhead, the Allies found a way to win back Europe.

Like Normandy, you need to choose a battleground by finding a niche that is big enough to matter, but small enough to win. If it's too small, it might not be worth going into battle. Or if it's too large, there might be too many competitors that you can't come out on top. It's a delicate balance, but you must find the right beachhead to fight for.

Concentrating resources and effort to dominate a niche is just one method. In the next two chapters, we'll explore alternative solutions hitting the mainstream market.

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CHAPTER 66

Social Transmission

“Virality isn’t born, it’s made.”

Inspired by: **Contagious**, by Jonah Berger

Jonesy and I have a graveyard full of failed side projects between us. Online Courses, Virtual Dating Service, High School Lectures, Hospitality Company, Drop Shipping, Sock Subscription Service - all failures. The one major success, the *What You Will Learn* Podcast, had just one difference: people told other people about it. It generated word of mouth.

- *Word of mouth is frequent:* On average, people share 16,000 words per day either through spoken word or written text. Some of these words recommend ideas or warn people against dodgy products.
- *Word of mouth is important:* We value the opinions of those trusted people who are close to us, rather than the anonymous marketers trying to sell us their crap.
- *Word of mouth is more targeted than traditional advertising:* Rather than posting something on a billboard that the majority ignores, we only share messages with our friends that we believe are important or of value to them.

We understand the value of getting good word of mouth, but how do we actually go about *generating* it? How can we encourage “social transmission” and get ideas to spread from person to person? You need to build a few key characteristics into your offering to make it more likely to spread from person to person.

Social Currency

Early days on the *What You Will Learn* podcast, we tried to build a viral component into all our episodes (or so we thought): we made up a dirty freestyle rap song at the end of each episode, based on the book. There were

a couple of good ones (*A Guide To The Good Life* and *The Power Of Moments* songs are genuinely worth listening back to) but most were trash. A small percentage of people ‘sneezed’ onto new audiences, doing the marketing for us with messages being shared such as: ‘*Hey have you heard this podcast? They do book summaries, then do this bizarre song at the end!*’

However, after a while, we wondered if the song was doing more harm than good for our transmissibility. Yes, it was different, but it was also embarrassing for some people and may have actually *stopped* them from sharing us. These people didn’t want any association with something so cringeworthy. Even though we still get a few comments and messages every now and then to ‘bring back the song’, it may be dead and buried by now.

Think: How do people look when they tell you something? We tell people things not because we believe it will help them, but because it makes us look good. When we say: “Have you been skiing yet? The mountains are pumping this season” - it’s not because we’re recommending someone go to the snow. It’s just us subtly bragging that we’re adventurous, or that we have a strong social group that goes on trips together, or that we have the money to afford a weekend away. We’re saying this because it makes *us* look good. You probably didn’t tell them you fell over and twisted your ankle on the first slope you tackled and were slumped on the couch for the rest of the weekend... that wouldn’t make you look good at all.

Social Currency is all about how it makes you look when you share something: if it makes you look good (smart, well-off, sociable, and so on) then you’re more likely to share. Our songs at the end of podcast episodes were ‘remarkable’ at first, but many people felt it made them look bad when they recommended the podcast to their friends. In considering the net balance between Social Currency and remarkability¹, we concluded that our R0 value (the rate of spreadability) was being dragged down.

Triggers

In mid-1997, the Mars Corporation was confused by a weird (but pleasant) spike in Mars Bars’ sales. They hadn’t done anything different, but sales had been skyrocketing. Upon further investigation, they found out why in an unexpected place. It turns out NASA’s Mars Pathfinder landed on Mars

in July 1997. This was a significant step forward in space exploration. For weeks there were constant newspaper articles, radio reports and television news stories on Mars. This constant barrage on ‘Mars’ the planet prompted people to buy more Mars Bars.

Subtle things in our environment can trigger us to perform a particular behaviour or make a specific purchase. Think about the viral internet sensation, the song *Friday* by Rebecca Black. This is objectively a bad song. Even some of our podcast songs were better than that crap. But it turns out Rebecca nailed it with a trigger that all humans have every single week. If you look at the search volumes and analytics for the video views, there was a predictably 7-day pattern... one day every week people thought of this song and shared it with their colleagues. Friday!

The product you're trying to sell probably won't be named after a day of the week, and you can't plan for the serendipity of having news stories about something with the same name as your company. But you still need to think about how you can build 'triggers' so people will be prompted to think about you more often.

Make It Public

The third way to increase the rate of social transmission is to have some kind of public representation of your product or service. Humans are very social animals, and we like to do things that other people are doing. If we're looking for somewhere to have dinner, we're more likely to pick the place with a line out the front than an empty place. Even though you'd probably get impeccable service in the empty restaurant (you'd have a private chef and a waiter all to yourself), we figure that if there's no one in there, then there must be something wrong. If there's a big line out the front, it must be good!

I (Ashto) fell victim to this when I was younger and travelling around Europe. In Amsterdam, wandering through the Red Light District, I saw there was one joint with a long line out the front. It was called *Casa Rosso* and had a glowing neon elephant on the sign. I figured if this many people were waiting in line, it must be something worth waiting for. I jumped in line and waited for about 20 or 30 minutes. Eventually, I got inside, and it was one of Amsterdam's famous ‘live sex shows’! I immediately realised I'd been suckered. The theatre was only 30% full! There was plenty of

room inside, and there was no need to wait in line at all! But of course, it's pretty awkward to walk inside to a live sex show if there was no line. But when there's a line of 30 or 40 people waiting to go in, the social side of our human nature is happy to follow the crowd.

For many products, it's hard to make it public that you've bought it. But some of the best marketers in the world find ways to make some kind of visual representation to make the idea or behaviour more likely to spread from person to person. Think of the 'I Voted' stickers in US elections - the more stickers you see, the more likely you are to do what everyone else is doing. Or the Livestrong Foundation where you got that iconic yellow wristband when you donated. Or think of Movember. A couple of Aussie blokes started Movember as a way to raise money for men's health issues. The idea is that in November, you don't shave your moustache, and you get all your mates to donate to the cause. The public display of dirty moustaches is a visual reminder that helps the idea spread to the mainstream.

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CHAPTER 67

Be Remarkable

*“Transform your business
by being remarkable.”*

Inspired by: **Purple Cow**, by Seth Godin

Driving through the countryside, you might marvel at the beautiful landscape and the farm animals that seem to be everywhere. A brown cow is exciting at first, especially when you're from the city and haven't seen a real cow before. But after a while, you'll be seeing more and more cows. The brown cow gets pretty tiresome.

But what if you saw a *purple cow*?! Now *that* would be remarkable! *That* is something you'll go and tell all your friends about.

Traditional marketing avenues (TV ads, radio ads, billboards) don't work anymore. There are just too many companies sending out too much spam. We've turned off to the clutter. The only way we let offers through our filters is if they come from a trusted source via word of mouth. In the last chapter, we looked at three ways to make your product more shareable via social transmission. Now we reveal the one core concept that underpins all 'sneezes': **remarkability**.

Getting To The Masses

Only the risk-taking, idea-spreading Innovators on the far left hand side of the curve are willing to listen to you. The vast majority in the middle of the curve ignores you. So you need to ignore them. Don't try to market your brand new idea to the mainstream just yet.

Focus on creating a *Purple Cow*, something remarkable. Something worthy of remark. Once the Innovators and Early Adopters embrace what you are selling, *they* will sell it to the Early and Late Majority, not you. If you're building something new, you need to ask yourself: *Is this a Purple Cow?* If not, what do you need to add to turn it into a Purple Cow?

Problem With The Cow

The purple cow is so rare because people are afraid. When you're trying to do something different and remarkable, some people won't like you (in fact, *most* people probably won't like you). If that worries you, then the best you can hope for is to go unnoticed. Criticism comes to anyone who stands out.

We need to understand that if we want to win, we can't possibly please everyone. When Comedy Central tested *South Park* in focus groups, it scored 1.5/10 from women on average (and that's just from those that stuck around long enough to fill out the survey, not including all those who walked out halfway through). They see Cartman jerk off Ben Affleck and think enough is enough. But the show got the green light anyway. Adult women didn't matter to *South Park*. It was the adolescent boys who would spread the word. Thankfully the TV network ignored the mass market and cared only about the Innovators and Early Adopters: *South Park* has been going strong since 1997.

Opposite Of Remarkable

It's not what you might think. The opposite of remarkable isn't 'bad' or 'crap' or 'awful'. The opposite of remarkable is 'very good'. Something that is 'very good' isn't remarkable. Factories make things that are very good. Processes are built to ensure that mass-produced products meet the minimum specifications. But 'very good' things happen every day, so they aren't worth telling your friends about. The only way to get people to sneeze is to be remarkable.

1 ‘Remarkability’ meaning something worth remarking on, worth mentioning to someone else. A deep dive on remarkability is coming in the very next chapter.

Lesson 19

**the plans
of the
puppet masters.**

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The best marketers know how to pull the strings of a human being. Small changes to your marketing messages can have massive impacts on how it is received. If you understand what games some deceptive marketers are playing, you can cut yourself loose from their strings. Or, if you're that way inclined, you can become a Puppet Master yourself and supercharge your marketing.

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CHAPTER 68

Weapons Of Influence

“Attractiveness, similarity, compliments, contact and cooperation can make a person more influential.”

Inspired by: **Influence**, by Robert Cialdini

At the age of 21, I (Ashto) was full of youthful exuberance and wanted to reach ‘financial freedom’ by 25. My curiosity led me to a Success Resources seminar, an event that will (supposedly) arm you with all the tools you need to win at life. But if you can sneak a glimpse through the cracks in the thin veneer of the high-pressure sales pitches, you’ll see that these are nothing more than ‘silver bullets’ that don’t actually work (but will drain your bank account). I learnt this the hard way.

One of the presenters was Greg Secker. After just an hour of Secker’s pitch, I bought a three-day Forex trading course with the price tag of \$5,000. Secker seemed like a good bloke, building a school in an African village through his own charity that he’d set up. He also (apparently) had a lot of forex trading success himself, and he showed us testimonial after testimonial of dumb people that were getting rich using his methods. If they could do it, surely I could too! I’d make back my money on the ‘investment’ in the course in no time, and then I’d be profiting off the markets every single day.

But at the actual course, Greg Secker didn’t deliver what was promised. Greg Secker didn’t deliver at all - he didn’t even show up! He left the teaching to one of his minions, probably sipping cocktails on a beach counting his cash while the suckers were left in the classroom. Rather than teaching valuable content, most of it could be found for free online. Then on the second day, we were all pressured to sign up for the ‘Signals Package’. Apparently what we had been learning for the last 48 hours was important... but totally useless unless you paid for the software that sent you notifications on when to buy and sell. So everyone in the room signed up for the \$200-a-month package.

The final day was the big one. Secker was back for the party at the end. In the final hours of the course, they wheeled in a few slabs of cheap beer

for us to celebrate the success we were about to achieve once we started trading the next morning. But wait... there's more. Secker told us that everything we'd learnt for the last three days was just the *introduction* to forex trading. Sure, it was enough to get started but only enough to make a tiny bit of money. If we wanted to make *serious* money, there was so much more we had to learn.

Thankfully, Secker was here to save us! If we signed up for the 'Advanced' course, we'd be making so much money that we'd have to employ someone just to count it for us. He showed us a few more testimonial videos. A young 20-something who borrowed money from her mum to get started and is now making seven-figures a month. Secker's old gardener who couldn't speak English but quit gardening because he was making too much money in the markets. If they could do it, surely we all could too!

Secker said he was willing to teach every single one of us how to make ridiculous money. The package included a *week* of training this time, plus ongoing mentorship with the great guru himself. The price tag? \$25,000.

Lucky for me I didn't have \$25,000 at the time, or I would've been even further in the hole. Secker suckered plenty of others into his 'Elite' training program and made enough money to head back to the beach for another round of cocktails until the next batch of suckers were herded through the door.

Greg Secker had used a few 'Weapons of Influence' to lure me and hundreds of other fish into handing over their money irrationally. Even Robert Cialdini, the 'Godfather of Influence' and author of the book *Influence*, admitted he has always been a 'patsy', getting suckered into all sorts of dodgy deals and fake charities. He literally wrote the book on influence, but still falls for the traps.

If Cialdini and I can be suckered like this, how often does it happen to you? You are manipulated every day without even noticing: TV ads, spam emails, and retail sales offers are just the beginning. After learning the Six Weapons of Influence, you'll be wiser to the manipulations. And if you're that way inclined, you could do a Secker and get rich selling silver bullets to suckers.

Reciprocity

If somebody buys you a beer, you'll feel an inherent need to repay the favour. If you buy a mate a beer at the pub and they don't buy you one back, you'll remember. No one wants to be known as that one person in the group that doesn't shout a round¹.

This is reciprocity: whenever someone gives us a gift (even if we didn't ask for it or want it) our brain subconsciously registers an unpaid debt. When this favour comes your way, you feel obliged to pay it back in the future.

A cafe near me (Jonesy) opened recently with an offering of free coffees for locals for an entire month. At the end of the month, I bet many locals would have felt the need to repay the generous favour. Perhaps they'll continue buying their coffee from this new cafe to repay this social debt.

As humans, we hate the feeling of an unpaid debt. We hate the feeling that someone has something hanging over us. Receiving a gift opens the ledger for transactions in a relationship. It leaves an open loop which gives you the slightly uncomfortable feeling that you need to do something in return. It's like an open checkbox in the brain – we want to do whatever we feel is necessary to close the loop.

Door In The Face

One twist on this weapon is the 'rejection then retreat' method, or the 'door in the face' strategy. First, you make an outrageous request, one that the other side will undoubtedly reject. Then, as a favour to them, you scale back your request to make it more reasonable.

By making this big concession to the other side, they'll feel like you are doing them a favour. It registers as an unpaid debt in their mind, and the quickest way they can repay you is by reciprocating and accepting your lesser offer.

Cialdini got suckered by a boy scout using this technique. The young boy asked him to buy tickets to the scouts' circus show that coming Saturday. The tickets were \$20. Cialdini neither wanted to waste \$20 or his entire Saturday night at a shoddy kids circus, so he said no.

The boy's second request was for him to 'at least' buy a \$2 chocolate bar to help out. Cialdini didn't want the chocolate, but happily obliged. Who knows if there was ever a circus in the first place, or if the sneaky boy scouts were just harnessing the power of reciprocity and the door-in-the-face strategy.

Consistency & Commitment

I (Jonesy) once had a colleague who was 'head-hunted' by my boss to join our team. He was working from another state with no one looking over him. After a few weeks, it was clear he didn't do anything. He simply didn't have the proactivity required to do the job and contribute to the wider team. Nobody thought he should pass the probation period. Except for the boss who still thought he was a 'gun'. The boss had irrationally fallen for the Weapon of Commitment & Consistency: he needed to appear consistent with what he'd done in the past. Because he told everyone how good this bloke was when he recruited him, his brain maintained the illusion that he was good.

Once we make some kind of visible public commitment, we humans feel compelled to follow through. There is internal pressure that builds up to justify any previous decisions we've made by being congruent. In the case of my colleague, the boss had committed to hiring this person. Now the brain found any way to justify this previous commitment and couldn't recognise the poor performance.

Once you've said 'yes' and started down a path, it becomes much more difficult for you to change your mind. You feel like you have to be consistent with your past actions, both for:

- *Your personal reasons:* we don't like admitting when a mistake has been made, so we justify future actions to convince ourselves we did the right thing and maintain congruence with our previous actions.
- *Interpersonal reasons:* you don't like to be seen as a flip-flopper, and you don't want to break agreements you've already made.

One example of a time when our brain plays tricks on us is at the racecourse.² Before you place a bet, you're weighing up the different options, seeing the pros and cons of each horse, and analysing the probabilities of winning. You're not sure who will win and why.

But suddenly, as soon as you place a bet, your confidence levels go through the roof! It becomes almost a certainty (in *your* brain, anyway) that the horse you bet on will win. You look for all the reasons why it can win and ignore the reasons it might lose. You don't even think about the other horses in the race anymore.

Our brain warps to rationalise why our decisions were the right ones.

Foot In The Door

You can put this Weapon of Influence to use through the ‘foot in the door’ strategy. This is almost the opposite of the door-in-the-face approach we visited in the previous Weapon.

In this case, what you’re looking to do is have the person do a very small favour for you. So small they couldn’t possibly say no.

Once they’ve done this small favour, you can gradually ratchet up your requests to bigger and bigger things. By getting that first foot in the door with a tiny request, you can slowly push that door bit by bit until it’s wide open.

One study compared the likelihood of people putting up a big sign on their front lawn in support of their preferred political party. As you’d expect, most people said no to having a big political sign on their front lawn. The compliance rate of this group was very low.

Another group had a different experience. Rather than the direct request, the person was initially asked to display a small sticker on their window. Most people said yes to this tiny request. When this group was asked a few weeks later if they’d put the big sign up on their front lawn, there was a 450% increase in compliance compared to the control group that was asked to do the sign straight away. Those who had accepted the sticker wanted to appear consistent with their previous decision to do a favour, so they were far more likely to install the huge sign.

Social Proof

Think about the times when you're standing on a street corner, obeying the traffic lights, waiting for the signal to say you're allowed to walk. Others are standing around you, conforming to the norm. But all it takes is a disobedient rebel to break through the ranks and cross the street anyway. At times like this, your brain will feel compelled to follow. New rationalisations will flow through your brain: "Why am I wasting my time at this street light when it is clearly safe to go?" You and the other bystanders follow the rebel and cross the street despite the traffic light laws.

This is the power of Social Proof - in times of uncertainty, we generally look to do what others are doing. We think that if other people are doing something, we should be doing it too! It can be an effective mental shortcut – by following others, you don't need to place a cognitive load on yourself and make your own decision.

Look at TV sitcoms. If you watched them with just the characters' dialogue, you probably wouldn't laugh that much. But when they add canned laughter to the soundtrack, suddenly you find the show funnier. It seems ridiculous, but we start laughing at weak gags just because we hear other people laughing at them, even when we know it's fake.

Smart bartenders and barristers can harness the power of Social Proof by 'seeding' the tip jar. If you see an empty tip jar, you're not likely to put money into it. But if you see a bunch of coins and a few notes in there, you take this as a signal of the socially acceptable thing to do because everybody else is (seemingly) doing it too.

Liking

Why did Pepsi pay Michael Jackson a record \$5m in the 80s to have his face in their commercials? And why did they more recently pay Beyoncé \$50m? Or why does Nespresso pay George Clooney \$40m to be affiliated with their products? This is a major expense for these companies that they make back in one way or another. It turns out they are pouring money into the Weapon of 'Liking': we do things for people we like. George Clooney has nothing to do with coffee, but his face is familiar, and he seems like a cool dude. We've all watched at least a few of his movies, and he seems to

be pretty clean-cut and well-liked, with a little added bad boy flair for extra spice and intrigue (that's what my mum says anyway). When we like the person, we're irrationally more likely to buy the product. This one concept spawned the entire 'profession' of Social Media Influencer.

Network Marketing companies harness this Weapon to great effect. The most well-known example is 'Tupperware parties', where the salesperson comes to your house, you bring your friends, everyone gets a gift, and they show off the products. Because the party is hosted by someone you like, you're much more likely to buy some Tupperware.

There are a few things we can do to make people like us more. One is *similarity* – we like people who are like us. If we share something in our background, or if we have the same name or birthday, we irrationally like that person more. Another is *compliments* – we humans are massive suckers for praise. If someone compliments us, we like them a lot more than we should.

Authority

You, like most people, probably believe that you are incapable of torturing another human being. But Stanley Milgram conducted an experiment at Yale that concluded that typical humans would perform brutal acts, given the right circumstances. The experiment showed that humans would electrocute somebody. Plus, ordinary people would ramp up the shocks to dangerous levels, even when the victim screamed for mercy. They kept the shock going if 'Authority' was present in the experiment: a scientist wearing a lab coat.

People wear professional uniforms for a reason. When somebody has perceived authority, we take their requests more seriously. This is inherent in family structures, stories, songs, and is carried through the education, legal, military and political systems we live in. Like a lab coat or a suit and tie, small psychological cues will give you an aura of authority.

Authority also plays a big role in the jaywalking example we explained earlier. If the first person to jaywalk is a homeless person who looks like they're on drugs, we probably won't follow them across. But if the first person is a high-powered businesswoman in a power suit, we're far more likely to jaywalk as well. (Side note: I (Jonesy) like to test this out for myself from time to time. In the city, I'll cross the road against the lights,

and see how many people follow. It gives me a good indication of where I land on the homeless/power-suit spectrum).

Authority has an interesting effect on our psyche and can make us do weird things. Once there was a patient who had an ear infection, and the doctor prescribed him some medication. In the position of authority, the doctor wrote that the ear drops should be to the “R ear”, indicating the right ear. Not able to fully interpret the doctor’s handwriting, and not wanting to question the doctor’s authority, the nurse turned the patient over, got her to spread her cheeks, and put the ear drops in the patient’s rear.

Scarcity

When Secker was selling the silver bullet to young Ashto, he carefully placed simple but powerful elements in the pitch. Secker offered a heavily discounted price for an (arbitrary) limited number of spots, and *only* if you bought it then and there. If you didn’t whip out your credit card on the spot, he said the offer would disappear forever. Well... at least until he gave his pitch in the next city over the following weekend. This artificial scarcity was fabricated but powerfully used to milk cash from ignorant victims.

We value things that are unavailable, or that we fear may become unavailable in the near future. Much of today's advertising and sales tactics are based on creating a false sense of urgency and scarcity. We have an intense ‘fear of missing out’. If we think we'll miss an opportunity, or that the door will close on us, or the sale will end and prices will go up, we make sure we take swift action.

Scarcity could come in the form of physical limits, like 'just 100 of these items were produced' or 'only 28 tickets left!'. Scarcity could also be temporary - 'sale ends Sunday' or 'early bird special ends soon'.

Like the rest of the Weapons of Influence, this works because we're looking for shortcuts. Thinking and making decisions is hard, so we humans always look for an easy way out – we look for signals that will make the decision easier. Scarcity acts as a great shortcut. If something is about to sell out or if there is only a limited number left, it means (we think) it must've been popular! If the tickets are 95% sold out, it means lots of people have bought tickets - *they* must think it's going to be good, so we assume that it must be good and we want to buy a ticket – now!

Turning The Weapons Back On Cialdini

Some of the top-ranked podcasts in the world are unable to land Robert Cialdini for an interview. The requests that land on his desk are simply too numerous. But after reading his book, we thought we could get an interview by turning his own Weapons against him.

We cherry-picked two weapons: we name-dropped other guests we'd had on the show before (Authority) and mentioned our audience size (Social Proof). Luckily, we landed him and were thrilled to have him on the *What You Will Learn* podcast.

We had to ask him: why did he choose to come on our show?

It turns out the most effective Weapon of influence wasn't authority or social proof. We unknowingly influenced him through the Weapon of 'Liking'. We had one little quote at the bottom of our signature that we'd totally forgotten about. But it strongly resonated and compelled him to join us for a chat:

"We believe that the world would be a much better place if people consumed books instead of traditional media (such as reality TV)."

This comment resonated with Cialdini so much. He saw us as part of his 'tribe' and said that he felt like we shared similar values.

Some will see these weapons as a way to inspire people toward positive change and transformation. Others will see them as an opportunity to sell people shit they don't need.

The weapons are in your hands now - how you use them is up to you.

1 Looking at you Porter.

2 Aussies are a gambling nation. We have a public holiday for the Melbourne Cup - everyone gets a day off to watch a three minute horse race!

PART V

topdog
toolbox.

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Your organisation is a vessel that you need to guide as you navigate the business landscape. Just a minor mistake in setting the direction, compounded over the whole journey, can end in disaster. A good captain understands that the boat's strategy depends on the weather they find themselves in. With a well-designed rudder and committed crew, the vessel can travel through the stormy seas unscathed. If you've got all tasks covered with the right types of people to fill all the different types of roles on deck, all jobs get done based on an individual's strengths.

All careers start on the deck. To be a successful crew member, a certain set of skills are necessary to do your bit. You advance upwards in rank and are trusted with more responsibilities, generally because you outperformed your role. When you transition to become the captain, a whole new set of challenges stare you straight in the face. It's no longer enough just to be efficient and a solid contributor. It's no longer enough to be the first one in and the last one out. It's no longer enough to just 'outwork' your rivals.

Once you've reached Top Dog status, the game changes. And an entirely new toolkit is required.

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Lesson 20

**leading
a team.**

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After grabbing the reins on your career, eventually, you might be handed the reins of an entire organisation. It is no longer only about pulling yourself together; you need to pull a team together.

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CHAPTER 69

Basics Of Business

*“Business schools don't create successful people.
They simply accept them,
then take credit for their success.”*

Inspired by: **The Personal MBA**, by Josh Kaufman

The leadership of any organisation needs some skills. These skills are seen as essential for upper management, and they're typically packaged up into an MBA - for a hefty fee.

The traditional MBA is so expensive that you're basically mortgaging your life. You're betting on the fact that by getting this golden ticket (a fancy piece of paper stamped by a university), Willy Wonka will let you into his magical chocolate factory (you'll get a high paying job). But the course teaches outdated concepts and doesn't guarantee you any success.

In some cases, betting your future on an MBA might make sense. But for the vast majority, maybe it is far wiser to combine real-world experience with reading 30-40 great business books. Being conscious and deliberate about what you will learn¹ can save you boatloads of cash and help you achieve your goals faster.

Typically, there are five elements of a business degree.

Value Creation

Discovering what people need or want, then creating it.

Every successful business creates something of value. The world is full of opportunities to make other people's lives better in some way.

Your job as a business person is to identify things that people don't have enough of, then find a way to provide them. Pretty simple right?

The value you create can take on several different forms, but the purpose is always the same: to make someone else's life a little better. Without value creation, businesses can't exist – you can't transact with others unless you have something valuable to trade.

Marketing & Attention

Attracting attention to build demand.

We just dedicated the previous three lessons to marketing, but it's worth restating that everything else you do is useless, unless you garner attention. As Steuart Henderson Britt² noted: "*Doing business without advertising is like winking at a girl in the dark. You know what you are doing, but nobody else does*".

When you enter the realm of Top Dogs, you need to have a feel for the importance of marketing and attention. At the lower level, you might take on the attitude of 'all news is good news' and try to steal as much attention as possible. Stripping off and running butt naked across the MCG with a tattoo of your company on your ass is certainly one way to do that. But as you move up the ranks, you realise that more important is *quality* attention. In business, some attention just isn't worth having. You need the quality attention of the people who are potentially going to buy from you.

Sales

Turning prospective customers into paying customers.

Marketing is getting them to notice you. Sales is getting them to pay you. A successful marketing campaign that sends a million people to your website is meaningless if nobody pulls out their wallet and says: "I'll take one".

Nobody wants to be duped, so most of sales is proving that you can deliver on your promises. It's about building trust and reducing any perceived risks. Once trust is created, you can communicate why they should give up their valuable resources to get your offer.

Value Delivery

Giving customers what you've promised and ensuring that they're satisfied.

I (Jonesy) once bought tickets to see an artist I love: Tash Sultana. The vendor nailed Value Creation (\$300 per ticket for a great artist), Marketing (was on top with Google ads) and Sales (website seemed trustworthy). But

now I'll never use them again. It turns out they purchase bulk tickets themselves, before scalping them off to unsuspecting music lovers at a 50% markup. Even though they nailed the first three elements, they had an epic fail on Value Delivery. Trust was now broken. I was scammed. Screw you Viagogo.

Value Delivery involves everything necessary to ensure that a paying customer is a happy customer. If the results exceed expectations, the customer's perception of quality will be high. If its performance is below expectations, the customer walks away with a bad taste in their mouth. It is vital that you always over-deliver on your promises and surpass expectations.

Finance

Bringing in enough money to make your effort worthwhile.

There are plenty of great companies out there that go bust because they don't get their head around the boring stuff: accounting and cash flow. People typically enjoy learning about Value Creation, Marketing, Sales and Value Delivery - they're easy to understand and visualise. But when it comes to finance, their eyes glaze over.

Finance is actually simple if you focus on what's important. In essence, financial skills bring the ability to solve the organisation's economic problems to maintain operations. Managing cash flow to minimise the risk of insolvency is a critical element.

CHAPTER 70

A Great Company

“Greatness is not a function of circumstance. Greatness, it turns out, is largely a matter of conscious choice and discipline.”

Inspired by: **Good To Great**, by Jim Collins

What makes a 'great' company? Jim Collins provided a comprehensive study that identifies companies that leapt from good results to great results, then sustained those results for at least 15 years. Collins found 11 'great' companies that were head and shoulders above the rest, before pairing them against similar companies that were just 'good'.

He found three key areas common among the great companies: *Disciplined People, Disciplined Thought, Disciplined Action*. Leaders can use these principles to take their own organisations from good to great.

Disciplined People: Level 5 Leadership

When CEOs aim for status, fame and recognition, it can be good for the individual executive... but not so good for the company. Most of the best CEOs in the world are the ones who *aren't* household names.

The best CEOs reach 'Level 5 Leadership':

- *Level 1* = Highly capable individual (makes productive contributions through their work).
- *Level 2* = Contributing team member (adds value to the wider team beyond just their own responsibilities).
- *Level 3* = Competent manager (organises people and resources for a predetermined pursuit of objectives).
- *Level 4* = Effective leader (vigorous pursuit of a clear and compelling vision, stimulating higher performance standards).
- *Level 5* = Build enduring greatness through a blend of 'professional will' and 'personal humility'.

Professional Will means an unwavering resolve to do whatever must be done to produce the best long term results. A leader who sets the standard of building an enduring great company settles for nothing less.

Personal Humility means they aren't 'up themselves'. They have a quiet and calm determination, leading by example rather than charisma. They channel their ambitions into the company and not themselves.

This element of 'personal humility' may be somewhat unexpected. We praise the Celebrity CEOs in front of the TV camera, talking the big game, carrying the company's success on their own back. Instead, the leaders of the 'great' companies were the ones able to let go of their egos in pursuit of the goals of the company. In essence, they put the company before themselves.

Another interesting finding: Of the 11 'good to great' companies, 10 of the CEOs were promoted from within the company. Of the 11 comparison 'good' companies, six of the CEOs had been poached from outside.

The leaders who started as a junior member of the team, clawing their way to the top, care about the company's success. Outsiders care more about themselves. The insiders were more likely to reach *Level 5 Leadership*.

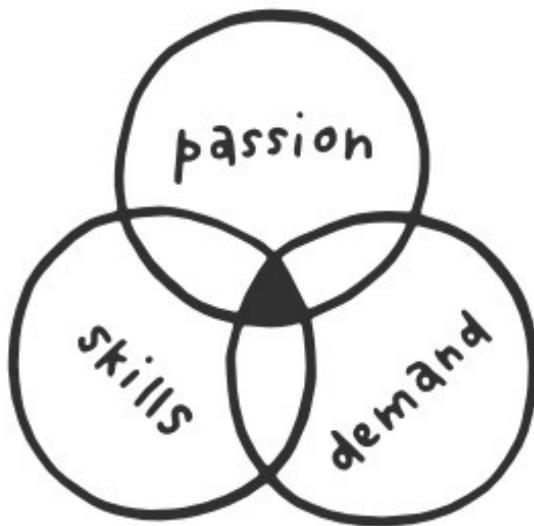
Disciplined Thought: *The Hedgehog Concept*

A fox has many tools: they're quick, agile, clever, and they have a bunch of tricks up their sleeve to help them catch dinner. The hedgehog only has one trick: to curl into a ball and stick its spikes out. Foxes are much sexier and have skills that help them dominate in the wild. Surprisingly, the hedgehog has the superior strategy. No matter how innovatively clever or devious, the sneaky fox's tricks can never infiltrate a hedgehog who has mastered the art of curling into a ball.

As an organisational leader, you should choose to be a hedgehog instead of a fox. You don't need to do a lot of different things to wow your industry. All you need is to do the one thing better than everybody else. Your company's 'hedgehog concept' is the intersection between three things:

1. *What are you deeply passionate about?*
2. *What can you be the best in the world at?*

3. What drives your economic engine?



If you can find something that answers all of these questions, then you've found your hedgehog. Through this hedgehog lens, future decisions become much easier to make.

Amazon's hedgehog move is to have the most convenient shopping experience. For Google, it's having the most relevant internet search results. When someone from the organisation pitches a new idea to take the business in a direction, leaders can ask themselves: *is this aligned with our hedgehog?* If it is in their hedgehog zone - the intersection of passion, competence and commerciality - they run with it. If it isn't, they bin it without hesitation.

Note that finding or developing your hedgehog is an iterative process that may change over time. It isn't a one-off event set in stone forever.

Disciplined Action: *The Flywheel*

Most magazines, newspapers and books explain the great success of companies, by using the analogy of an egg. Nobody pays attention for a long time, and then BANG: out pops a chicken!

But if you dig a little deeper, this metaphor makes very little sense when applied to companies. A more accurate analogy is that of a flywheel. Think of a massive heavy metal wheel mounted on a stand. Your task is to make it spin. When you first try to push the big wheel around, it is extremely difficult. Through immense effort, you finally get it to budge. It's gone from stationary to moving, albeit very slowly. With even more effort, you complete one full revolution of the wheel. This first turn is bloody hard work! But once you get the wheel moving, it becomes easier to *keep* it turning. Applying *disciplined action* gets the wheel going faster and faster.

This analogy of the flywheel shows what it takes to make a great company. In the beginning, it's tough work, and it seems like the bugger won't budge. As you keep at it, it eventually begins to move, then hits critical momentum.

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CHAPTER 71

Rowing In One Direction

“Trust is knowing that when a team member does push you, they're doing it because they care about the team.”

Inspired by: **The Five Dysfunctions Of A Team**, by Patrick Lencioni

Focusing on the hedgehog alone won't guarantee your organisation's success. Nor will technology, finance, or innovation. The ultimate competitive advantage? *Teamwork*.

A leader who can get their entire team rowing in the same direction can dominate any market in any industry. However, teamwork is as elusive as ever. Human beings are inherently dysfunctional. By acknowledging the imperfections of humans, members of functional teams can overcome our natural tendencies and work together toward success. According to author Patrick Lencioni, there are five dysfunctional elements within a team.

Dysfunction 1: *The Absence Of Trust*

Trust lies at the heart of a functioning team. Without it, teamwork is impossible.

In the context of building a team, 'trust' means you have the confidence that the intentions of all colleagues are good. With trust, you don't need to be political, protective or careful around the group. The team can be vulnerable and share openly without the fear that any information they reveal will be used against them later.

We're not talking about the basic 'trust' that someone will pull through on the deadlines they promised. We're talking about a deeper level of trust. This means openly discussing weaknesses, skill deficiencies, interpersonal shortcomings, mistakes and requests for help. In some regard, this may sound obvious, but it is surprisingly rare. Most of the time, team members are competitive with peers and protective of their reputation. This level of competitive rivalry can't coexist with trust.

Trust can't be achieved overnight. As a leader, it's your responsibility to foster this kind of team environment. The most important action of the

leader is to demonstrate vulnerability first. In doing so, you risk losing face. But by setting the bar, it lets your team members know that it's ok to take these same risks. You're creating an environment that rewards vulnerability, instead of punishing it.

Dysfunction 2: *Fear Of Conflict*

All great relationships have productive conflict as the fuel for growth. It is true in marriage, parenthood, friendship and certainly in the business context. There's a big difference between *productive conflict* and petty fighting. Teams engaging in productive conflict know that the only purpose of the engagement is to reach the best possible solution in the shortest period. They'll discuss and resolve issues quickly. And if there is trust within the team, everyone walks away satisfied.

Ironically, avoiding conflict actually makes the interpersonal damage much worse. Rather than releasing it all and getting it into the open, it manifests itself as a tension between the team. The occasional passive-aggressive attacks will be much nastier and cause damage. Sometimes we need a good old fashioned Festivus-style airing of grievances.

From time to time, Ashto and I (Jonesy) have had our own internal conflict. The way to release the tension is to have a 'Willy' session. A Willy session, named after one of our mates, involves voicing any concerns we have before they become a big problem. The opposite of a Willy session is letting things bubble away and fester beneath the surface, until one day they explode like a volcano. By having regular Willy sessions, we weed out any problems before they get too big. We quite often realise that as soon as we bring it up, what previously seemed like a massive problem was actually something relatively insignificant. It just needed to have the light shone upon it.

The role of the leader is to 'mine out' any tension lurking beneath the surface. You'll need to extract the team's buried disagreements to shed the light of day on them. This will require courage and confidence to call out the sensitive issues and force the team members to work through them.

I (Jonesy) recently had a manager who was a true miner. A colleague and I had brewing tension for months, which manifested as passive-aggressive attacks within meetings. However, the new manager called out

any passive aggression to get everything out in the open. All disagreements were brought to the surface, worked out and then the team moved forward, all the better for the moment of conflict.

One of the most difficult challenges the leader faces in promoting healthy conflict, is the desire to protect team members from harm. At first, the team won't be very comfortable dealing with the conflict as it arises. But this is comparable to parenting. By not letting your children play in the playground, fail in sport, or get dirty in the mud, you're making them more fragile than resilient. In the business context, conflict is an opportunity for the team to grow as individuals.

Finally, the leader must model the appropriate level of conflict. You're setting the standard for how team members should be dealing with each other in the search of an optimal solution.

Dysfunction 3: *The Lack Of Commitment*

Naturally, when you mine out all disagreements within the team, you may be worried about not reaching consensus. Without consensus, how can you possibly expect team members to buy into decisions?

Sometimes consensus seems to come quickly and naturally. That's terrific. But if consensus is just an attempt for team members to please each other, then it's horrible. If everyone just says yes as a way of getting out of the meeting early, you'll hit some snags in the road ahead.

Great teams can make clear and timely decisions, moving forward with complete buy-in from everyone in the team. This includes those who voted against this initial decision - allowing them to leave the meeting with no lurking doubts about whether to support the actions they agreed upon.

The major hurdle to commitment is the need for consensus. When you 'mine out' the disagreements within the team, you might be worried that consensus will be more difficult. Despite these disagreements, it is the only way to achieve commitment from everyone. Typically, people just want their ideas to be heard. And if everyone agrees that a different idea has more merit, then they'll be more likely to buy into the alternative direction. Great teams ensure that everyone's ideas are genuinely considered. That's how they get commitment.

Dysfunction 4: *Avoidance Of Accountability*

Once the team has bought into a decision, the next step is to hold each other accountable to high standards of performance and behaviour.

In high performing teams, the accountability comes not from bosses but from *within* the team. They are willing to call out their peers' performance or behaviours that might hurt them. They're happy to go into the danger zone with each other.

It might seem politically incorrect, but the best way to maintain high standards within the team is to build a culture with peer pressure. It will reduce the need for excessive bureaucracy around performance management.

It might be difficult for the leader to allow the team to be the primary accountability mechanism. Strong leaders will actually leave the accountability vacuum within the team, leaving it up to others to be the source of discipline. However, they must be willing to revert to discipline when the team fails.

Dysfunction 5: *The Inattention To Results*

The ultimate dysfunction is a team's tendency to seek out individual recognition at the expense of the team's results. Sports teams are very effective in getting individuals to put the team ahead of themselves. Whenever the post-match reporter asks the star player what they thought of the game, they'll always talk about how well the team worked together.

In the workplace, the leader needs to make the collective results as important as the score at a football game. No matter how good an individual performs on the team, if the team loses, everyone loses. The leader must set the tone for a focus on results. If the team thinks the leader values anything other than results, they'll take it as granted permission to do the same. The team leader must be selfless and objective, reserving rewards for group goals.

CHAPTER 72

Secrets Of Management

*“Take a minute: look at your goals,
look at your performance,
see if your behaviour matches your goals.”*

Inspired by: **The One Minute Manager**, by Ken Blanchard and Spencer Johnson

Great leaders get the team to row in one direction. Great managers can do more to boost a team member's performance in just one minute than most 'normal' bosses can do in a week! Ken Blanchard and Spencer Johnson have come up with three simple secrets that will cut down management time whilst simultaneously improving the productivity of the whole team.

The First Secret: One Minute Goals

Ask an employee what they do in their job. Then ask their boss. In many cases, you'll get two completely different answers. An employee will get in trouble from their boss for doing the 'wrong' thing. But how could they do the right thing if they don't actually know what their boss thinks they should be doing?

This brings us to the first secret. The best managers make it clear what the responsibilities are and what the employee should be accountable for. Together, the manager and employee agree on what should be done, then they record goals on a single page. The employee will end up with three to six clear and concise goals. This way, both parties know what the mutually agreed upon goals are, and they can be read and reviewed in *less than a minute*.

Everybody knows somebody who is entirely unmotivated at their work. We've got a specific example of a bloke we both know well. He was an expert hider. His career goal was to do as little as possible and get away with it. In the office, he was the most unmotivated person I'd ever come

across. To hide his identity, let's call him... 'Adam Ashton', who may or may not be the Adam Ashton that wrote this book. (Ok, it's me).

After finishing my Commerce Degree, I started a Graduate Program at a big corporate bank at their head office in the city. Most graduates were on their own, but for some reason, I was plonked in a team with two graduates. Let's call the other one 'Linford'. Poor Linford. There wasn't enough work for two grads, probably one and a half. I did zero work, which meant Linford got lumped with the whole lot! Plus he had to cover for me when I wasn't at my desk, which was often. My '9-to-5' was more like 10-to-3, which included two coffee breaks, an hour for lunch and an hour in the gym. I even had an app on my phone called 'toilet time' where you enter your hourly pay rate, then start the stopwatch every time you go to the bathroom, to quantify how much 'free money' you rack up at the boss's expense.

From 10 am Monday to 3 pm Friday, I was a shell of a human. But when Friday afternoon hit, my mood changed instantly. Weekend time meant side-hustle time. I would work hard all weekend, trying new projects and attempting to start new businesses. I had a goal of making something that I could hang my hat on, something that I can point to and say: "I made that". One of those projects happened to be the *What You Will Learn* podcast. What started in June 2016 as a '10-episode trial' has quickly turned into 250+ books read and reviewed, 350+ episodes (and this book you're reading right now).

Why was I so motivated on the weekends, but not in the office? In the office I wandered aimlessly. On the weekend I had a goal. Goals are vital for motivation.

If you're managing people, you don't want unmotivated Ashtos on your team. The difference in output between the same person can be enormous in the presence of goals.

The Second Secret: One Minute Praisings

After the goals are set, great managers watch their employees like a hawk. They are always keeping a close eye and taking notes. But they don't watch with an intent to catch them stuffing up to yell 'Gotcha!'. No, they are actually trying to catch you doing something *right!*

Great managers deliver praise to their employees. They look you straight in the eye, tell you precisely what you did right, and explain how it makes them feel. This happens straight away - employees shouldn't have to wait for your annual review to find out if you've been doing anything good or not. And it doesn't take longer than a minute.

Suppose you wanted to train a pigeon to perform a trick. The goal was to have the pigeon enter a box in the lower left-hand corner, run to the upper right-hand corner and push a lever with its right foot to release a tasty pellet of food as the reward.

What do you think would happen if we waited until the pigeon successfully manoeuvred through this routine of its own accord to give it food? It would starve to death, and there would be plenty of dead pigeons (and lawsuits).

But what if you were to give the pigeon a tasty treat when it crossed a line at the halfway point? Providing rewards gives positive feedback and reinforces the message of doing the right thing. With this approach, the pigeon is more likely to complete the trick in its entirety. With gradual praises, complexity is achieved.

Unfortunately, most managers do something entirely different. Not only do they never praise you for doing something right; they'll often just whack you for doing something wrong. This is the most popular leadership style of all. The 'leave it alone zap style' - they leave you alone, and as soon as something goes wrong, they zap the shit out of you!

Giving your team praise instead of zaps will let them know they are on the right track.

The Third Secret: *One Minute Redirects*

Employees are human. They're going to stuff up at some stage. If they do something wrong, managers can give them sufficient reprimand that takes just *one minute*.

The manager looks the employee straight in the eye and tells him precisely what he did wrong. Then the manager shares how they feel - angry, annoyed, frustrated, etc. This happens immediately after the wrong action, not at the annual review when you're confronted with a list of errors you didn't even realise you'd made. Notably, the employee is presented

with a range of possibilities of what *should* have been done instead, a path forward. Note that this isn't an attack on the person or their ability; this is simply calling out incorrect behaviour in a way that highlights how to avoid it next time.

Importantly, when it's over, it is over. This isn't something that's held over your head for the next two weeks. It doesn't last long, but when done correctly, the employee won't forget it and won't make the same mistake twice.

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CHAPTER 73

Dark Arts Of Leadership

“The first method for estimating the intelligence of a ruler is to look at the people he has around him.”

Inspired by: **The Prince**, by Niccolo Machiavelli

The word 'Machiavellian' gets bandied around all the time. Frank Underwood from *House of Cards*, Richard Hatch from *Survivor*, Scar from *The Lion King*. Each was able to manipulate in different ways to ultimately get what they wanted. For them, *effectiveness* was more important than being perceived as 'nice'.

The Prince was published way back in 1532 by Niccolo Machiavelli. Even though Machiavelli died in 1527, his journals and musings were picked up by Cromwell, the Minister to the King of England. He loved the historical anecdotes, the amoral language and its bizarreness, and decided to publish these works. Slowly, the book emerged from obscurity to become one of the most influential instruction manuals for leaders throughout history. Decades after Machiavelli's death, it spread far and wide. Napoleon consulted it to win his wars, the American President John Adams had it beside his bedside, and Prussian King Frederick the Great used it. As it reached a larger audience, the influence went beyond politics. Over centuries, millions have used it for advice on power.

We were all brought up on the story of Jesus, as the ideal character to emulate. But the real details are usually missed. In front of his friends and family, he got betrayed by one of his mates, got publicly shamed, and was tortured and killed on the cross. His life was a disaster!

Machiavelli was straight up about how the world really works. Nice people don't get far, and the wicked tend to win. If you or members of your team have any ambition, you need to understand these dark arts.

To Have Good Laws, You Must Have Good Arms

The Prince must lay solid foundations, otherwise he will inevitably be destroyed. Now the foundations of all states, whether new, old or mixed, are good laws and good arms. But since you cannot have laws without arms, And where you have arms, you likely have laws, he omits the discussion on law and just looks at arms.

Between an armed and an unarmed man, no proportion holds. And it is contrary to reason to expect that the armed man should voluntarily submit to him who is unarmed.

Imagine you were a manager stepping into a new organisation with the goal to change the team culture. In your view, the team has become slack and unproductive, not achieving any meaningful targets. It is clear they are not using their time adequately. An obvious solution would be to introduce mandatory timesheets, forcing the team to become accountable with how they use their time. Machiavelli would call this a *good law*.

But your character is of the utmost importance when implementing such laws. If you are a push-over that nobody respects, the slackers will conveniently ‘forget’ to fill them in. For these new laws to stick, you must have *good arms*; the ability to reprimand those who don’t implement your orders. If people believe in your threats and fear the repercussions, they will obey.

Being armed is critical for those who want power. You don’t need to be an asshole. You just need the capability that, if required, you would be prepared to do what is necessary.

Lockdown Laws

In 2020, political leaders worldwide enforced varying degrees of restrictions and lockdowns. For us in Melbourne, it was an initial six-week lockdown then a further lockdown that kept getting extended when we had a ‘second-wave’. What initially started as a short two week stint grew to six, and eventually lasted thirteen or fourteen weeks.

These were what Machiavelli might call ‘good laws’. But not everyone followed them. We heard news reports that people were still going to work even while waiting on their virus test results.

These people didn't know if they were positive or negative, and they still decided to put others at risk. Even worse, people who tested positive were told to quarantine at home for two-weeks... but when police knocked on their doors for random inspections to ensure they were home, 25% were found to be out in the community!

Things only changed when the 'Good Arms' were introduced. Police introduced a \$1650 fine and then escalated it to \$5000. In the presence of such harsh penalties, people were willing to follow the rules. Good laws can only be as strong as the arms that accompany them.

Understand Our True Nature

And the manner in which we live, and that in which we ought to live, are things so wide asunder.

Ideally, the world would be full of cooperation. It would be nice if the US didn't spend \$732 billion every year on the military. This investment in finding ways to destroy fellow human beings that could be better used to solve global hunger instead. It would be great if people were honest, generous and tender-hearted.

But this just simply isn't what the world is. People can be these things, but they are also greedy, cruel and crafty. If you go around trying to be pure, you'll get chewed up and spat out by those who reflect the real values of the world. It is impossible to be perfect all of the time. You need to learn that your staff, your clients and your superiors can be things other than good.

Since anyone who would act up to a perfect standard of goodness in everything, must be ruined among so many who are not good.

A popular manipulator is Cartman from South Park. He uses different emotions to blackmail his mother into giving him more food whilst he hangs out on the couch. He always outwits his friends Kyle and Stan, who are ignorantly living in the realms of the way 'the world ought to be'. They

are like pawns in Cartman's chess game. Like Cartman, we can use goodness, but only where 'necessity requires'.

This isn't a prescription to be a see-you-next-Tuesday. But you need to become aware. If you're naive like Kyle and Stan, you'll easily be taken advantage of by the Cartman's of the world.

Harness Both Man And Beast

Be it known then that there are two ways of contending. One in accordance of the laws, proper to men. And the other by force, which is proper to beasts. But since the first method (laws) is often ineffectual, it becomes necessary to resort to being a beast. A Prince should therefore understand how to use well both the man and the beast. That it is necessary for a Prince to use both natures and that one without the other, has no stability.

A lion is so mighty, brave, and strong; they often don't even need to fight. His reputation is so great that his opponents won't bother contending. Like the lion, you need to build a reputation so strong that others won't dare question your leadership. Your day-to-day dealings with people will be easier, simply because they won't want to fuck with you.

But when you're a lion, you become vulnerable to the crafty 'fox character'. The fox may spread gossip, rumours or controversy that can take down the lion indirectly.

The lion cannot protect himself from traps, and the fox cannot defend himself from wolves. One must therefore be a fox to recognise traps, and a lion to frighten wolves.

You need to learn all three attributes as you rise to power:

- A human of noble character.
- A lion that nobody wants to fuck with.
- A fox that can avoid traps and play the games behind the scenes.

Loved Or Feared?

And here comes in the question whether it is better to be loved than feared, or feared than loved. It might perhaps be answered we should wish to be both.

But since they hardly exist together, if we must choose between them, it is far safer to be feared than loved. For men, it may generally be affirmed that they are thankless, fickle, false, studious to avoid danger, greedy of gain. They are ready to shed their blood and sacrifice property, their lives and children. But in the hour of need they turn against you. Moreover, men are less careful how they offend him who makes himself loved than him who makes himself feared. For love is held by the tie of obligation, which men are a sorry breed. Is broken on every whisper of private interest. But fear is bound by the apprehension of punishment which never relaxes its grasp.

According to Machiavelli, humans are only concerned with their own self-interest. People might love you, but they will cross you at any opportunity if it is of benefit for themselves. On the other hand, if they fear the repercussions for messing with you, then they will think twice before acting.

We all want to be loved by the people we deal with. But our desire to be liked can seriously undermine our effectiveness as a leader. If you must choose between the two, you are better off being feared than loved.

Don't spend too much time worrying about people thinking you're a bit of an asshole. Just let them fear the repercussions of not obeying your command.

While it may be better to be feared than loved, there is one thing a leader must *never* be: hated. If you are hated, your team will take any opportunity to get rid of you. This is a delicate balance. In all your actions that inspire fear, you must be reasonable and avoid hate.

1 See what we did there? ;)

2 Stu from the pub

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Lesson 21

**games of
strategy.**

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If you're cutting your way through the jungle, your team has multiple levels of contributors. The producers are on the ground cutting through with their machetes, getting the work done. The managers are sitting behind writing the procedure manuals and bringing in the improved technologies. The leaders are the ones that hop into the helicopter to get some perspective, and point out to the team: "wrong jungle!"

It doesn't matter how hard the producers are working, or how smart the managers are acting, little matters if there isn't a strategic leader.

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CHAPTER 74

Game Theory For Leaders

*“The key lesson of game theory
is to put yourself in the other player’s shoes.”*

Inspired by: **The Art of Strategy**, by Avinash K. Dixit & Barry Nalebuff

Leadership is a constant stream of decisions: who to hire, who to fire, what projects are feasible and the ultimate direction of the organisation. No decisions are ever made within a vacuum: every decision has consequences.

Think of the difference between the decisions of a lumberjack and a General. When the lumberjack decides to chop wood, he does not expect it to fight back. The environment he finds himself in is neutral. But when the General tries to cut down the enemy’s army, he must anticipate and overcome his opponent’s plans, make predictions and adjust accordingly.

The context of the situation you find yourself in matters. We would all agree that brushing your teeth is excellent advice. But it isn’t a great idea to whip out the toothbrush at your next business meeting. I (Jonesy) think sex is great and healthy. But if my partner and I start going at it in the cafe, we go to jail.

Context matters. In Game Theory, the optimal strategy depends on the context and opponent you find yourself with, whether it be against yourself, your team or opponents.

Playing With Yourself

1

Millions of people make a new year's resolution every year. Defined as: “a commitment that an individual makes to a project or a habit, often a lifestyle change that is generally interpreted as advantageous”. What happens to all these wonderful life-improving plans? A CNN survey found that 30% of goals disappear by February, and only one in five stays on track for six-months or longer. Many reasons contribute to failure. People set themselves excessively ambitious goals and are continually failing.

Essentially, two selves are playing within you. One who wants to hang out in bed and hit snooze until 11 am, versus the one who wants chiselled abs and to become a billionaire. The current self wants to take the easy road, so how do you stack the odds in the direction you want? How can you win this game?

Every night you can resolve to wake up early the next morning for an excellent start to the day. This is a game of your strong night-time self against your future weak-willed self. If the game is unstructured, the morning self has the advantage of the second move. However, the night-time self can change the game to seize the first-mover advantage by setting the alarm clock. But will it work? What happens if you just keep smacking snooze repeatedly? Well, an even earlier self could have put the alarm clock on the other side of the room, so you've got no choice to get up.

But a sophisticated morning self might stumble towards it, hit it, and go back to bed. Then the night self needs to make something else up. How about an electronic device to brew some coffee to wake you up automatically? The wonderful smell will induce the morning self out of bed. The game moves are endless - you always need to adapt your strategy to overcome any setbacks.

Playing With Others

As a leader of an organisation, the strategies you choose to use will be subject to the reactions of the others - you aren't in an isolated vacuum. To give you the best shot at winning the game, you need to consider all elements and apply some game theory tactics to help you achieve organisational success.

Use Of Reputation

If you attempt a strategic move in a game and then back off, you may lose your reputation for credibility. In a one-off situation, reputation is meaningless. But when games are repeated over a longer period, reputation is everything. The Aussie tourists playing it up in Phuket often act like wankers because, for most of them, the consequences of arrogance won't last beyond two weeks. But in situations like contract negotiations with

suppliers, the same situation is repeated every single year, so reputation plays a significant role. Therefore, you have an incentive to develop a reputation that serves to make your future moves credible.

Think of how the revered and feared Sicilian Mafia members develop and maintain a reputation for toughness. They need to lend credibility to their threats to maintain their power. How should they do this? Dark glasses won't work; anyone can do that. A Sicilian accent won't help - everyone in Sicily has one of those. The only thing that really works is a record of committing acts of toughness. Including murder. Mafiosos commit violent acts at the outset of their career to establish a brutal reputation. Their reputation then precedes them, so you don't want to get on their bad side.

Hopefully, your workplace doesn't require such extreme acts. But you need to be aware of the power of reputation and set things in motion early. You don't want to be seen as a pushover who caves under the slightest of pressures. By committing a few acts of strength, you build a strong reputation to influence others' behaviour in all future games.

Building A Reputation

In life, the reputation you develop matters. You aren't going to play just one game. You're playing one game in an extended series of games in each context.

I (Ashto) learnt this the hard way at the beginning of my career. I had been dealing poker at the casino but was always dreaming of ways that I could escape. The day I gathered the balls to do it, I wrote a brief and to the point resignation letter. I wanted to make it an epic story, so on New Year's Eve, I went into the city with some friends and was having a big night. I wanted to storm into the casino, slam the letter down on the pit boss's table at 11:59 pm and walk straight out to see the fireworks, pretending they were going off just for me to celebrate my new found freedom.

But I got a little too caught up in the excitement and had a few too many beverages, so the security guards wouldn't let me inside. What was meant to be a powerful (but extremely unnecessary) quit had become the weakest possible: I sent someone else in on my

behalf to hand in the letter. The only thing that could've been worse was if it had been my mum going in to fight my battle for me.

In the short term, I was loving life. I'd quit a job I wasn't enjoying, and I was excited to try something different. When I stumbled across a new opportunity, something I felt would give me more purpose (and more money), I pulled my resume together and sent in my application. I flew through the first rounds of interviews. I thought I was an absolute lock to get the job. But one passing comment on the way out the door of my final interview sent shivers up my spine: "It is our policy to call your previous couple of managers, just as a quick reference check." You guessed it - she called my old manager and heard about the bouncers blocking my drunk ass from entering and sending someone else in to quit for me.

The reputation I had developed in a previous game had come back to bite. It's important to realise that if games are to be repeated, you need to look at the longer-term implications, not just winning this short-term game. Over the hundreds of games you're going to play in life, reputation matters.

Teamwork

Think about an army General in the heat of battle. The game against the opposing army isn't his only challenge - he is playing a game with his own soldiers as well. He needs his men to go hammer-and-tong at the enemy. If everyone in his team buys into the game, they'll have a fearless, ferocious team excited for battle. The army is much more likely to win, and the General's individual soldiers are more likely to survive.

But if I (Jonesy) was put on the front line, I know what I'd be doing. I would probably put a poker face on as if I'm exerting all the energy that my body can muster, yet slow down a little. I might even 'accidentally' trip over a rock to fall behind the pack. Whilst I'm down I'd start tying my shoelaces but fumble a couple of times. In doing so, I'm more likely to survive as an individual, but I put the whole team at risk by exposing a weakness.

The General wants to weed out any signs of such cowardice. How would they incentivise actions so that no one wimps out? The ancient Roman army, for example, made falling behind the front line a capital

offence. As the army advanced, if another soldier saw that the bloke next to him was falling behind, he had to turn sideways and shoot him. To strengthen this threat, if you saw someone that didn't shoot the person falling behind, you had to kill them too! So, if your mate next to you fell behind, you'd better shoot him or you would be dead yourself. If the risk of falling behind is 'certain death' by your comrades, and the risk of charging forward at full pace is only a 'good chance of death' at the hands of the enemy, then you figure you might as well charge ahead under this General's strategy.

This is quite an extreme example. Finding approaches to harness the power of peer pressure can be a superior management strategy to keep the whole team striving toward a common goal.

Your Opponent's Strategy

Successful sailboat races have developed an infallible strategy. If they are winning the race by a decent margin, the leader adopts a 'follow the follower' strategy. Given the leader is already in the lead, all they need to do is copy the chaser to maintain their place. It's in the second place boat's interest to take a risk and head in a different direction on the chance that the wind might change. But the first place boat wants to maintain the status quo. It becomes someone's job to monitor the chaser, because if you're going to keep your lead, then the surest strategy is 'monkey see, monkey do'.

I (Ashto) deployed a similar strategy with footy tipping. It is an Australian tradition to enter a competition where you pick who you think will win each game throughout the season. At the end of the year, whoever picked the most winners gets the cash prize. The novice strategy is just to pick whoever you think will win each game. But those with a little more experience can start to employ some game theory tactics.

This game of footy tipping can be much more complicated than most realise. In my competition, there are 100 competitors, and only one winner gets paid. There's no point scoring respectfully and doing well enough to place inside the top 10% - all that matters is getting to the top 1%. So picking the same teams as everyone else is an inferior strategy compared to adopting an element of risk. Without a little risky (but not too risky) approach, you won't emerge from the pack and be victorious. Early in the

season, you're best served by avoiding a vulnerable 'favourite' and picking a 'roughie' now and then. If it doesn't pay off this round, you have future rounds to try again. The further you fall behind the leaders, the more risks you have to take.

If you have a few lucky punts fall in your favour and find yourself at the top of the leaderboard halfway through the season, the game changes completely. Rather than emerge from the pack, you want to maintain your lead. All of a sudden, like the sailboat races, the 'follow the followers' strategy makes good sense. Picking the favourites, just like everyone else, gives you the highest likelihood of maintaining the lead. Let those who are chasing you down take risks and fall even further behind.

If you're coming second or third at the end of the season, you need to go big. By thinking of the leader's strategy, they are best served to play it safe. So you should pick as many roughies as you need to claw back the number of points you are trailing by. *But* - if in the final round the leader knows that you know this is your optimal strategy, they may again 'follow the follower' in trying to pick the same roughie as you to cancel out any advantage you attempted to gain. Of course, if they know that you know that they know, they might realise that you'll pick the roughie and they'll go for the favourite! If you know that they know that you know... clearly you can get stuck in an endless loop here, but you always need to think one step further than your opponent will. The best strategy is to adopt changes based on your position relative to others and proximity to the end of the game.

What industry do you find yourself in? If you're opening a local bakery, you don't need to be the best bakery in the entire world; you just need to be better than anything else in your area. But some technological industries inevitably lead to a monopoly market, like Google. Here, reaching the top spot is all that matters - people all converge onto the one product due to network effects, so being the fifth-best search engine is quite useless. Like footy tipping, an extremely high-risk and high-reward strategy may be required to pull you out in front in this context. Once you've achieved the lead, a less risky strategy might be appropriate as the goal changes to maintaining market dominance.

CHAPTER 75

Looking To The Horizon

“A finite game is played for the purpose of winning, an infinite game for the purpose of continuing the play.”

Inspired by: **The Infinite Game**, by Simon Sinek

Leaders can choose to play two types of games.

Finite Games

Finite games have at least two players, with fixed rules and an agreed-upon objective. When one player reaches the objective, they are declared the winner, and the game ends.

Footy is a good example of a finite game. The teams wear uniforms to identify the players and the teams. There is a clear set of rules. There's even an umpire or referee to enforce these rules. There are penalties for breaking the rules. Both teams know how to win: score the most goals before the time runs out. There is a beginning, middle and end to a finite game. When the final whistle is blown, everyone packs up and goes home.

Infinite Games

In contrast, there are no exact rules in an infinite game. Though there may be conventions or laws that govern how the players conduct themselves, within those broad boundaries, the players operate however they want. And if they choose to break convention, they can. How each player decides to play is entirely up to them. And they can change how they play the game at any time for any reason.

Infinite games have infinite time horizons. There is no defined endpoint. And because there is no finish line or practical end to the game, there is no such thing as ‘winning’. The primary objective of an infinite game is to keep playing and perpetuate the game.

The more we look at our world through this lens, the more you see infinite games all around us, games with no finish lines and no winners. There is no such thing as ‘winning’ a marriage or friendship, for example.

Imagine Harry working at ExxonMobil, a well-known company responsible for supplying a good part of the world’s energy needs. Harry might have the goal of getting promoted within five years. This is a finite goal. Sarah, on the other hand, has an infinite mindset. She is looking to provide energy for the human species. Harry’s options are limited and constrained to his current job. Sarah might take risks - she could change to a company that better supports her long term goal or even start a new business to work on this target. The choices for Sarah are endless and only subject to whatever is best for her infinite game.

In business, some organisations have a narrow-minded view. It seems their only goal is to please investors by maximising their quarterly earnings per share. I (Jonesy) used to work for an engineering company named WSP in the sustainability team. Each quarter we had an online meeting with the Director of Sustainability. For some in the team, the sustainability of the planet is an infinite game. The Director, however, jammed the finite version of the game down our throats. Rather than talk about an inspiring vision of the positive impacts of our project, all he mustered up was a discussion on the profitability of the team. Rather than being inspired, the team were exhausted and bored. Five years on, the Director is the only one left in that team - everyone else left.

The Just Cause

Leaders navigating infinite games inspire their team by highlighting a *Just Cause*. This is a specific vision of a future state that does not yet exist. A future state so appealing that team members are willing to make sacrifices to advance that vision. The sacrifice may be as extreme as choosing to turn down a better paying job to keep working for an organisation looking to advance a Just Cause in which we believe, or as simple as staying back an extra hour to put the finishing touches on an important presentation. The

Just Cause gives us our meaning. It keeps us focused beyond the finite rewards and individual wins.

Most companies suck at this. Many have a bullshit ‘vision’ or ‘mission statement’ written on the walls, hoping it is enough to inspire everybody. For example, Vizio, a Californian based maker of televisions, says on their website “we deliver high performance, smarter products with the latest innovations at a significant saving that can be passed onto customers”. They probably do these things. But you could copy-paste this statement and apply it to just about any company in the world. Will their team be inspired to offer their blood, sweat and tears? Probably not!

The Just Cause is not the product or service. These are simply devices to advance the Just Cause. Publishers saw themselves in the book business. Once digital e-readers came along and Amazon’s Kindle took over, book businesses were in trouble. If they focused not on the finite game of the product, they might have seen the infinite game staring them in the face. Instead of being in the ‘book business’, they could have played in the ‘spreading-ideas business’. They would have anticipated future trends and made the necessary adaptations. They could have been the ones inventing the e-reader, not being destroyed by it. Had the music industry defined themselves ‘sharers of art’ rather than ‘sellers of records and CDs’, they could have played a role in the world of digital streaming. By defining themselves by a greater cause than their products, they could have invented iTunes or Spotify. But they didn’t. And are now paying the price.

The Flex

Walt Disney was accustomed to taking risks and doing new things. As a young artist working in the new field of animation, Disney was continually innovating. He was one of the first to make short films in which real actors interacted with cartoon characters. In 1928, his animation classic *Steamboat Willie* was the first cartoon with synchronised sound. In 1937, he released his first feature-length animated film, *Snow White and the Seven Dwarves*, and it was like nothing the world had ever seen before.

This wasn’t experimentation for experimentation’s sake. It was innately tied to his Just Cause: inviting audiences to leave the stresses and strains of daily life behind, and enter into a more idyllic world of his creation.

Snow White grossed \$8m at the time (which is \$140m in today's dollars!). With the money and success generated by this film, he built his creative studio. His brother, Roy Disney, was CEO and wanted to take the company public. Walt and Roy were at loggerheads on where to take the company. Walt didn't want investors and a board – he feared the focus on money would meddle with his pursuit of creativity.

Walt was spot on. The small team culture that was previously 'like heaven' was shafted by a new hierarchy. Only those at the top got the perks that previously everyone got, and there were battles with the various workers' unions. Walt Disney saw that the company became focused on things that *weren't* his personal Just Cause. So he quit.

In 1952, 15 years after *Snow White*'s success, he wanted to do something else that was closer to his ideal of letting people escape daily life. People thought he was going mad: he sold off his property and liquidated his assets, borrowed against his life insurance policy, even licensed out the rights to his own name. He took all this money and formed a new company. Here he would have a place that further advanced his Just Cause. Rather than helping people escape their daily lives into an idyllic world of his creation on the screen, he designed an *actual world* where people could escape their daily lives. He built 'the happiest place on Earth'... *Disneyland*.

Walt Disney said: "I think what I want Disneyland to be most of all is a happy place – a place where adults and children can experience together some of the wonders of life, of adventure, and feel better because of it. Disneyland is a place where you leave *today* and enter the world of *yesterday and tomorrow*". At his first company, people could only *watch* movies. At Disneyland, they could *be in* the movies.

This is the plight of the infinite minded, visionary leader. Once he realised the company was on a path that could no longer advance his cause, he was willing to put everything on the line to start over again. He didn't leave because he saw an opportunity to make more money. He didn't leave because of failing business. He found a better way to advance his Just Cause and leapt at it. The Just Cause never changed, but the best way to promote it did.

When a leader undertakes an existential flex, the finite-minded observers will become anxious. They think the leader is risking the certainty of the

current profitable path with a new path's uncertainty. Finite players believe the move isn't worth the risk. But the infinite player will embrace the uncertainty. Infinite players will believe it is the only choice.

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CHAPTER 76

Strategising Like A Poker Pro

“Improving decision quality is about increasing our chances of good outcomes, not guaranteeing them.”

Inspired by: **Thinking In Bets**, by Annie Duke

What game are you playing when you're leading a team, and how should you play it?

One way to look at it is like a game of chess. In this game, there is always an optimal move. To win, all you need to be is the player who understands the game best. But viewing it through the lens of chess doesn't account for luck.

The game of life is a lot more like poker than chess.

Poker involves luck, uncertainty, risk and even deception. It is all about making decisions in the face of an uncertain future. People who treat leadership and business like a chess battle are doomed for failure. Instead, we must treat it like poker.

Choosing Your Investment

In poker, you have to make countless decisions in extremely stressful circumstances. The dealer hands each player their cards. Sometimes you might get lucky and get pocket aces, the best possible starting hand. This doesn't guarantee you the win, but the odds are in your favour, so you're prepared to put a lot of chips into play. But that doesn't mean you should put *all* your chips in yet - there is still an element of risk and uncertainty. Other times you might get dealt a stinker: seven-deuce off, the worst possible hand in poker. You can't do much with this, so your best option is probably not to play and hold your chips for the next round.

The poker analogy runs deep for your decisions as a leader. Whenever you make a decision, you're betting against all versions of the future that you're *not* choosing. Decisions are exercises in probabilities. Because you're dealing with incomplete information and there are no guarantees, the

best you have is a probability. You need to make the decision that is best for you based on this situation, at this specific point.

When we make a big decision, we're never going to be 100% sure of the outcome, so it's better to refer to them as 'bets'. Hiring an employee is a bet. Saying "go" to a new project is a bet. Moving to a new city is a bet. Sales negotiations are bets. Buying an asset is a bet. At the moment of making the decision, you can't be sure of the outcome. When deciding to bet, you need to also choose how many chips you're willing to put on the table. How much of your time or money will you risk to make this decision and place this bet?

Through the lens of poker, the optimal bet size is typically the smallest amount of resources to trade in to give you a good chance of getting the reward. If you're looking for a better job, it might mean investing an hour to call a recruiter to see what opportunities are out there. For starting a new business, it might mean building a landing page and spending a few bucks to buy traffic. If you're trying to pick up at a bar, it might mean a few glances to try to catch eye contact and gather some data on their interest levels.

Making Your Decisions

The ability to make a decision, despite the uncertainty, is the cornerstone of good leadership. Great leaders understand how to balance emotion with reason and make decisions that have the best likelihood to impact themselves, their employees, customers and stakeholders. But as in poker, it is all too easy to fool ourselves with common decision making fallacies.

Resulting

When a Poker Pro makes a decision, she must think about how aggressive her opponents have played in previous hands, what the cards are they're likely to have and what the opponents believe that she has. After analysing all of the data, she needs to decide: call, fold or raise. Handling the complexity is what separates the donkeys from the pros.

An essential step in decision making is to separate the decision from the outcome. As a player, you have complete control over the decisions you

make in the middle of a hand, but you have no say in what card comes out next. You can make a good decision that doesn't work out, or you can make a wrong decision and get lucky. Betting with seven-deuce against pocket aces is objectively a bad decision, but if you flop a few sevens, you could end up taking the pot. Winning a hand, therefore is no indication of the quality of your decision - the decision is something made in isolation, then the outcome happens afterwards.

In life, we make decisions all the time based on the data we have collected. Even our best decisions succumb to chance, and sometimes the outcome isn't favourable. Often we make poor decisions and fluke it out ok. *Resulting* is assuming that the merits of the decision are based on the outcome. But this is an error that can lead to overconfidence. You should always reflect on the quality of your decisions, regardless of the outcome. Even when a decision turns out great, you should examine what you did well and what you did poorly. Consider how much of the outcome was due to luck and how much was due to skill and good management.

Hindsight Bias

When I (Ashto) went for my first 'real' job interview in a full suit and tie, my nerves were on full display. I fumbled my way through, unsure if they picked up on my lack of confidence. In the days after the interview, I waited by the phone in anticipation. With every passing day, I became more doubtful of my chances. But to my surprise, two weeks after the interview, I got the HR call - I got the job! I proudly told my mum and dad: "I did really well in the interview. I always knew I was going to get the offer". My brain seemed to wipe away the neuroticism and crippling uncertainty that plagued me for the previous ten days. My memories updated, convincing me the path of events was inevitable.

If we make a decision and it works out well, we generally say: "I knew it all along". But that's not true at all. Maybe you had a hunch it would work, or a gut feeling, or a certain level of confidence. But you couldn't have been *sure* it would work. You may have been 58% confident, or 75% confident, or even 97% confident. But when you look back, you tell yourself that you *knew* all along that it would work. This is *hindsight bias*.

Motivated Reasoning

We should redefine confidence in our beliefs. *Motivated Reasoning* is a phenomenon that uses emotionally biased reasoning to produce justifications to make decisions that are most desired rather than most logical. More intelligent people don't necessarily choose the more logical decision; they are just better at finding supporting arguments for their false beliefs. Instead of thinking of confidence as all-or-nothing, our confidence should capture all of the grey in between.

1 Get your mind out of the gutter.

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Lesson 22

1 + 1 > 2

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Humans are naturally drawn to people similar to them. This was fine for building strong hunter-gatherer tribes a few millennia ago, but applying that same logic to the modern workplace could be disastrous. If the founders of companies only hired clones of themselves, they would end up with a magnification of their strengths, but also a giant spotlight pointed at their weaknesses. Having different types of people with complementary abilities can help you plug some of your gaps. With a diverse set of complementary personalities and skills, the whole can be greater than the sum of its parts.

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CHAPTER 77

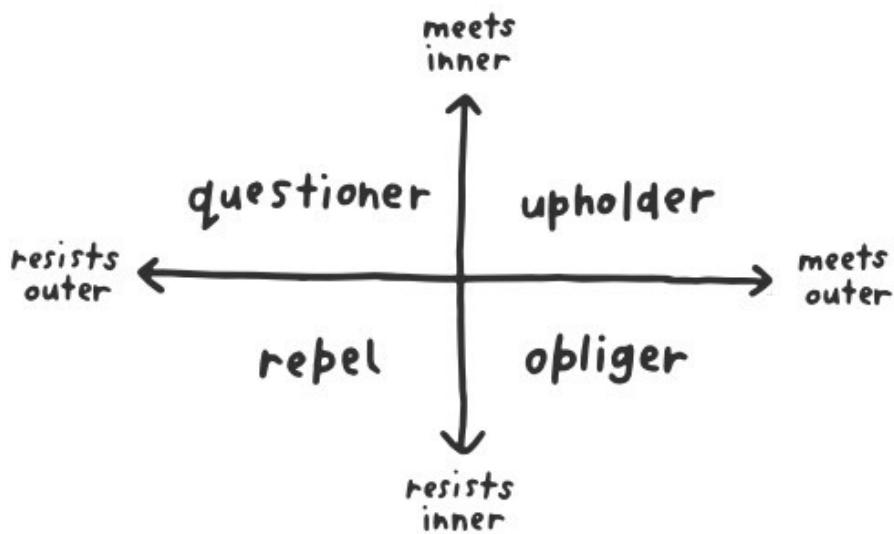
Diversity of Strengths

*“It doesn't matter what we think a person
‘should be able to’ do - what matters is only
what works for each individual.”*

Inspired by: **The Four Tendencies**, by *Gretchen Rubin*

There are two types of people: those that like to group people into ‘types’, and those that don’t. Obviously, we fall into the first type, because we’re about to whip out some groups and labels. These labels are dictated by why we do what we do. By gaining insight into our own type, we can do more of the things that need doing. And by gaining an understanding of other peoples’ types, we’ll be better able to work with their strengths, compensate for their weaknesses and motivate them with an individualised approach. Top Dogs know that you can’t treat everybody the same.

Author and Podcaster Gretchen Rubin developed the ‘Four Tendencies’ framework. She labelled four groups based on how people respond to inner expectations (like a New Year’s resolution) and outer expectations (like a request from the boss). Meeting or resisting expectations are neither all good nor all bad, but by gaining an understanding of these four different types of people we can reframe our requests in a way that makes the whole team more productive.



Upholders

Upholders will readily meet both inner and outer expectations. They'll say: "Discipline is my freedom", or "I'll do what's right, even when people call me uptight". These are the types of people that stick to their New Year's Resolution and always complete their work reports on time.

Upholders are self-directed, have no trouble sticking to deadlines, keep appointments, don't miss meetings, and don't need supervision or penalties because they always do their work as expected. They are fascinated by rules and often can't resist reading the instruction manuals that other people chuck in the bin. They have no trouble wearing uniforms or following recipes or obeying directives. If an Upholder makes a commitment, they'll stick to it without the need for constant reminders. If they say they're going to do something, they do it.

Due to their desire to meet both inner and outer expectations, Upholders are both self-directed and reliable. They count on themselves more than they depend on anyone else in their lives. On the flip side, an Upholder can become a fearless campaigner who blindly enforces rules without questioning them. The Upholder is the classic tattle-tale in the school playground, or the snitch who dobs on their mates, or the boss who rejects the report because it was a few minutes late. They can also become irritable if others reject expectations - because they meet every expectation, they

can't understand how someone would *not* do something that was asked of them.

Free Beers

We met when working at a pub. Some locals spend as much time at the pub each week as many people do at their jobs. They'd sit there for six hours every evening knocking back schooners, spending around \$300-\$400 a week. The implied contract was to slip them the occasional freebie to acknowledge their status. Making mistakes with a mispour always made for a great opportunity. If you misheard what someone ordered and poured them the wrong beer, rather than throw it down the drain, you hand it over to the loyal local at the end of the bar and receive a: "Cheers, Adam". This was despite clear orders from the regional ivory tower directors who demanded "no freebies".

When we had a shift with Candice, it all fell apart. Candice always rocked up to work on time and she cleaned the back of the fridge rather than watch the footy with the locals. Classic strengths of the Upholder. But unfortunately, she threw every mispour down the drain and gave the locals nothing.

No more visceral example comes to mind of an Upholder's weaknesses than watching a bartender pour a perfectly good beer down the drain due to demands from superiors. This was paramount to original sin for the locals.

Obligers

My brother Shane (Jonesy) wanted to go for evening jogs but couldn't get motivated to put his running gear on and get out the door. The strangest part about it was that he used to go running every single day when he was on the cross country team during his school years. How come he would happily run every day when his coach told him to and he had a team to run alongside, but he couldn't convince himself to go for it solo?

Shano is an Obliger. Obligers readily meet outer expectations imposed by others but struggle to meet the expectations they want to impose on

themselves. They love external accountability. No matter how much they want to do something for themselves (exercise more, take an online course, write up a business proposal for their company), they won't follow through unless they have a friend, colleague, or a boss holding them accountable. If the right systems are in place, Obligers can rise to their full potential.

Obligers excel at meeting other people's demands and deadlines. This is a double-edged sword: it will make you the boss's favourite minion, but it can also leave you open to being taken advantage of by Questioners and Rebels that know they'll be able to handball some of their work to you.

Obligers will gladly meet outer expectations... until they won't. If the expectations keep piling up and piling up, the Obliger will keep working and working until they snap! Because they never resist or push back, it can all get too much. And it might end in something extreme - a divorce, a blow-up, or a full-blown storm out of the office and quit on the spot. If you're an Obliger, you need to be careful if you start to feel this resentment brewing inside you. And if you're a boss, you need to be careful not to dump every piece of work on the Obliger and push them past their limit.

Questioners

Questioners will comply if you convince them why. They readily meet inner expectations but will resist outer expectations (unless they agree with the external expectation and turn it into an internal one). Questioners have a deep commitment to logic, information and efficiency. They hate anything arbitrary or unclear. They want to gather their facts and decide for themselves - they'll act when there are strong incentives but will brush away anything ill-informed, ill-reasoned or inefficient.

Questioners often start each day by asking themselves: "What needs to be done and why?" If there isn't a clear 'why', then it doesn't get done. If the boss says the report is due Monday, but you know that no one is going to read it until the 11 am team meeting on Wednesday, then you'll probably be handing it in on Wednesday instead of Monday.

Questioners are inner-directed. Whenever they make up their mind about something they'll follow through on it without much difficulty. But if they're not convinced the task is worthwhile, they probably just won't do it. Speaking from experience, I (Ashto) would put myself in this category. If I don't believe it makes sense to do something, I'll say that it seems like a

waste of time, or (worse), I'll say "yes" but then never do it and just wait until people forget or give up asking.

Questioners are often puzzled by some peoples' willingness to follow orders without understanding the reasons behind them. They're perplexed by people following the herd without ever stopping to ask where the herd is going in the first place. Arguments like: "I'm the boss, and I say so" or "That's the way we've always done it" carry no weight and have no impact on a Questioner. The constant questioning can grow pretty tiring for their colleagues, and bosses can see this constant barrage of questions as a signal of insubordination. Questioners are good at identifying loopholes, but this often means they find reasons to break habits or avoid doing things.

Questioners are a vital part of any team because they're the ones that challenge the status quo. They'll ask the high-level strategic questions that need asking. But they can also fall victim to analysis-paralysis - they're so busy asking questions that they never actually just knuckle down and get their hands dirty.

Rebels

Rebels hate feeling like they 'have' to do anything. They like to do things in their own way on their own time. They do what they want, when they want, how they want. They push against outer expectations, but they push back on inner expectations too, with the attitude of: "You can't make me... and neither can I". They love choice for choice's sake, and they hate feeling trapped.

You can't pressure Rebels, and they can't pressure themselves either. But when they genuinely *want* to do something, they can achieve great things. Rebels enjoy facing and overcoming challenges, they love to do things differently, and they take great pleasure in defying others. If you say it's impossible to quit smoking, or you tell a Rebel they're not smart enough to go to college and should set their sights lower; then you're just fuelling them to prove you wrong. They refuse to believe that something is impossible, and there's always the element of "I'll show you!".

Having a Rebel on the team is great. They can bring cool new ideas to the table and drive change. But a *team* of Rebels is horrible. They have strengths, but they also have weaknesses. The same goes for all four types

of people - if your team is composed of only one of these tendencies, you aren't benefiting from the diversity of thought and personalities.

Management guru Peter Drucker said: "*Effective Executives make strength productive. They fill positions and promote based upon what a person can do, not to minimise weakness but to maximise strength*". Strong people have strong weaknesses. But with a diversity of skills, all weaknesses can be accounted for by different team members. With the right mix, all that's left are strengths.

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CHAPTER 78

Diversity of Gender

*“In the future, there will be no female leaders.
There will just be leaders.”*

Inspired by: **Lean In**, by Sheryl Sandberg

Sheryl Sandberg flew into New York for a series of pitches from private equity firms looking for investment. During the first meeting in a corporate office high above Manhattan, it was going well. Then during the break, Sheryl asked for the women's restroom. The bloke stared blankly at her - he clearly had no idea. *“How long have you been in this office?”* she asked, assuming they might have just moved in. They'd been there a year. *“So am I the first woman to set foot in this office in a whole year?!”*

In college, there was a mix of male and female graduates. But at the senior level, Sandberg noticed she was the only female leader. Today, 5% of the CEOs in the S&P 500 are women. Why is this gender monopoly so significant in leadership?

The Leadership And Ambition Gap

From a very early age, boys are encouraged to take charge and offer their opinions. Teachers interact more with boys and call on them more frequently. So the boys are more likely to put their hand up. The gender stereotypes introduced in childhood are reinforced throughout our lives and become self-fulfilling prophecies.

Professional ambition is expected of men but can be seen as a negative for women. For many men, the fundamental assumption is that they can have both a successful professional life and fulfilling personal life. For women, the assumption stands that trying to do both is difficult or impossible. Describing a man as 'ambitious' is a compliment, but it becomes almost derogatory when used for a woman - implying that she's bossy, dominant, controlling, a micro-manager, or doesn't care about her kids. *“She's very... ambitious”.*

Such a difference in perception is an unfair and unnecessary barrier that has been outlined in various studies. In 2003, the Columbia Business School conducted a study about a real-life entrepreneur named Heidi Roizen. They described her story, sharing how she became a venture capitalist by using her ‘outgoing personality’ and ‘vast professional network that included many powerful business leaders’. The students were split in two. With half of them reading a story about Heidi, with the other half reading the exact same story, but the name changed from Heidi to “Howard”. When participants were asked to evaluate them, both were rated equal in their competency, but Howard came across as a more appealing colleague. Heidi, on the other hand, was seen as selfish and “*not the kind of person you would want to hire or work for*”.

Further research has shown that success and likeability are positively correlated for men, but negatively correlated for women. When a man gets more successful, we like him more. When a woman does, we like her less. This is an unfair hurdle. If businesses are looking to hire the best talent and believe we should all have equal opportunity, bias might be standing in the way.

Adequate Childcare

The birth of a child can rapidly shift the identity of parents. Women become mothers, blokes become fathers, and couples become parents. Parenting is one of the most rewarding experiences in life. But it’s also the most humbling.

One of the big questions at the start is, who will be providing primary care for the child? Many assume these parenting roles need to go to the woman, just as they always have. A Harvard study found that of the people who had reached the age of 40, only 56% of women remained in the workforce compared to 90% of men. Whenever there is a baby, we unfairly say: "Congratulations" to the man and "Congratulations, what are you going to do about work?" to the woman.

One of the biggest reasons women drop out of the workforce is the astronomical cost of childcare. They may have developed all sorts of valuable skills to contribute to an organisation, but many have no choice but to cut their career short. Child care is a huge expense, and it is frustrating working to simply break even. If women are going to have equal

opportunity to contribute to their careers, it means blokes will have to step up with childminding, and employers need to provide adequate child care.

A Missing Perspective

Excluding women from decision making is not uncommon. By failing to include the women's perspective, executives miss the vital ingredients of diversity that will lead to the best decisions.

- In 2001, an earthquake had hit Gujarat. 400,000 homes were destroyed. New homes were needed in the rebuilding effort, but they were missing a perspective: women were not included in the planning process. The homes were designed and built without kitchens.
- Cars are designed to pass a mandatory test during the trial phase but are missing one component. The dummies weight, height and body structure correspond to that of men. And the car is built accordingly; the steering wheel, airbags, headrests and seat belts are designed for a person weighing 197 pounds (the average weight of a male), with a male spinal structure and a specific muscle distribution.
- Going to a concert with tens of thousands of people is an exhilarating experience. But women have to deal with one additional complication. As men duck quickly in and out of the toilet queue, women are left standing in line, missing their favourite band play. This is due to a design based on a formalised regulation of 50/50 rather than recognising the difference in needs between men and women's bathroom routines.
- Offices are comfortable for the average man, but a few degrees too cold for women. Buildings with glass staircases look cool but are nerve-wracking and inconvenient for anyone wearing a dress.

As women entered the workforce in the 1960s, the world received an unprecedented economic boom. Never before was more talent entering the workforce, and the world was better for it. Despite progress over the decades in women's rights, there is still a long way to go. It is up to

business managers to understand the current gap in opportunity between men and women. By including women at the table, you can be sure that when your organisation is making the big decisions, it won't be missing a perspective that includes half the population.

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CHAPTER 79

Diversity of Personalities

*“There's zero correlation
between being the best talker
and having the best ideas.”*

Inspired by: **Quiet**, by Susan Cain

Arguably, the most important aspect of our personality and temperament is where we fall on the introversion/extroversion spectrum. It affects the careers we choose, and whether or not we succeed at them. Different studies have found that it governs how likely we are to exercise, commit adultery, function without sleep, learn from mistakes, place bets on the stock market, delay gratification, and be a good leader. Yet, we only make room for a remarkably narrow range of personality styles. We're taught that to be 'great' and 'successful' is to be bold, happy and sociable.

Carl Jung popularized the theory of introversion and extroversion in his book *Psychological Types* in 1921. He defined the types as such:

- *Introverts*: Drawn to the inner world of thoughts and feelings, focus on the meaning they make of the events around them, 'recharge' by being alone.
- *Extroverts*: Drawn to the external life of people and activities, plunge into the events themselves and feel drained if they don't socialise enough.

Most business leaders overvalue the importance of extroversion. They say you should stand up for yourself, learn public speaking, pitch ideas and assert yourself onto the world. In some organisations, introverts are treated like second class citizens.

We work with supervisors who value 'people skills'. To advance career prospects, employees are expected to promote themselves unabashedly. They might feel guilty when declining an invitation to after-work drinks to hang out with a good book instead.

Again, the highest performing teams find the right diversity mix to maximise the strengths of all different types of people. Just because someone isn't standing at the front of the room talking all the time, doesn't mean they're not contributing. Perhaps if they're not spouting their mouth off in the meeting, they might actually be *thinking*. Introverts can bring forward some of the best ideas, but they're underappreciated and undervalued in today's world.

Leadership

One study analysed data from the five biggest pizza chains in the USA. Some had introverted managers and some extroverted. The weekly profits were compared, and they uncovered some intriguing results. You might believe that an extrovert is always the best manager in every situation, but the researchers found this wasn't the case.

The extroverted managers had 16% higher profit when their employees were the passive types who lacked initiative. Introverted managers, on the other hand, had the opposite results: they outperformed the extroverts by 14% when the employees were proactive types. Whilst extroverts might seem the best option to lead teams to success through inspiration and motivation; the introverted leadership style gets the best results for those who don't need a leader to tell them what to do. As such, companies need to groom both talkers and listeners for leadership roles.

Reward Sensitivity

When humans get really excited about what is to come, endorphins start flowing. The rush that comes *before* the event is called 'Reward Sensitivity' and is found to be more rampant in extroverts. A reward-sensitive person is highly motivated to seek rewards, ranging from a promotion to a lottery jackpot to an enjoyable evening out with friends. It motivates them to pursue goals like sex, money, social status and influence. It might even prompt you to take a wild risk to get your hands on life's juiciest fruits.

But sometimes we're *too* sensitive to rewards. Reward Sensitivity on overdrive gets people into all kinds of trouble. We can get so enraptured by

the prospect of exciting prizes, like winning big in the stock market, that we take outsized risks and ignore obvious warning signals.

I (Jonesy) had an extroverted semi-friend named Luke who claimed he was a ‘Bitcoin’ professional in 2017. At the start of the year, he posted to Facebook that ‘his conservative models’ predict it will increase by a factor of 10 in the next 12 months. Anticipating this reward of getting rich, he borrowed money to invest in the ‘asset’. The Bitcoin bubble burst at the end of the year, and he lost all his money. I remember it clearly. I scrolled back through his feed and hit ‘like’ on the post that turned out to ruin him¹.

Extroverts seem to be more susceptible to the reward-seeking cravings of the brain. Scientists are starting to explore the idea that reward sensitivity is not only an interesting feature of extroversion, but what makes an extrovert an extrovert. In other words, extroverts are characterised by their tendency to seek rewards from status, sexual highs or cash. They have greater economic, political and status ambitions than introverts. Even their sociability is a function of reward sensitivity according to this view - extroverts socialise because human connection is inherently gratifying.

In the wake of the 2008 crash, a financial catastrophe caused in part by uncalculated risk-taking and blindness to threat, researchers found that those with the serotonin regulating gene linked to introversion and sensitivity take 28% less financial risk. A study of 64 traders at an investment bank found that the highest performing traders tended to be emotionally stable introverts.

The introverts aren't getting swept up chasing silver bullets. They thought their way through the investments, avoiding unreasonable risk. But of course, the companies weren't listening to them prior to the GFC. The extroverted rain-makers had the talking stick, and the companies paid the price, with extraordinary losses.

If you were to staff an investment bank optimally, you'd want enough diversity to benefit from different strengths. You'd hire not only reward sensitive types who are likely to profit from bull markets but those who remain emotionally neutral when there's more volatility. You'd also pay attention to those who remain silent in meetings. They may have the best insight in the room. As Lao Tzu² said: “*Those who know don't talk. Those who talk don't know*”.

Free Trait Theory

Introverts are at a disadvantage in the corporate world, most of the time, unfairly. The standard advice is to ‘suck it up’. Jack Welch says to: "*Get out there, mix, speak more often and connect with your team and others, deploying all the energy and personality you can muster*".

So what should introverts actually be doing?

There is a field of psychology called ‘free trait theory’. It states that we are born and culturally endowed with certain personality traits (like introversion, for example). Still, we can act out of character in the service of our core personal projects. People can be an introvert most of the time but cherry-pick the qualities of extroverts when the task requires it. Adopting the tools and techniques of extroverts in the right moments can help you achieve your goals.

The best advice for supporting introverts is to figure out what they are best suited to contribute to the team and make sure they contribute it. If that requires public speaking, or networking, or other activities that make them uncomfortable, free trait theory says you must support them in doing it anyway.

1 It is looking like Luke will have the last laugh. At the time of writing our final revision of the book, Bitcoin has skyrocketed to all-time highs. Perhaps he'll have the same ‘reward’ seeing how wrong I was when I hit ‘like’.

2 We'll be expanding on the ideas of Lao Tzu in CH106: *Chinese Wisdom*

PART VI

making
bank.

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Hunter-gatherers had no money. They divvied up tasks like picking the berries, chasing the buffalos and minding the kids. At the end of the day, they would share their spoils with the tribe.

When cities and kingdoms arose, humans could go into narrower and narrower specialisations for the first time. The berry pickers could now spend a career mastering the art of winemaking, and the buffalo chasers could channel their energies into perfecting artisanal dry-aged steaks. But how can a winemaker trade with the local butcher? The ability to understand and barter was a real stumbling block of the world becoming progressively specialised.

Eventually, humans came up with a powerful concept: money. It allowed the ability to trade between thousands of commodities. If you had money, you could use it as the medium to trade for everything you could need. If a goat farmer wanted a Persian rug, he would've previously had to carry a goat or two on his back to the bazaar and hope that the rug merchant was hungry for goats that day and willing to trade. But with the invention of money, the goat farmer could trade his goats for a small rock that everyone agreed was valuable, then carry this rock in his pocket to the market and hand it over for his rug. Because there was a mutual agreement in the value of these rocks, they could become the medium of exchange. Those who accumulated the most 'money' had disproportionate leverage on society's goods and services.

Money can solve a full suite of problems. If you have enough money, you don't need to worry about paying the bills or putting food on the table. If you have even more money, you can donate some to support critical social issues. If you've got 'fuck you' money you can opt-out of the system and tell your boss where to go. Money magnifies the experiences the world can offer you.

Lesson 23

piling
up the
pennies.

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Surplus cash is the goal: spend less than you earn. Most people believe the key to having surplus cash is to earn more money in the short-term. You choose the highest paying job you can currently get, to make as much money per hour as you can. But this doesn't mean much if you're blowing it all on fine dining, top-shelf single malt, and a car loan for the new Tesla. By following a few principles, having discipline and utilising the power of compounding, we can all become financially free.

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CHAPTER 80

Ancient Cures For The Lean Purse

*“Good luck can be enticed
by accepting opportunity.”*

Inspired by: **The Richest Man In Babylon**, by George Clason

Lessons, like good wine, get better with age. If an idea has survived for hundreds or even thousands of years, it must be for a pretty good reason. Money has been around for a long time, and so have lessons in money management. *The Richest Man in Babylon* by George Clason contains lessons extracted from 8000-year-old tablets found in Babylon¹. These money lessons, the most ancient financial wisdom known to humankind, can take you from the bottom of the money hierarchy and boost you to the top.

Start Thy Purse to Fattening

Getting a fat purse is very simple. All you need to do is put more money in than you take out. By always spending less than you earn, your purse will start jingling with those ancient gold coins.

This is *simple*, but it isn't *easy*. There is always something else we want to buy or something else that we think we 'need'. But we must be disciplined in putting away a percentage of every paycheck. When you get paid, automatically 'pay yourself first': add 10% to your purse. At first, these few extra shekels will hardly make your purse jingle at all. But if you stick at it, over time, your sack will become plump and heavy.

Control Thy Expenditures

Most people carry a lean purse. It doesn't matter if they are a working-class chariot mender from ancient Babylon or a superstar NFL quarterback on a multi-million-dollar contract - both can have an empty purse. Different

people earn different amounts of money and have different sized families to support, yet most purses are all equally lean. *How is this possible?!*

Everybody has their own interpretation of expenses they deem ‘necessary’. But not many people notice that their personal definition kind of creeps up in proportion to what they are earning. As a result, ‘necessary expenses’ typically equal people’s incomes. The more you make, the more things you justify spending money on.

Like the ancient Babylonians that resisted purchasing that extra clump of wool from the bazaar or the extra barbecued camel testicle for their afternoon snack, you must only spend money on the things that you *actually* need and can afford.

Adaption On The Treadmill

It is kind of spooky... no matter how much you earn, your money seems to magically disintegrate. A pay rise and promotion don’t mean that you’ll have more savings, just a more expensive standard of living. Worst of all, we don’t get happier with all the extra shit we buy - we just adapt to our new ‘normal’.

A car gets you from A to B. For the first week driving that \$250K Mercedes around might feel cool, but eventually, you adapt, and you get the same utility out of it as you would a \$2,500 second-hand Toyota Prius. Once you step on the hedonic treadmill of adaptation², it is hard to put into reverse.

When I (Jonesy) started my first job, I was rolling around the office with my \$15 Rip Curl backpack. A few pay rises later, I told myself that I NEEDED to buy this new \$600 leather satchel to carry my laptop. I rationalised that it was essential in giving a good first impression, so I forked out the cash.

Be on the lookout for your rationalisations of ‘necessary’ expenses. Think about when you had just turned 18 - maybe you were studying or doing an apprenticeship or working at a cafe. Money was scarce. You might ‘treat’ yourself with a Big Gulp or a Slurpee from 7/11. A cheeky cheeseburger from the Maccas drive-through was your pinnacle of prestige. Having breakfast at a cafe was an absolute luxury - you would never spend that much on

brunch when you could fry up a couple of eggs at home for free! But in the years ahead, how quickly did this change from being a ‘luxury’ to just something you did most weekends? How quickly did a brunch date, either friendly or romantic, become just another of those necessary expenses? Or what about buying lunch at work, the Friday night take-out or the Saturday evening dinner in the city?

Kanye West was US\$53m in the hole. Allen Iverson made almost \$160m in NBA salaries before going broke and resorting to doing ads for an Aussie betting agency to make a few bucks. Diego Maradona, named by FIFA as the ‘Soccer Player of the 20th Century’ also went bust after a lucrative sporting career. These mega-earning superstars never learned the skill of ‘Controlling Thy Expenditure’. It’s something that we’re always going to wrestle with, no matter how much we earn. If you don’t tame that hedonic adaptation, you can’t become wealthy.

Make Thy Gold Multiply

If you followed those first two pieces of advice, you should have some surplus cash. You’ve trapped 10% of your paycheck, and you’ve controlled your expenses. So what do you do with this extra money sitting in your bank account?

If it just sits there, your wealth will be eroded by inflation. As Clason points out: “*A man’s wealth isn’t the wealth he holds in the purse, it’s the income he buildeth*”. So instead of holding it in your purse, you need to invest it in a way that will bring you more income in the future. Let your earnings start working for you by investing in businesses that will return dividends in years to come.

Each piece of gold you invest should be a little soldier who works for you, bringing back a silver piece from battle to give you. Then, each piece of silver they return should *also* be put to work to bring even more returns. This is the power of compound interest. Over time you’ll have enough little soldiers working for you, to produce a stream of income.

Guard Thy Treasures Against Loss

We must learn to protect small amounts before the gods trust us with larger quantities. If care isn't taken, you may lose it to bad investments or con artists.

The biggest risk on your road to wealth is the belief in the myth of ‘the silver bullet’. If you hear about something that gets you rich with no time, no experience, no effort and no risk... it’s probably BS. If you get sucked in, you might lose your loyal soldiers.

Consult with wise people on where your money should go, and always seek to improve your financial intelligence. If you can’t look after small amounts and keep your soldiers safe, there’s no way you will ever be leading a large army to fight your financial battles.

Secure A Future Income

Nobody can predict what will happen to you. You might be a plumber who breaks his legs playing football on the weekend. Or a scientist who acquires a brain injury in a car crash rendering her unable to support her family. Nobody can predict what’s around the corner. Even after following the previous money lessons, you could still have your earning power taken away from you. You must put in concrete plans and take out the necessary protection against unexpected accidents (or deaths) that might limit your ability to work. With good future planning, you can sleep well, knowing that the people who depend on you will always be ok.

Increase Thy Ability to Earn

No matter what age you are, you should always be learning: “*Your ability to learn affects your ability to earn*”. By constantly evolving into a better person, you can multiply your income by magnitudes that your current self doesn't think possible. There is a limit on how much you can save as a proportion of your income, but no limit on how much you can earn.

CHAPTER 81

Financial Independence

*“Winners are not afraid of losing.
But losers are.
Failure is part of the process of success.
People who avoid failure also avoid success.”*

Inspired by: **Rich Dad Poor Dad**, by Robert Kiyosaki

At the age of nine, Robert Kiyosaki had two dads to learn from: his ‘Rich Dad’ and his ‘Poor Dad’.

One Dad was highly educated, went to Stanford University, then forged a highly successful and highly paid career. The other Dad never finished 8th grade.

One of his ‘Dads’ said: “The love of money is the root of all evil”, the other said: “The *lack* of money is the root of all evil”.

One Dad recommended you study hard so you can find a good company to *work for*. The other suggested you study hard so you can find a good company to *buy*.

One Dad would always say: “I can’t afford it”. The other would challenge himself by asking: “How can I afford it?”

At the age of nine, Robert decided to listen to his Rich Dad who taught him the following lessons to achieve financial independence. In doing so, he chose *not* to listen to his Poor Dad, even though he was the one with the high paying steady job and all of the fancy college degrees.

Stuck In The Rat Race

I (Jonesy) used to work with a 65-year-old engineer called Craig. At the time, I was a new graduate, straight out of Uni. Looking at Craig, who was 40 years ahead on the track I was on; you could see that he clearly didn’t love the work he did. He would let out a few ‘F-bombs’ and groans every time he had to deal with another client’s phone calls. Craig had graduated from university and decided to play it safe his whole life. He never took a risk, never tried to upskill, never asked for a promotion, never looked

around for a better offer. He was now miserable and paying the price for it. But people feel trapped when they're caught up in the 'rat race'.

In the 'rat race', the fear of being without money motivates us to work hard. But once we get the paycheck, greed kicks in. We start thinking about the things money can buy. We go out for lunch on payday instead of bringing leftovers from home. The pattern is set: *get up, go to work, pay bills*.

People's lives are forever controlled by two emotions: fear and greed. Fear of not having money drives them to work, and then greed drives them to spend it all, leaving them fearful of not having money, and so on.

Most employees get fed up and blame their boss. They're sick and tired of the minimum wage because it doesn't let them live the way they want to. Rich Dad told Robert:

"You'd better change your point of view. Stop pointing at me and thinking I'm your problem. If I'm your problem, then you would have to change me. If you realise that you're the problem, then you can change yourself. Learn something. Grow wiser. Most of the time, life does not talk to you. It just sort of pushes you around. Each push is life saying, 'wake up, there is something I want you to learn'. If you learn life's lessons, you will do well. If not, life will just continue to push you around."

If you're still complaining about how much money you earn, you haven't yet learnt this lesson. If life is paying you a miserly wage, you're getting pushed around. Life pushes us all around. Some people give up, but others fight back. Instead of complaining, you can start looking for new opportunities.

Financial Intelligence

Rich Dad said that 'financial literacy' is key to financial success. The fundamental rule is to know the difference between an 'asset' and a 'liability'. This is one of the most important financial concepts, but we're guessing no one ever taught you this. Kiyosaki's definition is slightly different from accounting textbooks, but it makes more real-world sense:

“An asset puts money in your pocket, a liability takes money out of your pocket”.

So what are assets? Assets are things that do not require your time but put money into your pocket: stocks, bonds, income-generating real estate, royalties from IP, a cash flow positive business, and so on.

Liabilities are things like your credit card debt, your car loan, or most controversially, your home. You might think that owning the house you live in means you've got an asset that might have capital growth. But as long as you're living in it, expenses such as mortgage repayments, renovations, upgrades, repairs and taxes are continually taking money out of your pocket. Most textbooks will say that a house or a car is an asset, but they are costing you money every month. If you rented out your home and made more in rental income than you had to pay in mortgage repayments, then real estate becomes an asset. It all boils down to which direction the cash flows: into your pocket or out of your pocket.

The rich buy assets. The poor only have expenses. The middle class buy liabilities they *think* are assets.

Managing Money

In addition to ‘assets’ and ‘liabilities’, the other two critical factors of wealth are ‘income’ and ‘expenses’. The definitions of these are more straightforward. Income is your paycheck or your business profits or your rental income or your stock dividends. Expenses are the things you need to spend money on (bills, food, shelter, etc.). The rich focus on their asset columns while everyone else focuses on their income statements.

- For poor people, all their income goes straight to expenses, and there's nothing left.
- For the middle class, they're making a decent income, but still most goes into expenses. Then, they take out a big mortgage to buy a lovely house and get a loan for a nice car. Their whole life they've been told that these are assets, but all they've really done is increase their expenses column even higher!
- The rich have one goal: to grow their income. Remember that ‘assets put money into your pocket’, so the rich are focused on

making investments that will boost their income in the future. Putting in the effort to develop new skills so that you can get a pay rise in the future can do this. Stocks, bonds and real estate that you rent can do this. Building a business and becoming more profitable can do this too.

Keep expenses low, reduce liabilities and diligently build a base of tangible assets.

Minimising Your Tax Bill

If you want to reduce the amount of tax you pay, you can harness the powers of a corporation. Corporations are the biggest secret of the rich. A corporation is not a real thing, merely a piece of paper with some legal force behind it. It creates a legal body without a soul. Using it, the wealth of the rich is protected. By funnelling expenses through the corporation, taxes can be reduced.

One of the most significant expenses Ashto and I have is buying books. We'd both spend thousands of dollars every year filling up our bookshelves. Before we made money through our *What You Will Learn* podcast, this was paid with after-tax money from our day jobs. But after turning the podcast into a business, these are now 'business expenses' because the show wouldn't be able to be run without them. We can now buy books with our pre-tax business income.

The same goes for travel, phone bills, car expenses and rent. Robert Kiyosaki proudly admits that he pays a lower tax rate than his secretary. There is an old saying: "*If you're paying tax, you need a new accountant*".

The Rich Invent Money

There is one overarching character trait that separates the poor and rich potential within you: courage.

Often in the real world, it's not the smart who get ahead, but the bold. We all have tremendous potential and are blessed with gifts. Yet, the one thing that holds us back is some degree of self-doubt. Bravado, cunning,

chutzpah, tenacity, whatever you want to call it - it's going to decide your future much more than school grades will.

The single most powerful asset we all have is our mind. If it is trained well, it can create enormous wealth, seemingly instantaneously.

The world is always handing you opportunities, almost every single day. But all too often we fail to see them. The more the world and technology changes, the more opportunities there will be. Great opportunities are not seen with your eyes; they are seen with your mind. The sharper you train your mind, the more likely you are to swoop on an opportunity.

Work To Learn

Job security means everything to most people. But learning means everything to rich people. And the most important skills to learn are sales and marketing. The ability to 'sell' is really just learning how to communicate effectively with another human being. If you're working to earn, you're only focused on the paycheck. But if you recognise that your job can offer you more than just a wage, you'll be focused on developing the skills that can help you get rich in the future. It may earn you less in the short term, but learning will pay big dividends in the long term.

It's shocking how some 'talented' people learn so little. In turn, they earn so little. There are brilliant, highly educated people who are making less than people who didn't finish high school. Little do they know, they are just one side project or one new skill away from great wealth.

CHAPTER 82

Plant, Grow, Harvest

*“Success isn’t found in the eyes of others.
Don’t buy things you don’t need,
with money you don’t have,
to impress people you won’t know in 20 years’ time.”*

Inspired by: **The Barefoot Investor**, by Scott Pape

Let’s say you want to grow some apples. You wouldn’t plant an apple seed on Saturday night, come back on Sunday morning and stand with your hands on your hips and yell: “Where the hell are my freaking apples!?” . You wouldn’t go back out on Tuesday morning, pull the young sapling out and try to plant it in a new spot in the hopes it might get more sun. And after a month, you don’t start googling silver bullet courses like ‘*How to grow 1000 apples a day with only 3 minutes of watering*’.

Instead, to grow an apple tree that will give you apples, you need to plant the seed... and wait! Of course, you’d do everything you can in the beginning to learn about the right soil conditions and the best spot to plant it. You’d read up on how much water it might need. But once it’s planted, you need to give it time. Perhaps a year or so later it might give you a few little apples, but they’ll be hard and sour. Over the years, and even decades, it grows and grows and grows. After 30 years, it is tall and strong enough to give you all of the apples you, your family and your grandkids could possibly need.

Plant

Some seeds compound over time to have massive leverage over your future financial security. These seeds seem small and insignificant, but a few phone calls, an hour or so browsing online, or a few conversations with your employer can literally compound to hundreds of thousands of dollars. You might as well order the fancy wine and grass-fed organic ribeye steak as a treat if you can nail these.

Seed 1: Say Goodbye To Bank Fees

Banks are like giant corporate octopuses with tentacles that wrap you up and squeeze out as much money as they possibly can. Don't look at the ads on TV that try to convince you they are for their customers. They exist solely to profit for their shareholders. In Australia, our 'Big Four' banks are four of the six biggest companies in the country, milking over \$30 billion a year in profits (in a country with less than 25 million people). They sucker you in with \$4 monthly fees that you barely notice, or \$12 overdrawn fees or \$59 annual credit card fees. These fees might seem insignificant, but you're basically giving them money so that, in return, they can suck even more money out of you.

Some banks charge zero fees and offer a higher interest rate on your savings. The first seed of your wealth is finding a bank with zero fees, then moving your hard-earned cash. \$4 a month might not seem like much now, but these 'insignificant' fees really stack up over time when you do the math. It's much better in your pocket than theirs!

Seed 2: Tax-Efficient Investment

Most countries require that you invest for your retirement, so you're not a burden on the national welfare system when you get old. For Australia, it is called Superannuation, for the USA it's the 401K, and in the UK it's the ISA. The average worker can legally use these systems to reduce their tax bill. The top tax rate in Australia, for example, is 47%, but when you pop it into Super, you pay just 15%. That is a whopping saving.

But remember, if you're investing your Super through an institution, they're taking a slice of your action. The important seed you're planting here is to find the investments with the lowest management fees. The proportion of money they take from you makes a difference in what you'll end up harvesting. Let's say someone on a \$50,000 salary invests \$5000 per year over 30 years at a return of 8%. The difference between 1% in fees and 0.02% in fees ends up a whopping \$226,484 when you retire! Low fees are the way to win at this game. Low fees can be found in the funds that pursue passive, rather than active investing³.

Seed 3: Allocate Your Money

The ancient tablets of Babylon gave us advice like: “*Start thy purse fattening*”, “*Control thy expenditure*” and “*Make thy gold multiply*”. Scott Pape, The ‘Barefoot Investor’, calls these his ‘buckets’. The buckets strategy is an automatic system that takes care of your wealth. Whether you are a chariot mender or an NBA superstar, the proportions for each bucket are exactly the same:

- 60% goes towards *Daily Expenses*: rent, bills, groceries, commuting, etc.
- 20% goes to the *Fire Hydrant*. You’ll direct the fire hose at different things at different times, starting with paying down your debts, then saving for a house deposit, then paying off your home loan.
- 10% goes to *Smile*. This is the medium-term savings for the bigger things you want, like the overseas holiday, the new computer or the new car.
- 10% goes towards *Splurge*. This could be your morning latte, a round of beers at the pub, eating out at nice restaurants, buying books or clothes. You get one-tenth of your income for spending on whatever you want, no questions asked.

Seed 4: Destroy Your Debt

The average wage in Australia is \$81k - if you plug that into the ‘global rich list’ calculator, you will find that you’re in the top 0.27% of the world’s wealthiest people! Yet we still feel like we never have ‘enough’... So we get car loans and credit cards to buy more and more crap to try and feel good about ourselves.

Debt is slavery and eats away at your self-esteem. It is like injecting a consistent dose of poison into your wealth tree.

The first step to clearing your debt is to get clear about how much you owe. Make a list of everyone you owe money to (the credit card, the personal loan, the car loan, but also the \$50 you borrowed from your mum and the round of beers you didn’t shout your mates last Friday night). For

each institution on the list, put down how many dollars you owe, the minimum monthly payment, and the percentage interest rate on each. Then, start paying them off! Use your fire extinguisher to pay off as much as possible of this debt each month.

There are two ways to do this. Mathematically, you should pay off the debt with the highest interest rate first. That means you'll pay the least amount of interest possible. BUT - psychologically, it's best if you pay off the lowest *balance owing* first. You pay the minimum on everything; then whatever you have left in your fire hose you squirt on the lowest outstanding balance. The reason for this is that you get a sense of accomplishment and a feeling of 'endowed progress' for every item you knock off your list. If you've got eight different debts and in your first month you can cross one off your list entirely, you feel great! You're more motivated because you can see the system working. You probably won't buy that extra pizza on the weekend because you know how good it felt to knock off one of your debts instead. Also, that's one less minimum monthly repayment you need to make each month, so you'll have more left in your fire hose to direct on the next lowest debt.

Like knocking over a stack of dominos, you're building momentum. By starting with the smaller dominos, the bigger ones become easier to topple.

Ashto's Debt Destruction

I found myself in about \$80,000 worth of debt. 'Found' is definitely not the right term, as it was the accumulation of about five years of bad choices compounding on top of one another. How I got into this position might be another story for another time, but the important thing was I (finally) decided to make a change and get my shit sorted.

I listed out all of the debts, and it was pretty scary to look at. Three credit cards, three personal loans, a tax debt, a bed I'd bought on 60-month repayments, a few bets I'd lost to my mates, plus money I'd 'borrowed' from mum and dad over the years.

When I added up all of my minimum monthly repayments and compared it against my income, there was almost nothing left to live on. As much as I tried to tip over that first domino, I couldn't get it

to budge. At the start of the month, I'd pay off extra on my credit card and feel good, but by the end of the month I'd run out of money, and the only way to eat was to whip that credit card out again. I'd reached financial breaking point - the interest charges alone were killing any progress I could make toward paying off the debt, and even though I was putting two-thirds of my salary toward my debt I was somehow going backwards.

I had to make some big changes. Aside from the little things, like taking leftovers for lunch instead of buying something in the city, the big change came from moving back home with parents. That meant I was no longer paying rent, so all of that extra money could be put towards getting rid of the debt. One by one, I slowly chipped away at them. Each time I paid one off, it had a domino effect - knocking into my next debt with more force and momentum.

I made some tough decisions and plenty of sacrifices, and over the space of about 16 months went from negative \$80k to positive \$45k. If you've found yourself in debt as I did, it might seem like an impossible situation to get out of. But all it takes is an uncomfortably honest look at your situation, a few sacrifices, and a solid commitment. You'll be surprised how quickly you can turn it all around.

Grow

Most Personal Finance Books say things like ‘if you cut out your daily coffee and invest that \$4 a day instead, over the span of 30 years you'll have \$95,000’. Following this advice, some people will dedicate their learning and development towards the things they can sacrifice. The math holds up. However, there is a limit to how much you can save, but there's no limit on how much you can earn. Instead of focusing all your efforts on savings, another path is to find ways to increase your take-home pay. Last time I checked, Jeff Bezos was worth \$180 billion. So between where we are now and him, there is plenty of room to grow. Rather than focusing on clogging every microscopic hole in your bucket, you should just get a bigger bucket!

Fertiliser 1: *Become Valuable*

4

Who are the highest-paid people you work with? Chances are, they're no smarter than you. They may not even work that much harder. But they will be contributing more value - they're either leading, managing, or bringing home the bacon for the company through sales and marketing. If you want to earn more money, these are the skills you should be learning.

Fertiliser 2: *Side Gigs*

5

The easiest way to make money quickly is to freelance. Freelancing cuts all of the bulldust and allows you to road-test your ideas, your pricing strategy and your skills. Over time Freelancing can turn into a much more serious business.

Fertiliser 3: *Save Up!*

Having a decent chunk of cash sitting in the bank is all about eliminating the worry of money. With enough liquid savings stacked up in your account, you've got an aura of comfort. If your boss is a dick, you can pack up and leave with enough of a buffer to get you through until you find your next job. If your brother is sick, you can take a few weeks of unpaid leave to look after his kids. By building up these cash reserves, you'll have the freedom and flexibility to do the things that are important to you.

Harvest

If you've nailed the Plant and Grow phases, it's time to enjoy the Harvest. Sadly, most people fail to get this far. If you're not intentional about paying your home loan and saving for retirement, you might hit 'retirement age' only to realise you still need to keep working.

Just like the apple tree, you can't plant it one day and hope to gnaw into a juicy Red Delicious the next. If you want a bountiful harvest that will sustain you for the rest of your life, the best time to start planting the seeds was yesterday. The next best time? Today.

[1](#) We couldn't find any information about these mystical tablets... Big Georgey C made them up. But good on him - he's packaged up timeless lessons about growing wealthy in a nice wrapper. Even though the back story is baloney, the ideas are more relevant than ever.

[2](#) For a philosophical perspective on an excessive lifestyle that seems to keep accelerating uncontrollably, see Ch112: *Stoic Wisdom*.

[3](#) More on the two different investing approaches is coming soon in Ch83: *Couch Potato vs Hot Shot*.

[4](#) Lesson 8: *Grabbing The Reins* shows you how to increase your value to the marketplace.

[5](#) Lesson 15: *Swinging For The Fences* is a crash course on side-hustles.

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Lesson 24

**playing
the
markets.**

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Wall Street traders typically think they are on a completely different level to the average Joe Blow. With their formulas, systems, quants and quirks, they think they've reached the pinnacle of financial intelligence. They want you to believe that you need them (and of course, they want you to pay them for their advice). But equipped with a few strategies, you can beat these so-called 'pros'.

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CHAPTER 83

Couch Potato VS Hot Shot

“The intelligent investor is a realist who sells to optimists and buys from pessimists.”

Inspired by: **The Intelligent Investor**, by Benjamin Graham

You don't need to spend hours analysing the charts to be successful in the markets. Joe Blow, sitting on the couch smashing a pizza while watching old *Friends* episodes, can do just as well as (or *better than*) those Wall Street 'geniuses'.

If you want to win the game of investing, all you need to do is follow a few simple rules and keep your emotions in check. The critical first step is differentiating between 'investing' and 'speculating'.

Speculating

Speculation involves predicting the anticipated increase in the stock's earnings (and price). If cousin Jane tells you to invest in some mysterious start-up at the family barbecue, that is speculation. You buy today, hoping that someone in the future is going to pay you more.

Speculation is required for new companies. Amazon lost money for 14 years before finally turning a profit. After their IPO in 1997, they posted 58 consecutive quarters in the red. In that period where they were not profitable, buying Amazon stock was a gamble. Now, those early speculators would now need to hire a full-time staff member just to count their giant stacks of cash!

Feel free to speculate, just don't get carried away. In the world of investing, if you're buying, it means someone else is selling. And if you're a novice, there is a very good chance the person who is selling to you knows much more than you. It's like that old saying, 'if you're playing poker and can't tell who the sucker at the table is; you're the sucker'. Only allocate 10% of what you can afford to lose into these speculative gambles.

Investing

On the other hand, investment is the process of investing money for profit. You're buying 'safer' assets with a reliable track record and a good history of paying out investors. You probably won't see astronomical growth in the share price, but you're not gambling on a company that might go bust and you lose everything. Plus you'll get healthy dividends a few times each year.

If you want to enter the game and play the markets, you need to make a choice: *What kind of investor would you like to be?*

The Couch Potato: *The Defensive Investor*

Joe Blow would prefer to sit back and relax than spend his time investing. The Couch path is comfortable and, in many ways, recommended for most people. If you're not willing to dedicate your entire career to investing, putting in the time and effort to beat everyone else in the game, all day and night, then the Couch Potato path is for you.

The 'Defensive Investor' is looking to invest in things that require minimal effort, research and monitoring. You pick your stocks once, then wait for the dividend cheques to roll in. You log back into your trading account once a year just to see how everything is going.

As a Couch Potato, you should hold as many different stocks as possible. That's because if one company tanks, you'll have enough winners to balance it out. You can spend a lot of time agonising over trying to find the needle in the haystack. Instead, the Couch Potato buys the whole haystack. All you need is a couple of needles hidden somewhere in there to make the investment worthwhile.

In the past, buying 500 stocks was a pain in the butt because you needed to make 500 transactions. Today, you can simply buy an 'Index Fund', which gives you a slice of all the top companies. With one transaction, you're diversified across the whole market. You'll be getting the average

return, and you can go back to watching *Friends* reruns because you know you've just bought the entire haystack.

The Hot Shot: *The Active Investor*

There is another breed of investor. They're out there to 'beat the average returns'. The main difference is the investor's willingness to make the required effort to invest more aggressively. The Hot Shot spends every day and every night studying the stock market. With the right learnings, maybe they could genuinely find opportunities beyond conservative investments. The only goal of the 'Active Investor' is to achieve a higher than average return rate. You're spending more time sifting through the hay yourself, trying to find the needles.

For example, a company might be getting slammed in the media. Everybody thinks the company is going down the toilet. But an Active Investor might spend the extra time to find out if all the negativity is overhyped, meaning the stock is actually priced below its fair value. But if you're not willing to make an effort and take the time to do all this research, it is likely the person who is selling knows more than you.

Overpriced 'Good' Assets

"The value of any investment is a function of the price you pay for it". The Chicago Bulls 'bought' Michael Jordan, the greatest NBA player of all time, for \$34 million. With the on-court success he delivered, plus the merchandise they were able to sell, this investment was a good buy. But that doesn't mean buying Michael Jordan would always be a good buy. If the price was \$300 million per season instead of \$34 million, the trade-off might not have been worth it.

The key lesson to understand is that good assets can be overpriced, and poor assets can be underpriced. Just because you see a 'good' stock doesn't mean you should pay through the nose for it, and just because a stock is cheap, doesn't mean it's a bargain that will turn out to be a winning trade. This occurred with the stock market in the 1990s tech bubble. Companies that had no cash flow

were valued at billions of dollars - in this case, the whole market was speculating, and the entire market ended up getting creamed.

Who Wins?

Who performs better, the Couch Potato or the Hot Shot? Despite what most investors would like you to believe, both paths can lead to investing success. The only difference is, the hyperactivity from the Active Investor's frequent buying and selling just clocks up brokerage fees and lots of them.

All investors have different beliefs about what the stock should be valued at. And they typically *think* they're smarter than the rest. So over time, the optimistic Hot Shot will sell to the pessimistic Hot Shot, and both will be charged fees. They both think they're smart and the other is a sucker. But in reality, who cares - the Couch Potato can just take the average result of all their transactions and save himself the brokerage fees!

Players in the finance industry want you to believe that they are essential. You should give them all your money, let them do all of this activity and take a slice of the action for their efforts. In reality, you can do it all by yourself by buying low-cost index funds, pay the low fees and get similar performance results as the Hot Shots.

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CHAPTER 84

Investment Philosophies

“Investment success doesn’t come from ‘buying good things,’ but rather from ‘buying things well.’”

Inspired by: **The Most Important Thing**, by Howard Marks

Jonesy is infamous for his use of superlatives. Almost every week there is a new “best book I’ve ever read” or “tastiest omelette I’ve ever had” or “best TV show I’ve ever watched”. But the multi-billionaire investor Howard Marks takes it to another level. According to Marks, there are 18 “*most important things*” when it comes to investing.

To be a successful investor, you need to pay thoughtful attention to many different aspects, at the same time. If you neglect just one thing, you’re cooked.

You don’t need more step-by-step instructions or valuation formulas. You need an investing *philosophy*. It will provide a better way to think and make decisions, not just about money, but about life.

Second-Level Thinking

The definition of successful investing is doing better than the market and beating other investors. To do that, you need either good luck or superior insight. Your investing goal isn’t to earn *average* returns - you want to do *better* than average. Remember: if you’re buying, someone else is selling. If you take on the transaction, you need to make sure your thinking is better than theirs.

One way to think ‘better’ is to think further and think higher, to think ‘second level’. First-level thinking says: *“It’s a good company, let’s buy the stock”*. Second-level thinking says: *“It’s a good company... but everyone thinks it’s a GREAT company, which it’s not... so we should sell”*.

If the banks in your country are in trouble due to dodgy behaviour and getting a lot of negative press, the First-level thinker may automatically sell. The Second-level thinker may think: *“Is the consensus psychology currently undervaluing bank stocks, so should I buy?”*.

The Second-level thinker takes these into account:

- What does the consensus think?
- What's the probability that they're wrong and I'm right?
- Is the consensus psychology that's incorporated into the price too bullish or too bearish?

First-level thinkers think the same as other First-level thinkers, and they generally reach the same conclusions. Before competing in the game of investing, you must have good reason to think you're in the top half.

Beyond Investing

The idea of Second-level Thinking has great use outside the world of investing. For example:

On choosing what to learn:

First-level thinking says:

"Software developers own the future. I'll learn to code."

Second-level thinking says:

"Everyone thinks software developers will be the most important and most well-paid profession. Instead of competing by learning the same skills as everyone else, I'll develop my project management skills so I can manage a team of developers."

When going outside the comfort zone, on an activity like public speaking:

First-level thinking says:

"Public speaking is scary. I might stuff it up and look silly, so I won't take the risk."

Second-level thinking says:

"Everyone thinks public speaking is scary, so it is a scarce skill that has disproportionate value. I might stuff it up the first few times, but eventually, I'll be a rare person who overcame the fear and developed this valuable skill."

When choosing a career:

First-level thinking says:

"I want to work for a big corporate firm because they have the best large-scale projects and offer job security."

Second-level thinking says:

"The consensus is that big corporate firms carry the most job security. Therefore it will come with the greatest competition and limited opportunities. I prefer to grow with a smaller company or a startup where I can truly develop my skills, rather than starting with menial tasks."

Understanding Market Efficiency

The efficient market hypothesis states: *"There are many participants in the markets, and they share roughly equal access to all relevant information. They are intelligent, objective, highly motivated and hardworking. Their analytical models are widely known and employed"*. It means that because of all those enterprising Hot Shot investors' collective efforts, any little bit of information that is public knowledge is reflected immediately in the price of each asset. In other words, heaps of investors are spending loads of time looking at stocks. Whenever a small piece of information becomes public knowledge, the collective group immediately adjusts the price of each asset to fair value. Thus, the market price always represents accurate measurements of the asset's intrinsic values. It means if you see a YouTube video about the new Tesla Battery that goes for a million miles and will

change the world, you don't have insider knowledge on what Tesla's stock should be - everyone else is watching that same video. Whatever the price is at any time reflects all the information in the world about it.

That's the theory... but Marks sees things differently. He views it as 'efficient', but that doesn't mean it's always 'right'. For example, in January 2000, Yahoo sold at \$237. In April 2001, it was \$11. Anyone who says the market was right both times has their head up their ass. One of these prices must be wrong, if not both. These can't possibly represent the real value of the stock.

I (Jonesy) went on a ride with Tesla in 2020. I violated all the rules we've learnt about investing and diversification - I held just one stock and one stock only: Tesla. Within a few months, the Tesla share price went from \$300 up to \$2200 then back down to \$1500. There's no way the market was perfectly rational here - more likely just getting caught up in the hype, and promises of a charismatic leader painting a picture of a hopeful future.

Even 'efficient markets' misprice assets. It's easy for us to be swept up in the psychological influences that sweep investors.

- Greed is a powerful force that can overcome common sense, risk aversion, prudence, logic and memories of past lessons. Envy is even stronger than greed. It will spur people more and more when they compare themselves to others. If you hear that your mate doubled his money through Bitcoin, it might be tempting to dismiss logic and jump right in.
- Fear is the counterpart of greed, also a great force. It is more like panic than the excessive desire for more.
- You're irrational for all sorts of reasons. Confirmation Bias is just one fallacy that might have you dismiss logic and history. Nothing is easier than self-deceit.

Although efficient markets often misvalue assets, it's not easy for one person with the same information as everyone else to *not* be subject to the same psychological influences. If you learn the psychological influences, maybe you will find issues in herd consensus. But you have to always ask: with millions of people doing a similar analysis on the basis of similar information, how often will stocks become mispriced? And how regularly

could *I* detect those? The answer from Marks: not often, and not regularly or dependably. Finding these opportunities are not easy, but are the essence of investing success.

Recognising Risk

Investing is about dealing with the future. As the future is not known, there is always going to be risk. ‘Risk’ simply means the probability that the future outcome will not be what you expect it to be. It may be better, or it may be worse.

Risk, which is the possibility of loss, is not observable. What is observable is loss, and loss generally happens when risk collides with negative events. Germs cause illness, but germs themselves are not an illness. We might say illness is what results when germs take hold. Nobody knew if the homes in Christchurch had construction flaws. The problems only came to light after the earthquake hit in 2011. Homes that seemed safe for decades, turned out contained risk within them all along. Likewise, in investing, loss is what happens when risk meets adversity. The risk was always lingering, but it wasn’t observable until something negative happened.

When you’re considering an investment, it is always a function of the potential return and the amount of risk you’re taking on. Because nobody likes risk, investors are bribed with higher returns to accept riskier investments. If they didn’t offer the bribes, then nobody would buy them! Highest risk gives you the highest returns, but also the highest probability of potential loss. It is therefore important to recognise where risk is lurking and where it is not. It starts with understanding the places where the herd of investors are too optimistic and paying too much for an asset. In good times, people might forget about the risk side of the equation. Whenever there is excessive optimism, buying when prices are high is always a big risk.

Along with the upward swing of the pendulum, people get caught up in optimism and unknowingly embrace risk to the excess. In bull markets, people say: “*Risk is my friend - the greater risk I take, the greater my return will be - I’d like more risk please*”. Investors forget the last crash, where people were wiped out from taking on too much risk, they just want to get rich like everyone else. In these times, people aren’t afraid of risk, so they

aren't demanding the higher returns they should be getting as compensation. There are fewer things riskier than the widespread belief that there's no risk.

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CHAPTER 85

Macro Cycles

*“The riskiest thing in the world
is the belief that there’s no risk.”*

Inspired by: **Mastering The Market Cycle**, by Howard Marks

If you push a pendulum, it will oscillate back and forth around a midpoint. This is a lot like how markets work. Optimism will drive it forward, so markets are overpriced and expensive, sometimes to the point of a bubble. Sooner or later, a magnetic pull will attract it back to a midpoint, closer to its intrinsic value. But it rarely stops there: the influences that pulled it back gather momentum and people become pessimistic, swinging to the opposite extreme.

The odds of beating the market change as the pendulum’s position in the cycle changes. If everybody is doubtful, then you might be more likely to win so you should be buying. If everyone is too optimistic, then you might be better off staying on the sidelines.

Mark Twain said: “*History doesn’t repeat itself, but it does rhyme*”. The details from one event to another in any given category vary, but the underlying themes and mechanisms are consistent. There are a range of different cycles that impact the overall economy, with a consistent rhyme throughout history.

Governments On The Economic Cycle

Governments have a wide range of responsibilities. Dealing with the economy is just one. When things aren’t going well, and there isn’t much work around, then the government can pump money into the system as an economic stimulus (albeit not directly).

The government’s tools are to either decrease taxes and increase spending, or vice versa. The ultimate issue though is the national deficits. Throughout history, the government would try and run a balanced budget as a household would. They’d only be able to spend the same amount of money as they brought in with taxes.

But the concept of national debt arose, giving governments the ability to spend more than they made. There was a time in history where there was a debate about how much deficit the government could go into, but there is no longer any resistance.

The question constantly comes up: how much more debt can the government take on? And the answer is always the same: “Just a little bit more than we have now”.

No government wants to be a wet blanket and spoil the party of giving free money to citizens. Moving forward in history, government debts will undoubtedly be rising. Who knows where this ends.

The Credit Cycle

The amount of newly borrowed money flowing around an economy can be explained by the metaphor of a window. Sometimes it is open, and it is easy to borrow money. In these times, financing is plentiful and easily obtained. When it is closed, financing is scarce and hard to get. Finally, it's essential to always bear in mind the window can go from wide open to slammed shut in an instant. There's a lot more to understand this cycle fully. Including reasons for these cyclical movements and their impact – but that's the bottom line. This cycle is extremely important for three reasons:

- Credit is essential for a business. If you're looking to open a new factory, most people don't have cash just lying around ready to buy new equipment. You need to go to the bank and borrow money to start the business. Therefore, entire economies rely on the ability of people being able to borrow money.
- People need to borrow money to pay off their existing loans. In the corporate world, once their debt rolls over, it usually needs to be refinanced. It is essentially kicking the can down the road, assuming that when they reach the can, they'll never have to pick it up. It works most of the time when the credit window is open. But when the credit window closes, all organisations need to pick the can up simultaneously. This can cause the most spectacular financial meltdowns throughout history.

- Financial institutions also rely on credit markets. If nobody can borrow money, then they can't buy new stuff. If people can't buy new stuff, then your portfolio is at risk of crashing.

The Real Estate Cycle

Much of investing is subject to gross generalisations and sweeping statements. This seems particularly true in real estate. Everyone has heard things like: "They're not making any more land", "You can always live in it", and "It's a hedge against inflation". Eventually, people learn that regardless of the merit behind these statements, they won't protect an investment made at too high a price.

Robert Shiller did a study on how much property prices really increase, over the longest period ever studied. Even though your uncle who preaches the gospel of real estate says it's one of the best long term investments, the data says it stinks. Between 1628 to 1973, real property prices adjusted for inflation went up 0.2% per year. Real home prices do double in price, but only every 350 years or so.

The cycle in real estate has a lot in common with other cycles. Positive events and increased profitability lead to greater enthusiasm and optimism. Improved psychology increases activity. The combination of positive psychology and the increase in activity causes asset prices to rise, which encourages more activity, further price increases and greater risk-bearing. Inevitably, this cycle takes on the appearance of being unstoppable, and this appearance causes asset prices and the level of activity to go too far to be sustained.

This is exactly what happened in the GFC. Banks allowed for loans that required no documentation of employment or credit history. It began with lower teaser rates, higher loan to value ratios, and finally, 100% financing. The banks who won the battle to lend out funds were the ones that offered the most money with the least safety. It is a race to the bottom between banks, and the whole system builds up with risk.

Warren Buffet said all of this with even fewer words: "*The less prudence with which others conduct their affairs, the greater the prudence with which we should conduct our own affairs*". When others fail to worry about risk and neglect to apply caution, it is the time to be cautious. But when other investors are panicked or depressed, we should turn aggressive.

When times are going well, they assume the good times will roll on forever. But as with any cycle, eventually, the magnetic pull towards the midpoint takes back over, bursting the juice from any inflated bubble.

To The Moon

A big failure of humans is to be over-optimistic and pay too much for an asset. Sometimes the optimists believe that no price is too high, and are consequently unaware of the risk of loss in paying too much above historical averages.

One current example is Australia's property market, which has gone through a house price boom for two generations. The 'baby boomers' who invested in property have made lots of money and are eager to pass on their lessons to their kids. The good times and optimism create a psychology driven extrapolation of the results of the past. When things go well, people think the good times will roll on forever. The mantra "property prices double every 7-10 years" has held true for the last few decades, so we assume this will continue to hold indefinitely.

But trees don't grow to the moon. It has been a great asset that has given juicy capital growth for two generations. Despite being a good asset, it doesn't mean that no price is too high. Most property investors in Australia believe there is little risk and think it is a sure investment, hence avoid looking at these longer-term metrics.

How To Cope With Market Cycles

Eventually, markets do crash. The most typical rhetoric from investors is pessimism as they say: "We're not going to try to catch the falling knife". In other words: "The trend is downward, and there's no way to know when it will stop... So why not buy when it reaches the bottom?". They are looking to buy at the bottom when the uncertainty has resolved. But the problem is, when the dust (and investors' nerves) settle, the bargains will be gone.

Two risks need consideration. The first is obvious, the risk of losing money. The second is more subtle, the risk of missing opportunity. When things are crashing, those who overcome the pessimism have access to the

greatest opportunities. As John Templeton¹ says: “*To buy when others are despondently selling and to sell when others are euphorically buying takes the greatest courage, but provides the greatest profit*”.

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CHAPTER 86

Beating The Pros

*“Big companies have small moves,
small companies have big moves.”*

Inspired by: **One Up On Wall Street**, by Peter Lynch

So far we've been pushing you towards the life of the Couch Potato investor. We've asserted that you're better off taking a diversified slice of the whole market so you don't need to monitor your portfolio continually. If you buy the whole haystack, you'll inevitably be picking up a few needles hidden inside. But under a particular set of circumstances, you may have the opportunity to pluck the needle and leave the rest of the bail behind.

Peter Lynch is one of the most successful professional investors of all time. According to him, amateurs *can* win. The most important rule to follow is that you should stop listening to professionals! The obvious paradox here is that he's a professional, giving us advice to ignore professionals. But you don't expect a plastic surgeon to advise you to do your own facelift, a plumber won't tell you to install your own toilet nor will a hairdresser teach you to cut your own hair. In comparison, investing is a unique industry in which amateurs have some inherent advantages over the pros. If you exploit these, you can outperform the experts.

Advantages Of The Amateur

To understand the advantages over Wall Street, you need to look at the minds of the people in the industry. They all read the same newspapers, listen to the same economists and follow the same trading software signals. They're quite a homogeneous lot. You won't see too many ex surfers, uber drivers, high school dropouts or working-class battlers.

Under this current system, a stock isn't truly attractive until a large number of institutions have recognised its suitability. Or until a sufficient number of Wall Street Analysts have put it on the recommended list. But by the time they have labelled it a 'buy now!', the opportunities have passed.

It is the rare professional who has the guts to traffic in an unknown stock. The typical fund manager will prefer losing a small amount on an established company, rather than having a shot at making an unusually large profit on an unknown company. Success is one thing, but it's more important not to look bad when you fail. No fund managers will lose their job, making bad investments into well-known and established companies like Amazon.

But if your relatively unknown company goes bad, they'll ask: "What's wrong with you?!"

Fund managers spend a lot of their time talking to clients about the decisions they're making. First, they need to tell their immediate boss in their department. Secondly, they need to tell their ultimate boss, the clients. And the bigger the client, the more talking the portfolio manager has to do to please them. Some stocks require very little explanation. But others are much more questionable.

That's why security-conscious portfolio managers miss the shot at snagging the 'ten baggers' (stocks that go up 10x). Instead, they'll wait until the analysts pile up on it. By definition, their results are going to be mediocre. For most expert investors, acceptable mediocrity is far more comfortable than diverse performance.

You don't have to invest like a big bureaucratic institution. If you choose to invest like one, then you're doomed to perform like one. If you're just an average person in the world, you have an edge already. There is no rule prohibiting you. Nobody is calling you out for buying back stock at \$19. You're not forced to own 1400 different stocks.

Common Knowledge

Peter Lynch's best investments weren't made in the times where he was doing a complex analysis, slamming away at the computer. His best investments were made living in normal day to day moments:

- *Taco Bell*: He was impressed with a burrito on a trip to California.
- *La Quinta Motor Inns*: He was staying at a rival hotel, and they commented on their competitor.
- *Volvo*: His family and friends drove this car.

- *Apple Computers*: His kids had one at home, and his systems manager bought it for the office.
- *Dunkin Donuts*: He loved the unique style of coffee.

The best investment he made was *L'Eggs*, which was a consumer product in the 1970s. Whilst Peter was going hard calculating the P/E Ratios and doing quantitative analysis on different companies; his wife found L'eggs in the grocery store. It was just sitting there in a freestanding rack at the checkout counter, that hundreds of people passed every day. His wife knew straight away that it was a superior product.

How many of the women who bought pantyhose, store clerks who saw them being purchased, and husbands who learnt of them when their wives returned home with the superior stockings, could have predicted the success of L'eggs? Millions. Just two or three years after it was introduced, thousands of supermarkets had it. Luckily, Peter did some quick research after his wife bought some home, and he saw the fundamentals made sense. Everyone else was too busy buying what was published in finance magazines and websites.

One of the best-performing stocks on the Australian Stock Exchange in 2019 was Afterpay. It went public in 2017, initially at \$3 and reached \$100. In the first few years, hundreds of thousands of customers jumped on the 'buy now pay later' service. They would have seen the utility before the stock was on the radar of the professional investors. If one of those 20-year-olds bought \$200 of stock instead of the \$200 pair of Jeans in four equal payments, they'd now be sitting on over \$6000.

There are some things you're sincerely interested in. Whether it is cars or cameras, you develop a sense of what's good and what's bad. You know what sells and what doesn't. In some contexts, you know it before Wall Street knows it. And you have the opportunity to jump on before the investment banks begin to recommend the stock. The analysts only notice the stocks after they've jumped from \$3 to \$30. But you're able to notice the stock at \$3.

As an amateur, you might think it isn't a sophisticated practice buying the new pair of jeans with the 'buy now pay later' system as the initial phase of an investigation into stocks. It isn't difficult or sexy enough. But this is an edge that professionals simply don't have.

Industry Knowledge

So far we've lumped the executive who has a deep understanding of their product and industry in the same group as the customer in the check-out line. Of course, there is a distinct difference between the two. One has a professional's understanding of the working of an industry, and the other just thinks it's a great product. Both approaches are useful but in different ways.

However, in your industry, you're able to understand the nuances that no investing professional can.

The professionals' edge is especially helpful in knowing when and when not to buy shares in companies that have been around a while. If you work in the chemical industry, then you'll be among the first to realise that demand for polyvinyl chloride is going up. You'll be in a position to know that no new competitors have entered the market, and no new plants are under construction. And you'll know that it takes two-three years to build one, so there is a unique competitive moat. All this means higher profits for existing companies that make the product.

Or if you own a Goodyear tire store and suddenly after three years of sluggish sales you notice you can't keep up with new orders. You've just received a strong signal that Goodyear may be on the rise. You also know that their high-performance tire is the best.

Think about the website designer who worked on the back end of the 'One-Click System' for online shopping with Amazon. There would have been a small army who saw the opportunity and the distinct advantages of online shopping. They knew that the technical problems posed by shopping online would be inevitably solved, Amazon was in the box seat for explosive growth and that there was something special about this Jeff Bezos bloke. There were also thousands of lawyers and accountants, suppliers, brand designers, building contractors and floor cleaners who saw 'Amazon' in its early days. Thousands of potential investors could have jumped on this tip. If you bought this stock in 2003, you'd be on to a 'hundred bagger'. If you bought \$30 of stock to go along with your \$30 Harry Potter book purchase, it would have turned into \$3000.

¹ John from the pub.

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PART VII

human behaviour: the good, the bad and the dumb.

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The Nobel Prize for literature was won by Aleksandr Solzhenitsyn in 1970 for his active role in challenging Josef Stalin and taking down the Soviet Union.

Solzhenitsyn was sentenced to hard labour in the network of Gulags (prison camps) which were spread out across Siberia. These were places you wouldn't want to be: prisoners froze, starved and were beaten to death. Solzhenitsyn was eventually released and wrote the influential books, *The Gulag Archipelago*. He was the outspoken critic of Soviet Communism and is given credit as a major element that took down the Soviet Empire.

He realised he could just as easily have become the executioner, rather than the condemned man marching to his possible execution. He warned readers:

"If only it was so simple! If only there were evil people somewhere insidiously committing evil deeds, and it were necessary only to separate them from the rest of us and destroy them. But the line dividing good and evil cuts through the heart of every human being."

Solzhenitsyn knew that the dividing line of good and evil didn't pass through classes, political parties or states. It doesn't matter if you're a conservative or progressive, a carpenter or computer scientist, social justice warrior or climate change denier, man or woman, black or white - all humans are capable of good *and* bad.

To understand our nature, we need to dive deep below the surface to learn about human behaviour. There are forces, coming from the evolutionary wiring of our brains, pushing us in all different directions.

By refusing to come to terms with *your nature*, you're doomed to forces and biases beyond your control.

Lesson 25

**biases
of the
brain.**

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A rational human being would make predictable decisions, weighing the benefits against the costs and ultimately doing things for logical reasons.

But we're not rational. To reduce the cognitive load on the brain, we do things that wouldn't make sense with some logical analysis. Fortunately, we can improve rationality by understanding our blind spots.

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CHAPTER 87

Thinking Like An Economist

“The conventional wisdom is often wrong.”

Inspired by: **Freakonomics**, by Stephen Dubner & Steven Levitt

Economics isn't just for banker wankers. At its roots, economics is the study of incentives for everyday life decisions. It is about how you attempt to satisfy your unlimited wants with a limited amount of resources.

We're incentivised to go to work each day and trade our time, a finite resource, to get money to buy things we want. This is a trade that happens with things all the time.

When I (Jonesy) was a kid, I was curious about taking a whizz on an electric fence, just to see what happened. When the electric current travelled its way up the conducting fluid, I learnt a lesson. It was a powerful incentive to never piss on an electric fence again.

Incentives can be either positive or negative - rewards to incentivise good behaviour, or punishments to make people avoid doing something. If incentives don't occur naturally, people can create them to influence decision making. A parent might bribe a kid with a trip to the toy store if they eat their veggies. A boss gives you a Christmas bonus if you work hard. Governments fine companies for not paying taxes.

People in positions of power - parents, teachers, bosses - are continually setting up incentives to encourage more good results and less bad ones.

Correlation VS Causation

Two things can happen together at the same time, but that doesn't mean that one necessarily *makes* the other happen. When sales of ice cream are strong, typically the sales of sunglasses are also high. In this case, there is correlation, but not causation - they're bought around the same time due to because it's sunny outside, but buying ice cream doesn't make you then buy sunglasses.

In 2007, a study measured the relative ratio of the length of index fingers compared to ring fingers in high school students. They found that

boys with higher ring-to-index finger ratios scored higher on their maths tests, and girls with relatively longer ring fingers had better verbal reasoning scores. This is 'correlation' - two things happened at the same time. It would be unconvincing if I told you this was 'causation' - that a longer ring finger meant you were better at maths. If that were true, rather than studying and doing practice questions leading up to your exam, you should spend that time stretching your finger.

As a species, we developed our knowledge and understanding of the world by linking causal stories to things happening around us. Two cavemen go for a walk, and one gets bitten by a snake before dying a few hours later. We created a link between these events that told us snakes are dangerous, and we should avoid being bitten by them. It was good for our survival to link a causal story between these two events. Now though, we mix up correlation and causation all the time.

We need to be very careful and not be tricked by statistics. The first thing we need to do is carefully distinguish between correlation and causation - do A and B merely happen simultaneously, or does one *cause* the other? Then, if there is causation, the next step is to work out the *direction* - does A cause B, or does B cause A?

Risk Assessment

Think about a time when you lived with somebody (other than your parents). Did you do more housework, or did they? As a percentage - what do you think the split would be?

Studies show that when you add up the two-self estimates, you almost always get more than 100%. Everyone thinks they are doing more than half of the work, and we almost always underestimate the contributions of others.

The *Availability Bias* is a heuristic that doesn't always lead you to a rational conclusion or comparison. It will make you mess up estimates of size and frequency based on the ease at which examples come to mind. Each morning, Uncle Jim enjoys his bacon and eggs and reading a Murdoch-owned paper. Examples of terrorism are plastered across the headlines. His main political concern is border protection: "*The streets aren't safe like they used to be,*" he says. Little does Jim know that the

grease he's chowing down is the real killer - coronary heart disease kills more people than terrorism by a factor of over 10,000.

This Availability Bias makes humans poor at risk assessment. Given the choice, we'd rather send our daughter to play with the neighbour with the backyard pool than the neighbour whose parents have a gun in a locked case in their closet. But one child drowns per every 11,000 backyard pools (550 drownings per year from 6 million pools) compared with one child killed for every 1,000,000+ guns (175 child deaths per year from 200m+ guns in the US). By these numbers, swimming pools are 90 to 100 times more dangerous to children than firearms.

If we were to think more like an economist, we would assess risk by looking more at the data and less at our irrational assumptions.

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CHAPTER 88

How We Compare

*“Resisting temptation and instilling self-control
are general human goals,
and repeatedly failing to achieve them
is a source of much of our misery.”*

Inspired by: **Predictably Irrational**, by Dan Ariely

By now you've probably caught on that you're irrational. You aren't making logical decisions to maximise your interests (as much as you might like to think you do).

Economic theory is predicated on the fact that we're all rational decision makers... but clearly we're not. Thankfully though, according to behavioural economist and professor Dan Ariely, we're not *wildly* irrational - we're *predictably* irrational.

Here are some of his additions to behavioural psychology.

Social Norms Vs Market Norms

Imagine you go to your mother-in-law's on a Sunday night for a delicious roast dinner. The food is outstanding, drinks were poured for you, there were great conversations and hearty laughs with your family. As the night draws to a close and you polish off your apple crumble with ice cream, you rock back in your chair and say: *“Thanks Delilah, that was a magnificent evening – how much do I owe you for the dinner and the service? Will \$100 cover it?”*

It doesn't matter what your mother-in-law's name is or how much you offered - you're sleeping on the couch tonight and won't be invited back for another Sunday night dinner for quite a while. You've committed behavioural economics sin: *you confused social norms with market norms*.

‘Social Norms’ are the things we do to satisfy our innately social nature as a species and fulfil our need for community and personal relationships. ‘Market Norms’ are purely financial or economic exchanges. Problems arise when social and market norms collide.

There are plenty of applications of these concepts, beyond not pissing off your partner's family:

- *Dating*: Don't mention the price of the meal or the drinks you're paying for. They're clearly printed on the menu, but directly mentioning how much you're paying for the date shifts it from a social relationship to a market-based transactional relationship.
- *Business*: Offer money-back guarantees, don't charge people late fees, look for other simple ways in which you can offer non-monetary value. Offering these social graces helps keep the business-customer relationship out of a purely transactional market norm.
- *Management*: Social norms are more effective than market norms when it comes to motivating employees. Praise is the cheapest form of motivation you can offer, and it's far more effective than cash bonuses. Other small social gestures might include giving a gift, buying team lunches, offering a day off or letting someone work from home the following day if they have a late night at the office.

I (Jonesy) once got in a bit of a blue with my Mother's boyfriend at a family dinner. He's a chivalrous gentleman, we have a lot of mutual respect and get along great. But this particular evening, we clashed. He asked me to clean the leaves out of the gutter in their house. I told him that I'd get the job done, but it wouldn't be me. I'd prefer to outsource it to someone on Airtasker to complete it all for under \$50, so I could enjoy my Sunday. This really set him right off, and dinner was ruined. He thought I was a lazy new age bastard. I thought he was a precious old man. The argument got heated, and it was awkward for all involved. With the benefit of hindsight, he wasn't looking for a market type favour; he was looking for a social favour—the feeling of having someone take time out of their day to help out family. I misinterpreted a social norm for a market norm request.

Relativity

Everything is relative, even when it shouldn't be. When making a purchase decision, we don't weigh up the benefits we'll get and compare it to the cost we have to pay - we just look at the price relative to other similar options. We buy things that are easier to compare.

We compare everything around us without even realising. If you stay at a five-star hotel, all of a sudden those four-star hotels don't seem as exciting any more. Once you fly business class, it's pretty hard to squish back into economy.

We interviewed Dan Ariely in person, meeting him in his hotel when he was on a short trip to Australia. We thought we'd be great hosts and bring along a nice bottle of red wine. But we didn't consider the relativity factor: what we consider 'nice' is slightly different to Ariely's definition of 'nice'. We're comparing wine to the 'goon sacks' we used to drink as teenagers, but Ariely is comparing the expensive bottle he had over lunch that day with the banking executives who were paying him as a high-level consultant. He had a cheeky laugh at us as we pulled out our 'nice' wine, cracking the lid to reveal a cheap and nasty odour.

Luckily, he is a legend. Not only did he drink our 'cheap' red wine, he also suggested we get a kebab for dinner as we walked to see Jonesy's girlfriend perform at the ballet.

Here are some more examples of relativity:

1. When subscribing to *The Economist*, users had three options. An online subscription for \$59, a print subscription for \$125, or a print + online package for \$125. It's too hard to compare which will give you more benefit (print or online), but clearly, the package where you get both for the same price as the print on its own seems like a great deal. Even if you only ever read it online, you'll probably get suckered into paying more than double the price to get the more attractive package.
2. On a travel booking site, users were presented with three options for similar accommodation: Paris with breakfast included, Rome with no breakfast, or Rome with a free breakfast. It's too hard to compare our preferences for going to either Rome or Paris and trying to analyse which will give us more value, so instead, we

compare between the two Rome options. They're easy to compare - we pick the one with the free breakfast!

You can use relativity in a very practical sense if you're trying to sell something: you should always provide three options. For example, if you own a restaurant, you should offer guests three different bottles of wine. You might present one up-market bottle for a ridiculous price. You might also offer something that looks pretty cheap. Most of the time, you'll sell the middle item. If you just position the other two correctly, this middle item can be accepted at a higher price, giving you higher profits. Even if you don't sell *any* at the top price, you'll still gain.

Is ‘Free’ Really Free?

The difference between \$11 and \$10 is one dollar. The difference between \$1 and \$0 is also one dollar. But the psychological impacts are worlds apart.

People will drive one hour out of town, to wait in line for another hour, for a free donut. If you included the opportunity cost of your time, this donut isn’t free. It’s probably the most expensive donut you’ll ever eat in your life! But it won’t even register, because as a human *free* is an emotional hot button that makes you do stupid shit.

Most transactions have an upside and a downside. There are risks, and there are rewards. When you buy something, there is the risk that it won’t work and you wasted your money, or that you paid more than it was worth. However, when it’s free, that perceived downside completely disappears. This idea of ‘free’ plays on our intrinsic fear of loss. If we don’t pay for something, how could we possibly lose?

Irrational decisions, however, can become more frequent with this way of thinking, and will often work against us. If we had to pay for something upfront, we’re less likely to invest. But buying a car with ‘no money down’ or getting a new couch ‘60 months interest-free’ means we are more likely to worry about the money later and make a stupid commitment.

We can also use this for good. If governments wanted to cut down on carbon emissions, they could offer free registration for electric vehicles or free installation of solar panels on residential roofs, playing on the irrational *free* hot button.

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CHAPTER 89

How We Choose

“Learning to choose is hard.
Learning to choose well is harder.
And learning to choose well in a world of unlimited possibilities is harder still, perhaps too hard.”

Inspired by: **The Paradox Of Choice**, by Barry Schwartz

Barry Schwartz, the author of *The Paradox Of Choice*, went to buy a new pair of jeans. He said to the store person that he wanted a pair of blue jeans: 32 waist, 28 leg. She asked: do you want stonewashed, acid-washed, distressed, torn? Do you want zip fly or button fly? Faded or regular? Do you want them slim fit, easy fit, or relaxed fit? Straight leg, skinny leg or extra baggy? Barry just wanted “the regular kind”, but there’s no such thing any more.

Buying jeans is a trivial matter, but it’s indicative of a much greater theme in the world today. We want freedom, and we think freedom comes from having options. When people have *no choice*, it becomes restrictive and unbearable. As choices increase, we feel a sense of autonomy, control, and liberation – variety brings us a feeling of power and positivity. But, as the number of choices *keeps* growing more and more, there are negative aspects of having *too many* options. More choice no longer liberates, it debilitates.

The Expansion of Choice

If you were taking a walk around your supermarket for the first time, you’d be totally overwhelmed. As you move from aisle to aisle, there is a seemingly unlimited number of options to choose from. Within each of those options, there is a vast number of brands to choose from, in different varieties and styles: 85 varieties of crackers, 285 types of cookies, 13 different brands of sports drinks, 64 flavours of sauces, 275 breakfast cereals.

When I (Ashto) want to get food delivered, there used to be one option: the local pizza shop. Now, when I fire up UberEats, I'm bombarded with categories: Italian, Spanish, Japanese, Thai, Mexican, Persian. And once I select one, ten choices of restaurants appear within each!

Food is just one small part of the choices we have to make. Think about going to university, a decision that lasts several years, costs tens of thousands of dollars, and dictates your future. Not only do you have hundreds of study areas to choose from, and thousands of different institutions as options, the number of subjects within each degree is increasing too.

Or think about entertainment. A generation or two ago, there were three major TV channels to choose. Now we have hundreds of live channels plus many different on-demand streaming services: Netflix, Amazon Prime, DisneyPlus, Apple TV, RedTube, YouTube, etc.

The Problem With Choice

A series of studies were conducted at an organic food store that often had promotions of new brands and products on the weekends. This one involved jam. People were offered a free sample, then a \$1 discount coupon to purchase a jam of their liking. There were 24 jams on display and available for purchase. One group was offered to taste test any of the 24 jams. The other group were only presented with six jams to taste before deciding. You would assume that if someone were able to try a broader range of jams, they would find one they liked and purchase it.

You assumed wrong. Of the group that could choose between six flavours to taste test, 30% of them ended up buying a jar of jam. Of those that could try any of the 24 flavours, only 3% made a purchase. That's a 10X difference!

This study concludes that an extensive array of options forces a massive increase in effort required to choose. With a narrow field of options, you can find something you're 'happy enough' with. But when choice expands, you feel as if you have to pick 'the best'. This gets trickier the more options you face, and after a certain point, consumers choose *not* to choose at all.

What Can We Do About It?

Choose When To Choose

One way of easing the burden that freedom of choice imposes is to make decisions about *when* to make decisions. By creating a rule, you eliminate a series of future decisions. Choosing once saves you from choosing a hundred times in future. This is called making ‘second-order decisions’.

An example of eliminating choices from your life to help reduce decision fatigue is drastically scaling down your wardrobe options. By wearing the same thing every day, you no longer have to go through the agony of choosing what clothes to put on each morning. Famously Steve Jobs had a drawer full of the same black turtlenecks. Dr Dre wears the same shoes every day, Mark Zuckerberg always wears the same grey t-shirt, and Barack Obama only gives himself two suit colours to choose from.

Don't Buy The Option

Almost everybody would prefer to have the option to change their mind. We’d prefer to buy from a store that had a returns policy. We’re more comfortable making a big decision and signing the contract when there is a ‘cooling off period’. What we don’t realise is, the very option of being allowed to change our minds seems to increase the chances that we *will* change our minds.

Having an option means we need to make a choice constantly. I (Ashto) recently bought an online harmonica course and the instructor offered a 30-day money-back guarantee. It meant after every lesson, I could decide if the course was worth it or not. Rather than making the decision once (at the point of purchase), I had to make the decision at the end of every lecture. The course was 23 hours long, with over 130 short lessons, meaning I had to choose 130 times! Thankfully, I’d read *The Paradox of Choice*. I made my decision once, and that was that. I mentally closed the door to returning the course. I told myself this wasn’t an option. As a result, I enjoyed the course a hell of a lot more.

If the door is open to change our minds, we’ll continuously be assessing the decision we made and deciding if we should change or not. Make your decisions non-reversible: don’t buy the option!

Satisfice More, Maximise Less

Choosing wisely begins with developing a clear understanding of your goals. There is an important distinction here: you can either have the goal of choosing the *absolute best*, or the goal of choosing something that meets your minimum standards and is *good enough*.

This is called ‘maximising’ or ‘satisficing’. If you’re assessing every single possibility until you find the perfect choice, you’re maximising. If you have set criteria and pick the first thing that matches that, without concern that there may be something slightly better if you keep looking, that’s satisficing.

You might assume that maximisers make better decisions and are happier with their choice. Again, if you thought that, then you’re wrong.

Maximisers heap pressure onto themselves. They need it to be *perfect*. And the only way for them to ensure they make a perfect choice is to assess every possible option. They find something they love... but they need to keep looking, just in case there’s something better. Satisficers spend far less time choosing and are happier with their decisions. They got exactly what they wanted because they found something that matched their needs. They didn’t put themselves through the agony of having to choose between many similar options, constantly second-guessing themselves along the way - they just picked the first one they found that did exactly what they wanted.

My (Jonesy’s) girlfriend hates me for being a maximiser in the domain of choosing which movie to watch. I reason that if I want to invest two hours of my own time into being entertained, then it better be a good movie. I’ll scroll through IMDB to determine its rating. If it’s above 7.5 and fits the genre that I want to watch for the day, then it is time to watch the trailer. Most trailers don’t lure me in. To my girlfriend’s horror, after 30 minutes I still haven’t made the decision. Despite being so careful with how I use my time in most areas, I pour it down the drain in being a maximiser. Contrast that with the satisficer. They’ll accept whatever the algorithm offers, as it is typically ‘good enough’.

CHAPTER 90

How We Think

*“Nothing in life is as important as you think it is,
while you are thinking about it.”*

Inspired by: **Thinking Fast And Slow**, by Daniel Kahneman

Most successful authors have mastered the art of stealing the hard work of fellow authors and repackaging it differently. It seems like nobody has been ripped off more than Daniel Kahneman. *Thinking, Fast and Slow* contains more than 20 different psychological concepts, all heavily researched and densely packed with academic references. These are great fodder for other authors to pick up and dissect through their own filters, applying these concepts to business, career, relationships, and everything between. About a quarter of the books we have read referenced one of Kahneman’s studies or concepts. This figure is anecdotal, but it says a lot that his work consistently stands out in other authors’ books.

There is an army of authors getting rich off repackaging Kahneman’s ideas into new 300-page books. Heck, we’ve already done it a couple of times ourselves! Now we’re about to rip a whole lot more.

System 1: Fast Thinking

What is the capital of France? What is $2 + 2$?

Pretty easy questions, right? This mode of thinking is what Kahneman calls ‘System 1’ or ‘Fast Thinking’. It is the part of the brain that is operating when things are a piece of piss¹. It effortlessly operates without you even realising. If things are easy, or if you’ve done them a lot, you don’t need much cognitive effort anymore.

The brain has evolved to conserve as many resources as possible; therefore, it automatically chooses *Fast Thinking* whenever it can. When you jump in your car and pull out of the driveway, you’re no longer consciously thinking about the number of revs and how hard you have to push the accelerator. This all becomes easy and habitual. In the beginning, it required a lot of effort to coordinate all of these movements, but now

System 1 takes over. You just run through the motions with very little thought.

System 2: Slow Thinking

What is 32×27 ? What is the name of the fourth person you made out with?

This style of thinking takes brainpower. This is the ‘System 2’ or ‘Slow Thinking’ where you need to apply mental effort for more complex questions. It kicks in when you brace for the starter gun of a race, or when you’re trying to spot a woman with grey hair at a crowded train station, or when you fill out your tax forms.

Learning a new skill is an intense use of System 2 brainpower because you need a lot of effort in the early stages. If you learn a new skill in the morning before work, you’re probably going to be cactus² by the end of the day. I (Jonesy) made this mistake, learning Jiu-Jitsu in the mornings before my workday started. By the time important 3 pm meetings arrived, my System 2 Slow Thinking reservoir was fully depleted, and I performed poorly.

Biases & Heuristics

Your brain is lazy. It wants to do as little work as possible. So it evolved to build in a few small hacks to save itself time and effort. These ‘heuristics’, come when your brain has seen a similar scenario over and over and creates a shortcut. The next time you see this same scenario, your brain doesn’t have to work as hard because it has already taken the shortcut and made some assumptions. You don’t even realise that you’re taking these shortcuts - you think that you’re entirely rational in your decision making, but your brain switched over from System 2 to System 1 so it didn’t have to work so hard!

Most of the time, this is very useful. If you have to calculate 7×12 on the annual report, you don’t do 12 plus 12 plus 12 and do each sum to get to seven lots - your brain has built a shortcut for that. Sometimes, these shortcuts can get you into trouble. You can be way off the mark and not even think twice about how stupid you’re being. You’re so bloody irrational, and you don’t even know it!

Throughout the rest of this chapter, we're going to reveal a bunch of these mental heuristics and cognitive biases that limit our rational thinking.

Anchors

Bali, Indonesia is well known for its cheap prices for everyday goods, like sunglasses. The experienced traveller knows the street price will be around \$2. But Dwayne, the ignorant first-time visitor, will begin negotiations by asking: how much does this cost? Now the local has caught a fish; they'll put an outrageous number on the table: \$40. Dwayne might grimace - it's more than what they'd pay in their home country! The counteroffer from the tourist is \$5. There might be a few back and forths until finally, the local (seemingly) painfully accepts 'only' \$10. The giddy tourist has just paid five times the street price, and has unknowingly been beaten in the negotiation by the masterful use of Anchors.

You can't help it. When a number flashes in front of you, your brain chooses this as a starting point. Understanding this will be particularly useful in your career, business and everyday negotiations. The first number you present irrationally dictates how the rest of the negotiation will proceed.

If the other side has beaten you to an outrageous proposal, you need to do everything you can to take the anchor off the table. Once Dwayne heard the anchor, he should have made a scene and walked away, communicating to the local there is no way that the negotiation will continue with that number on the table.

Associative Coherence

People who love the fruits of capitalism typically worry less about the environment. People who are passionate about protecting the environment find it harder to see the fruits of capitalism. But these things are mutually exclusive. If you see the benefit of capitalism, you should be able to acknowledge the risk to the environment. Typically this isn't the case in humans due to the heuristic of *Associative Coherence*: we see something as all bad or all good, struggling to admit that it can be a little bit good plus a little bit bad.

We are unable to distinguish something with both negative risks and positive benefits effectively. For technologies like nuclear power, for example, one who sees the energy source as risky is blind to the benefits, and those hooked on the pros ignore the potential cons.

As Jonothan Haidt puts it: “*The emotional tail wags the rational dog*”. These heuristics simplify our lives by creating a world that is much tidier than reality. We see ‘good’ technologies as having fewer costs, and ‘bad’ technologies have no benefits. All decisions are easy in this imaginary world we create.

The Halo Effect

In Michael Lewis’s *Moneyball*, Billy Beane made the unpopular decision to overrule his scouts and select players based on their statistics only. This meant the scouts were unable to get seemingly useful information, such as their athletic build and throwing style. The players the Oakland A’s picked were inexpensive because the other teams had rejected them if they didn’t look the part. The A’s kicked ass at a very low cost. Billy Beane had removed the hindrances that come with the *Halo Effect*.

We succumb to the Halo Effect when we make sweeping assumptions based on limited bits of information. We weave together a narrative to let our brain sit with a coherent and straightforward story of people’s actions and intentions. In the case of the scouts, they see a handsome pitcher and wrongly associate it with better performance than the pitcher whose face is perfectly suited for podcasting.

I (Ashto) used the Halo Effect to my advantage at my first career job, working for one of Australia’s big four banks. Despite working 4 out of the 40 hours I was supposed to each week in the internship program, I delivered the best presentation out of all my competitors. Public speaking is a great skill to exploit the irrationality of other human beings. People see a good public speaker, then take this one little piece of information and extrapolate it to make a bunch of other assumptions. They assume that a good public speaker is confident, competent, works to a high standard, submits their reports on time, is friendly, a good companion at lunch time, a handy addition to Friday night drinks, and someone you can turn to when you need a hand. All of this just from a few minutes of talking comfortably in front of a group!

Of course, it can work the other way too - if you fumble over your words and get shy in front of a crowd, people assume you don't know what you're talking about and that you're bad at your job. When it comes to the Halo Effect, make sure you harness it to work in your favour.

The Narrative Fallacy

The world is more complicated than you realise. When something unexpected happens, usually your brain will retrospectively distort all previous thoughts. You assess matters after the fact as if they were in the rearview mirror. Your mind is a wonderful explaining machine, capable of making sense of almost anything. We're typically incapable of accepting the idea of unpredictability.

In the financial markets, wherever there is a market move, the news media feel obligated to give the reason. Two December 2003 news headlines by Bloomberg News:

13:01 - Treasuries rise: Hussein capture may not curb terrorism.

13:31 - Treasuries fall: Hussein capture boosts the allure of risky assets.

The same cause was used to explain two opposite events. Clearly, at least one of them was incorrect, if not both.

If you go to the bookstores, it is full of biographies of successful people presenting specific explanations on how they hit their own home runs. We're given the mistaken impression that the entrepreneur is endowed with a unique vision and unique ability. We underestimate the role of randomness in just about everything.

We tend to remember facts from the past that fit a narrative easily. We'll also neglect the facts that do not appear to play a causal role in the narrative.

Planning Fallacy

When you plan for a new project, typically you'll land very close to best-case scenarios. For example, a survey of homeowners who redo their kitchens predict costs will total \$18,658. They ended up paying an average of \$38,769. They are off by over 100%! How many homeowners would

undertake the renovations if they knew it would cost *double* what they planned?

The Planning Fallacy will whip you every time you undertake a new project you're unfamiliar with. There are so many 'unknown unknowns' that simply don't register in your brain before you begin.

There are two ways to overcome the Planning Fallacy. First, you can ask people who have done it before and trust their judgement. If you don't recognise the need for an 'outside view', you're going to undercook your predicted investment. Secondly, slap on an extra 30% to account for all unknown unknowns. This seems like a pretty arbitrary figure, but research shows this margin is an accurate guess that accounts for the events you can't plan for in advance.

Sunk Cost Fallacy

If you spend \$30 on a movie ticket and find out 30 minutes into the film that it sucks, what should you do? A *rational* person would walk out. The previous investment should have nothing to do with wasting more time on an awful experience. The opportunity cost of getting out early to do other stuff you're more interested in doesn't register. You could go to the pub and have a game of pool, or literally anything else that you would enjoy more than sitting through a crappy movie. But instead, you'll slog it out until the last scene to justify what you've already spent.

The rational decision-maker would be interested only in the future consequences of the current investment. Justifying the past stuff-ups shouldn't be of concern.

CHAPTER 91

Black Swan Blindness

“The inability to predict outliers implies the inability to predict the course of history.”

Inspired by: **The Black Swan**, by Nassim Taleb

Before the discovery of Australia, people in the old world were convinced that all swans were white, an unassailable belief as it seemed completely confirmed by evidence. The sighting of the first black swan might have been an interesting surprise, but that is not where the significance of the story lies. It illustrates a severe limitation to our learning from observations or experience, and the fragility of our knowledge. One single observation can invalidate a general statement derived from millennia of confirmatory sightings of millions of white swans. All you need is one single black bird.

The world is driven by things previously thought inconceivable. But when the phenomena pops up out of the blue, we pull out all sorts of explanations for what happened. Our brain isn't good at accepting uncertainty. We always err on the side of a good story that makes things make sense. We go through the world thinking things are much more predictable than they actually are.

For example, when you ask people the three technologies that most impact our world today, they say something like: the computer, the laser and the internet. All three were unplanned, unpredicted and unappreciated upon their discovery, and remained unappreciated after their initial use. We can be sure that in 30 years, it will follow the same pattern: the technologies running the world will be nothing we can conceive now, but when they arrive we'll consider them retrospectively obvious.

On a personal level, think about the most influential moments in your life. After a single conversation, book, blog post, job advertisement or introduction to a new acquaintance, your life changes in previously inconceivable ways. Events that drive your life (and the world) often come out of the blue. An old blog post you wrote goes viral, an IVF treatment is

successful, a loved one becomes terminally ill, you meet your future husband or wife at a party, you get offered a job in a completely different industry. These events may appear unexpected, but they are retrospectively obvious. Our brain has a propensity to be blind about these Black Swan events that have shaped the entire world along with your personal life.

The central idea of *The Black Swan* looks at our blindness to randomness. Black Swans are unpredictable. Rather than try to predict them, you can adjust to their existence.

Getting Slapped Up: *The Turkey*

Susie the Turkey has lived a fantastic life. Every day she is fed by Farmer Dave, 1000 days in a row. With each day of feeding, her certainty in the friendliness and generosity of the kind human increases. On the afternoon before thanksgiving, something unexpected happens to Susie: she goes through a revision of belief. Farmer Dave kindly asks her to place her head on the wooden block. Of course Susie complies, she has no reason to be cynical here. On day 1001, Susie gets eaten for Thanksgiving dinner.

Negative Black Swans can smack you up. You can puff a cigarette every hour for 30 years with no effect... until one ‘random’ day the doctor confirms cancer in your lungs. You’ve got a safe and cushy corporate job with a consistent 5% pay rise with every passing year... until the day your department is restructured and you’re made redundant. You’re happy drinking beers and eating dirty burgers... until the day you learn you’ve got clogged arteries and liver disease.

Unexpected Big Wins: *The Reverse Turkey*

Some industries hide more positive Black Swans than others. Who knows; if you slog it out day after day, you might be hit with that game-changing moment. Your 5th book gets picked up by Oprah Winfrey. Your 500th acting audition lands you a role on a new prime-time TV show. Your 5,000th blog gets shared by Tim Ferris. One day you’re a barrister working on a side hustle, the next you’re a retired millionaire thanks to a Reverse Turkey.

Intelligence By Ignorance

We humans think we know a lot. But no matter how many books you read, gurus you speak to, or *What You Will Learn* podcast episodes you listen to, you're barely scratching the surface of the near-infinite complexity that is in the world. If you've read hundreds of books and been around the planet for long enough, you might start believing you're beginning to get a handle on how the world works. As our confidence grows in our understanding, the more exposed we become to events that come from the unknown. Thinking you understand the world can paradoxically be our biggest liability.

The antidote is to put all our focus on the *unread* books and to be constantly admitting ignorance. If you think you know how the world works, you won't be prepared for the Black Swan that comes out of the blue. Acknowledging that you *don't* know everything leaves you open to new experiences and reduces your risks of overcommitting to the wrong path.

No matter how dedicated you are to learning, you'll never grasp the complexity of the world. You need to be more confident in your ignorance than in your certainty.

1 That's Aussie slang for 'simple'. We're not entirely sure why, but it rolls off the tongue nicely.

2 Aussie slang for 'rooted'. Which is Aussie slang for 'stuffed' or 'cooked'. Which is Aussie slang for 'tired'.

Lesson 26

the
dark
side.

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As a human, you need to accept you are part of the same species guilty of committing the worst atrocities in human history. You don't have to look far to find humans that are capable of heinous acts. In certain circumstances, perhaps you would do the same. But if we can become aware of these forces, if we can realise the limitations of our rationality and understand how vulnerable we are to manipulation, then perhaps we can take back control of our Dark Side.

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CHAPTER 92

The Shadows Within

*“Nobody likes to believe that they are operating under some kind of compulsion beyond their control.
It is too disturbing a thought.”*

Inspired by: **The Laws of Human Nature**, by Robert Greene

Diving below the surface, we can find the root causes of our behaviour. These forces push us in all kinds of directions. To be envious, dark, and mischievous are all elements of human nature. These traits developed through evolution. If they go unnoticed, they remain untamed. By becoming conscious of our human nature, we can use these forces to better ourselves and the world.

Narcissism

We're always looking for attention. We can't help it; we're social animals to the core. Your survival and happiness has always depended on the bonds you form with others. If you tell a joke and your friends don't laugh, it feels shithouse. If you go days without eye contact, you fall into a slump. It goes the other way too - if you get a lot of attention from the group, you feel recognised and appreciated for who you are. Your sense of self-worth depends on this.

There is a problem in our hunt for attention: there is only so much of it to go around. People simply might not care about how your car broke down, or that you lost your job - they're too tied up in their own shit. As much as you may crave it, you can't rely on others for your validation.

Humans have come up with a solution: a self-image. Your self-image comprises all your opinions, how you look at the world and the things you value. You've crafted it yourself as a way to feel validated from within.

If you're able to create a self-image, you've got somebody to love and cherish. When people aren't giving you attention, you've got something to fall back on. If you're alone, or you didn't get an invite to the party, or enough likes on an Instagram post, or praise from the boss... it doesn't

matter - you can retreat to this self-image and be ok. In your moments of doubt, this self-love raises you to feel like a worthy human being. With this positive self-image, you're not desperate for the attention and recognition from society. You have self-esteem.

Most parents, despite their best intentions, don't do their kids any favours in this department. If they are too self-absorbed to acknowledge the child, the child won't be encouraged in their early efforts to establish their image. The other extreme isn't good either. Some parents suffocate their children in an attempt to live through the child for their own self-advancement. In both cases, the child can't build their own positive self-image. The child will go on to live their whole life in a constant search for attention, with no self-image to retreat to. The result is narcissism.

It might seem a little ironic that narcissism has come to mean self-love. It is the opposite; they are narcissists because they have no self to love! The most extreme narcissists are looking for attention in all sorts of ways. A person might cover their body with tattoos to demonstrate toughness, or do weights so people are impressed with their body, updating their social media each day for acknowledgement (if you don't post about it, did you even go to the gym?). They might protest climate change for moral superiority, but take no practical actions to make any changes themselves.

We all are narcissists to some extent. Jonesy's narcissism is viewing himself as morally superior to the majority of the population. For Ashto, it is his identity in being a Machivalean Prince.

The worst narcissists are the ones who fail to admit this flaw they have within themselves. If your attention is always on yourself, then by default it is not on others. By admitting narcissism you can surpass it and find empathy. By turning your self love out toward others, you'll give people that dose of attention they are so desperate for and live a much more effective life.

The Masks We Wear

You are the most social animal on the planet. More than any other species, communication with others is vital for your survival and success. As you get older and carve out a career, new social forces come into play. You typically change your behaviour to be hired for the job or fit into the group.

Whether you become a professor or a bartender, you change your behaviour to play the part.

Can you imagine a doctor who didn't? If you went to the clinic with concerns about difficulties in breathing, you'd hope for somebody who seemed competent and professional. Imagine if they decided to be 'authentic' with who they are for you as the client. You enter the room to find they're wearing board shorts and a singlet and giving you the 'shaka'. You've probably read a book or heard a TED talk that preached the importance of 'authenticity', but sometimes it is a horrible idea. Outside your closest group of friends and family, wearing a mask is the superior strategy.

The ability to wear a mask is a skill you've learnt that gets taken for granted. To see your masks in action, try to look at the ways you handle yourself in different areas of your life: with your partner, boss, uncle, or mother-in-law. To impress the people you are surrounded by, you pop on a new mask without thinking, changing your personality every time.

We can accept this theatrical quality of life. Don't moralise against those wearing masks and not being 'authentic'. It is a crucial strategy for smooth social functioning. When you deal with people, don't be so naïve and mistake their appearances for reality. Don't be blinded or pissed off by their acting. By accepting this quality of human nature, you can become a master decoder of people's true feelings. In doing so, you upgrade your observation skills. Practise them as much as you can in your day to day life.

The Shadow

The people you deal with are wearing masks, so they are rarely what they appear to be. Deep below that polite exterior is a dark side consisting of all their insecurities and the aggressive, selfish impulses they want to conceal from public view. The overt traits like saintliness or toughness are usually covering the opposite quality.

More important than being aware of other people's dark sides, you need to become aware of your own. There are dark and evil forces lurking within you that make you a little uncomfortable. As a member of the human species, you're not above the extraordinary brutality seen throughout history. If you're conscious, you can control your shadow before it becomes toxic and channel it into being a productive force towards your goals. By

integrating this shadow into your personality, you will become a more complete human being.

Think of any successful person and we bet you'll find that they are an 'integrated' human: they are lovely and polite, but they also have an element that you don't want to fuck with. They've integrated their shadow, using both the light side and the dark side of their personality when each is needed.

With the shadow comes assertive energy that can help them serve the things they value most. Sheryl Sandberg on the surface appears to be a very friendly and polite leader, who through hard work was largely responsible for Facebook's success. Dig a little deeper, and you'll probably find she is a crafty political figure who isn't afraid of stamping on others when it's called for. Joe Rogan has a dark side that he has channelled to become one of the most influential voices in the world. Mahatma Gandhi got a lot of good done in the 21st Century, but wasn't always a saint - he was a powerful human being with an integrated shadow capable of standing up against the British Empire.

We can read the signs of how deeply and secretly we are drawn to the dark side in our culture. The most popular shows and movies, like *Game of Thrones*, *Breaking Bad*, and *The Godfather* typically have a Machiavellian character that manipulates, deceives or dominates. You might be tempted to become moralistic when talking about these villains, thinking you are superior to them. But the truth is, the culture is hungry for expressions of the dark side.

You may have crafted a public persona to be a beacon of goodness, hiding the less socially acceptable traits you carried as a child. In the process, you've become terribly nice and pleasant. But deep down, you have a dark side that you loathe to admit. Perhaps the shadow still rears its head every now and then. When walking on the top of a cliff with a group of tourists, there might be a weird thought that wonders what would happen if you nudged the slow walker in front of you off to their death. If you're strolling down the street, sometimes you see an arrogant face urging your fist to punch it.

This shadow contains your deepest insecurities, your secret desires to hurt people (even those close to you), your fantasies of revenge, your suspicions about others, and your hunger for more attention and power.

You need to recognise and examine these darker aspects of your character. Once you're aware of this shadow self, it loses its destructive power. You can now control it in the ways that are beneficial for yourself and wider society. With an integrated shadow, you are no longer such a pushover. You become assertive. It is unlikely that you will resort to violence, but the notion that you're someone who *could* be violent changes things. People won't want to mess with you because they know you might be dangerous.

Envy

You constantly compare yourself to the status of your peers. You measure yourself against the people you encounter, noticing any differences between what they have and what you have. If your best mate buys a new house or your university buddy posts on LinkedIn about the new job she landed, or if your younger brother uploads photos of his trip through the Himalayas, you'll always notice. If you feel that their status is surpassing you, it can turn into deep envy. This is fuel for some people to excel and do better; for others, it leads to covert attacks and sabotage. Admitting that you are inferior to your peers is unbearable, so we try to get back at those we envy (emotionally more than physically, unless you're figure skater Tonya Harding and resort to physical envy attacks to weaken your superior rivals like Nancy Kerrigan).

I (Jonesy) was once living with a friend called Joel for six-months. In this short period living with each other, I had an unusual string of wins in my life. I got a great new job with a big pay rise, and won an industry award. A bunch of highlights happened in quick succession, so it appeared to Joel that these were adding up at an accelerating rate. Joel, on the other hand, was going through a really flat period. He had just turned 35 (7 years older than me at the time) and wasn't enjoying his job anymore, and wasn't earning as much money he'd like.

By chance, I was reading Robert Greene's *The Laws of Human Nature* at this time, so my envy sensors were on high alert. Two friends living with each other was the perfect breeding ground for envy - I was in a dangerous position. One evening, I came home and said: "I've had a bad day". Joel's face lit up momentarily with joy. It was the happiest he'd been since moving in with me. Following this moment, he proceeded to conceal his

envy with a mask of extreme sorrow and empathy for the news I was about to tell him.

But the real envy attack came out two weeks later. I had some friends over for a few beers one evening and had to move a few things to get maximum space in the kitchen. There was one empty cardboard box that I temporarily put in his room whilst he was out. A few months later, I found out how he found his time whilst living with me. The whole six months was summarised in the narrative that Jonesy is horrible to live with he just “throws rubbish in your room and is selfish beyond comprehension”.

When you are envious, you won't like to admit inferiority. You will typically create a narrative instead, finding an excuse to why the other person is doing so much better. Everything they do reveals a negative trait; they don't truly deserve this superior position. This narrative can lead to you taking harmful action to hurt the person you envy. For my mate Joel, it was spreading the narrative that I was selfish. Others might give subtle digs under the guise of good-natured humour. Envy can be the most destructive force of human nature if it remains untamed.

The higher path is to become conscious of your envy. You can develop your sense of self-worth from internal standards and not constant comparisons. Next time you hear about your colleague's sudden promotion, notice the inevitable feeling of wanting the same thing. There will be a pang of envy. If someone is genuinely doing better than you, see it as an opportunity to learn and improve, not to become bitter and resentful. Envy then becomes an opportunity, rather than a hurdle.

Social Conformity

There is another side to your character that you're unaware of: your social personality. It is the different person you become when you operate in groups of people. You will feel different emotions affected by group mood. If everybody else is taking risks and acting irrationally, you're more likely to join in the group's actions.

This social personality might seem harmless, but it can come to dominate who you are. In trying so hard to fit in with the group, you can lose your sense of uniqueness and ability to think for yourself.

Chairman Mao, of the Cultural Revolution in China, attempted to try to alter human nature itself. He said humans are a ‘clean sheet of paper’ so the

‘most beautiful pictures can be painted on it’. According to Mao, capitalism had transformed humans into becoming individualistic and selfish. He wanted to throw away the canvas and start again with a much more beautiful painting of human nature. To do this, he shook things up by uprooting all the old ways of doing things. He removed people’s mindless respect for authority. To unite his people, he focused the country’s attention on an enemy - in this case, the revisionists who were clinging so firmly to the past. He encouraged people to fight this force.

His strategy had one fatal flaw: when people operate in groups, they do not engage in nuanced thinking and in-depth analysis. They didn’t tear down the canvas and paint a beautiful painting; they just tore down the canvas. The humans who were swept up in the cause took it upon themselves to commit all kinds of evil crimes. Their primary desire was to fit into group spirit. After the death of Mao in 1976, the Communist Party condemned the Cultural Revolution as a national catastrophe: hundreds of millions died.

You probably think this is an extreme example with little relevance. After all, you navigate the world full of sophisticated people in high-tech offices where everybody is polite and civilised. You see our culture as having progressive ideals and independent thinking. But this is an illusion. If you looked at our world today closely and honestly, you would have to admit that you change when you enter a workplace or any group. You could slip into primitive modes of thinking and behaving without realising it.

To resist the downward pull that groups inevitably exert on us, we must conduct a very different experiment in human nature from Mao’s, with a simple goal in mind: to develop the ability to detach ourselves from the group and create some mental space for true independent thinking.

As part of this experiment, we must accept human nature and work with what we have to make it productive. We inevitably feel the need for status and recognition, so let’s not deny it. Instead, let’s cultivate this status and recognition through our excellent work. We must accept our need to belong to the group and prove our loyalty, but do it positively.

The only solution to not conforming to group behaviour is to develop self-awareness. You can become understanding of the changes that occur in groups. With this intelligence, you can become a superior social actor, able to outwardly fit in and cooperate with others at a high level, whilst retaining independence and rationality. If you happened to be in Communist China in

1976 and had this skill, you could fit in and not be punished and simultaneously work towards rational and more positive outcomes.

This independence is critical to creating genuinely excellent and innovative thinking.

Blue Lies

Social conformity itself isn't always a bad thing. But once the group is overtaken by a dark ideology, humans can be compelled collectively to do horrible things.

Ideology happens across the political spectrum. Typically, within a clan, a tribe, an ethnic group, a religion, a race, a class or nation.

One right-wing example is nationalism. Many right-wing nationalists may care more about a headache of a single person of the same colour skin and nationality, than about a hundred people dying in a different country. Another example is those on the left encouraging identity politics and social justice warriors downplaying individual rights in favour of equalising the standing of race, class and gender, which they see as being pitted in zero sum competition together.

Being consumed by ideology doesn't lead to an individual lie. Instead, people are sharing blue lies. A white lie is told for the benefit of the hearer, a blue lie is told for the benefit of the group. There are some conspiracy theorists who know deep down that Earth isn't flat, but they are expressing BS for the purpose of performing to the group, rather than looking for truth. They are doing their best to display solidarity to their blood brothers. A person who says that the Democratic Party ran a child sex ring out of Washington Pizzeria is definitely part of the crew.

There is a quote by Stuart Mill¹: "He who knows only his side of the case, knows little of that". But those consumed by ideology are at risk of being imprisoned in echo chambers. When groups are lacking in rationality and diversity, people can be led to evil deeds in service of a distorted idea of what they believe is the greater good.

CHAPTER 93

Our Capacity For Evil

*“In the same situation,
you could have been killer or evader
- both were human.”*

Inspired by: **Ordinary Men**,
by Christopher Browning

At the height of the Second World War, the German army had minimal resources to continue the war to the East with Russia, and simultaneously execute Hitler's 'Final Solution'. The Nazi Party had already used up all the ideological killers in their country, so they were left with the dregs. They recruited people like Joe, the local Butcher, Jim the Primary School Teacher and even Grandpa Jack to get the job done. They were 'normal people' like you and me but were called upon to execute millions of innocent Jews.

The First Ordeal: Jozefow

Jozefow, a town in East-Central Poland, was totally quiet in 1943. The men of the Police Battalion 101 climbed down from their trucks and assembled in a half-circle around their commander Major Wilhelm Trapp, a 53-year-old career policeman. The time had come for Trapp to inform the men of their assignment. Pale and nervous, choking with tears in his eyes, Trapp visibly fought to control himself as he spoke. He then turned to the matter at hand with orders from the "higher-ups". The male Jews of working age were to be separated and taken to a work camp. The remaining Jews - the women, children, and elderly - were to be shot. He explained what awaited his men and then gave an extraordinary offer: if any of the older men did not feel up to the task, they could step down.

After making his request, Trapp paused and waited for the reaction of the group. Some 10-12 men stepped forward to be exempt from the task, out of a total cohort of about 500. An additional 10% of the policemen hid behind objects throughout the day, procrastinated, or found a way out of the gruesome order. But the vast majority proceeded with the task.

The human brain managed to whip up all kinds of rationalisations and justifications for their behaviour that day. The most astonishing came from a 35-year-old metal worker from Bremerhaven:

I made the effort to shoot only children. It so happened that the mothers led the children by hand. My neighbour shot the mother, and I shot the child that belonged to her, because I reasoned with myself that without its mother, the child could not live any longer. It was soothing to release children unable to live without their mothers.

That day they committed crimes they *never* thought they could bring themselves to in their darkest of dreams. In the evening, they were depressed, angered, embittered and shaken. By silent consensus, what happened on Jozefow was not to be discussed. But precisely one week after the massacre, the Battalion was redeployed to their next district for further assignment. Despite being shaken, they didn't change their behaviour.

Over the following months, they participated in the direct shootings of at least 38,000 and placed a further 45,000 on trains to the concentration camps. Altogether, the body count of these 500 policemen totalled at least 83,000 Jews. As the massacres continued, the men from the Battalion changed.

Before the war, they were regular people going about their life. When they first committed these mass murders, they were physically shaken up and depressed. After repeating these acts, they became enthusiastic volunteers for numerous firing squads and 'Jew Hunts'. These men transformed. Once ordinary people you'd find down at the local pub, they became responsible for some of the worst crimes in human history.

The Transformation

How did most of these ordinary men in the Reserve Police Battalion 101 become killers? The psychological literature helps us with some explanations.

Conforming To Social Roles

Those who emphasise the importance of situation factors over psychological characteristics point to Philip Zimbardo's 'Stanford Prison Experiment'. Zimbardo randomly divided his normal test group into guards and prisoners and placed them in a simulated prison. 'Guards' operating on three-man shifts had to devise ways of controlling the 'prisoners'. They escalated the brutality, humiliation and dehumanisation. Most dramatic and distressing was the observation of the ease with which the sadistic behaviour would be elicited in individuals who were not sadistic types. Within just six days, the guards were treating the prisoners so poorly that Zimbardo had to shut the experiment down to avoid any long-term psychological damage.

Careerism

Unlike those who had civilian careers, those who wanted to be in the police feared their actions would affect their future prospects. Given the number of men who remained in the police after the war, career ambitions must have played an important role. The carrot of a successful career can conjure up any kinds of rationalisations for compromising on values and committing heinous crimes.

Following Orders

The authoritarian political culture of the Nazi dictatorship was savagely intolerant of dissent. Individuals felt like they had no choice. If your boss tells you to do something, no matter the morality, you do it anyway. Orders are orders.

Obedience To Authority

A similar force is the pull to obey authority. In a series of now-famous experiments, Stanley Milgram tested an individual's ability to resist authority. He wanted to see how far people would go to committing atrocities, like that in WWII. Naïve volunteer subjects were instructed by a 'scientific authority' in an alleged learning experiment to inflict a series of fake electric shocks upon an actor or victim. Carefully programmed 'voice

'feedback' responded in an escalating series of complaints, cries of pain, calls for help and finally fateful silence. The results weren't saintly. Two-thirds of participants were obedient to the point of inflicting *extreme* pain.

Wartime Brutalization

War desensitises us to all kinds of atrocities. If your mate gets his arm blown off by a grenade, naturally you might take hateful revenge at the first opportunity. In combat, what seems horrible at the start becomes routine. In the case of the Battalion, they started horrified and depressed about their actions in Jozefow. By the end of the war, it was just another day in the office.

Conformity To The Group

Like the Maoists in communist China, the men in the Battalion wanted to fit into the group. The group was ordered to kill Jews, but each individual was not. Most of the men were initially disgusted by the thoughts of what they were about to do, yet 80-90% of the men proceeded to kill. To break ranks and to step out to adopt overtly non-conformist behaviour was simply beyond most men. It was easier for them to shoot.

The story of *these* ordinary men is not the story of *all* ordinary men. The Battalion faced choices, most of them committing terrible deeds. However, there were a small number of people who chose against killing. Human responsibility is thus an individual matter.

On the other hand, the collective behaviour of the group is extremely powerful, with disturbing consequences. In every society, we are conditioned to defer thinking and morality to authority. In every company, the employees are seeking career advancement. Within every community, the peer group exerts tremendous social pressures and sets the moral norms.

If the men of the Reserve Police Battalion 101 could become killers under such circumstances, what group of human beings could not?

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CHAPTER 94

Going To War

*“Grand strategy is the art of looking beyond
the present battle and calculating ahead.
Focus on your ultimate goal and plot to reach it.”*

Inspired by: **33 Strategies Of War,**
by Robert Greene

The world glorifies harmony and cooperation. Books, podcasts, intellectuals and leaders say that you need to get along with every person in your life. These notions of correctness are saturating the public space. The problem is, you've been trained for peace and may not be prepared for war.

Success and failures in life are often determined by our ability to manage conflicts. When conflict arises, what is your response? Do you avoid it? Lash out? Turn sly? Become manipulative? Shut-down? Or even cry? In the long run, these responses are counterproductive. If we aren't dealing with conflict rationally, it could very well make the situation worse. Consider your long-term goals, and then choose your fights wisely. When you are forced to fight, you can aim for the 'Strategic Warrior' ideal. This is the man or woman who solves their issues through intelligent maneuvers, thinking of the long term goals, deciding which fights to avoid and which are inevitable.

Declare War

If you don't have enemies, it is most likely because you have a narrow concept of the term. You can widen your concept of an enemy beyond those who are just confrontational dicks. It should include any person who is working against you, even in subtle ways. Without being paranoid about it, realise that some people out there don't want the best for you. Once you've identified who this group of people are, the strategies can begin. This could include being aggressive, evasive, standing back or taking action. You may even turn this enemy into a friend. The worst thing you can be is a naive victim.

I (Jonesy) had my first war engagement with a colleague Eduardo. Being older, he progressively attempted to put me back into my box due to my lack of experience. Whenever a new opportunity arose (a presentation at a conference, a meeting with an important client or a challenging work task), Eduardo attempted to wrestle the responsibility away from me. This became more and more direct, despite us being mates and having a beer and burger together every Thursday. This all changed after reading the *33 Strategies of War*. I was losing responsibilities, it was costing my career progression, and I only had myself to blame. It was time to declare *war* on this colleague. Every time he went to wrestle me out of challenging tasks that would grow my career, it was now different. Rather than being passive, I engaged, held my ground, and consulted this book to work out which strategy to use against him. This shift of perspective transformed me from a passive and confused pawn into a motivated and creative fighter. It didn't take very long. After a couple of engagements, he stopped messing with me. Currently, at the time of writing, we're back in peacetime; enjoying each other's company with the boundaries well known and fortified.

Throughout your life, hostile people will continuously pop up. The only way to break out of the dynamic is to notice and confront their hostility and ill-intentions. Repressing your anger or avoiding any sort of conflict can ruin you. It might become a habit, and eventually, you're just an easy pushover as you lose the taste for battle.

Successful people have battles with parents, peers and colleagues to learn to adapt to the world and develop strategies for dealing with problems. Those who avoid conflict at all costs become handicapped socially and mentally. Rather than fearing the idea of having enemies, embrace it.

Occupy The Moral High Ground

When my colleague Eduardo was wrestling my responsibility away from me based on my inexperience, I responded in an email to the team, outlining that we should be *working as a team*, in sharing responsibilities. By appealing to overall teamwork, I was taking the moral high ground. In doing so, the manager agreed with me, and I won this minor engagement. In war, you need to make the cause you are fighting for seem more just than your enemies.

Think of this as moral terrain that you and the other side are fighting over. By questioning your enemies motives and making them appear evil, you can narrow their base of support and room to maneuverer. Aim at the soft spots in their public image, exposing any hypocrisies on their part. Never assume that the justice of your cause is self-evident, publicise and promote it. When you yourself come under moral attack from an enemy, fight fire with fire, don't get angry.

Winning Without Bloodshed

One day in Japan, a ferryboat was packed with farmers, merchants and a young, confident and athletic Samurai Yukui. Yukui was telling the boat of his great victories and whipped out his three-foot sword to demonstrate his bravado. The passengers on the boat were afraid; nobody wanted to risk their lives by confronting him. But one older man, Bokuden, wasn't scared. He was a samurai himself. He travelled alone and liked to sit incognito in meditation. The young Yukui called him out: "*You don't even know how to carry a sword, do you, old man?*". Bokuden replied: "*My way is to not wield a sword*". Yukui responded: "*A way of wielding a sword without wielding a sword? Don't talk gibberish*", and challenged him to a fight.

Bokuden, however, had the respect not to duel on the crowded boat to avoid civilian casualties. He said he'll show his fighting technique on the nearby small island. As they approached the island, the young man jumped out onto the sand impatiently, saying: "*Let's do it old man! You're as good as dead!*". Bokuden had his eyes closed in meditation, taking his time, further infuriating the young samurai who began to hurl more abuse. Bokuden finally handed his swords to the ferryman saying: "*My style is Mutekatsu-ryu, I have no need for a sword.*" And with those words he took the ferryman's long oar and pushed it hard against the shore, sending the boat quickly into the water and away from the island. The young samurai screamed, demanding the boat's return. The passengers on the boat stared back to the distant island and saw him jumping up and down, his screams becoming fainter and fainter. Bokuden won the war without wielding a sword.

The goal of strategies is to give you easy victories, to win without bloodshed. Perhaps the greatest strategist in history was Sun Tzu, the author of the ancient Chinese classic *The Art of War*. He pointed out that the costs

of war included body count, political goodwill, the morale of the people and a good chunk of the state's resources.

To win a hundred victories in a hundred battles is not the highest excellence; the highest excellence is to subdue the enemy's army without fighting at all.

You can play on the opponents' psychological weaknesses by maneuvering them into precarious positions by inducing feelings of frustration and confusion. In this way, victory can come at a lower cost.

Mahatma Gandhi elevated non-violence into a great weapon for social change. He had one gigantuous goal; to kick out the British occupiers who had crippled India for centuries. He called non-violence the new way of waging war.

Enter War With Boldness

When I (Jonesy) was nine years old, I was riding my bike home from my mate's house when magpies started to swoop at my head. I burst into tears and pedalled for my life. This memory has etched into my brain, and I've been frightened of aggressive birds ever since. The birds can smell my fear. Today, they instinctively know that I'm a pushover, and it comes with real consequences. Just recently, I was eating Subway on a bench. A crow started screaming and stared me down, locking eyes with me directly. In that moment, I remembered the horror of my young self and flinched. The crow instantly knew I was a weakling and that it could take me, so it proceeded to swoop directly at my face. I could have stood and fought and retained that Subway. But I dropped it on the ground and ran away. I lost the battle, and the crow won my tasty lunch.

A bold bird can beat a frightened animal that is 20 times heavier, more intelligent and more powerful. The story shows how hesitation puts obstacles in your path, and boldness eliminates them. Once you understand this, you will realise it is essential to overcome your natural timidity and practice the art of audacity. Just like that vicious crow, humans have a sixth sense for the weakness of others. If you demonstrate your willingness to compromise, back down or retreat in a first encounter, people start to sniff

an easy lunch and know they can run over you without much effort. Everything depends on perception, and once you are seen as a pushover, you'll be taken advantage of without mercy.

As Robert Greene says:

If you are unsure of a course of action, do not attempt it. Your doubts and hesitations will infect your execution. Timidity is dangerous: better to enter with boldness. Any mistakes you commit through audacity are easily corrected with more audacity. Everyone admires the bold; no one honours the timid.

¹ Another Stu from the pub

Lesson 27

the
light
side.

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If you look at the headlines, watch the movies and read the history books (or read Lesson 26), you'd think we are a purely evil species. But there is another side. On closer inspection, you might find that we're actually pretty good. Even in our darkest moments, we're capable of putting the needs of others before ourselves. Through compassion, cooperation and reason, we have forged a great society capable of solving problems and propelling us forward.

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CHAPTER 95

Kindness

“Civilisation has become synonymous with peace and progress, and wilderness with war and decline.

*In reality, for most of human existence,
it was the other way around.”*

Inspired by: **Humankind**, by Rutger Bregman

On the eve of the Second World War, the British Army Command found itself facing an existential threat. London was in grave danger. Churchill said London was: “*The greatest target in the world, a kind of tremendous fat cow, a valuable fat cow tied up to attract the beasts of prey*”.

The beast of prey, of course, was Adolf Hitler and his rolling war machine. The fear was that if the British population broke out in terror of Hitler's bomber planes, the whole city would go to ruin: traffic would cease, the homeless would shriek for help, the city would be in pandemonium. Churchill predicted that three to four million Londoners would flee the city. They considered a last-ditch attempt at building a series of underground bunkers - but they decided against it, worrying that there would be so much fear that no one would ever come out again.

At the time, the pertinent psychological theory read and understood by Churchill and Roosevelt, was that of Frenchman Gustave Le Bon. This was the same theory that drove the likes of Mussolini, Stalin and Hitler. The theory goes that in the face of terror, man descends several rungs in the ladder of civilisation, almost instantaneously. The idea was that if you struck fear in people, they would destroy themselves and everything around them. You wouldn't have to do it to them - they'd do it to themselves.

So in 1940, on the 7th of September, 348 German bomber planes flew across the English channel and began dropping bombs. What followed is now known as ‘The Blitz’. More than 80,000 bombs were dropped on London over the next nine months. More than 40,000 people lost their lives.

So what happened? How did the British react? What happened when the country was bombed hundreds of times a day for months on end? Did

people become hysterical? Did they behave like brutes? Did they descend multiple rungs in the ladder of civilisation?

It turns out that big Gustave Le Bon was wrong. An eyewitness account reported that small children continued playing in the streets, shoppers continued haggling in the markets, police continued directing traffic. No one even looked up to the sky. When a journalist asked: “*Weren't they afraid?*”, he replied: “*Oh no - what good would that do us?*”.

It seems like Hitler had forgotten to account for one thing: The classic British character. The stiff upper lip. The wry sense of humour. Shopkeepers put out signs saying: “*More Open Than Usual*” or “*Our windows are gone, but our spirits are excellent - come on in and try them*”. Hitler's tactics, the ones that were supposed to derail the population's psyche, didn't even derail the trains. It barely put a dent in the British economy. Everything basically continued as normal.

And the mental devastation that was supposed to follow? The millions of traumatised victims that were expected? Oddly enough, there were basically none to be found. There was sadness and fury, there was terrible grief at the loss of loved ones, but the psychiatric wards remained empty. Public mental health actually *improved*. Alcoholism tailed off. There were fewer suicides than there were during peacetime. After the war ended, people referred back to the Blitz times with longing, remembering how everyone helped each other and looked out for one another.

The crisis didn't bring out the worst in people; it brought out the *best*. If anything, they moved *up* a few rungs on the civilisation ladder. The courage, humour and kindness of ‘ordinary men’ continued to be astonishing under conditions that possess many of the features of a nightmare.

All the main actors of war (on *both* sides) fell into the same trap. They thought human nature was fragile, and that civilisation would crack under the pressure of air raids. But the more they bombed, the stronger it got.

Unfortunately, military experts are slow to learn. 25 years later, the US dropped three times as much firepower on Vietnam as they did in the entire Second World War... and lost. Even with the evidence right in front of them, they still managed to deny it. It turns out that this strength and resilience wasn't a uniquely British thing, but an entirely *human* thing.

The Two Wolves

Imagine a scenario:

An airplane makes an emergency landing and breaks into three parts. The cabin fills with smoke, and everyone inside realises that they need to get out as soon as they can. Which scenario sounds more likely?

PLANET A: The passengers turn to their neighbours to ask if they're ok, those needing assistance are helped out of the plane first. People are willing to risk their own lives to help random strangers.

PLANET B: Everyone is left to fend for themselves, there is a mad rush for the exits, panic breaks out, there's lots of pushing and shoving. The children are trampled on. You go full George Costanza and knock over the old granny as you charge towards the exit.

The vast majority of people assume that we live on Planet B, that mass panic is the most likely. But it has been found, in almost every case, that we live on Planet A - we are kind, and we help each other where we can. If you watch the movie *Titanic*, it looks like panic, but if you ask people who were actually there, they say the evacuation was really quite orderly. Or think of September 11: as the twin towers burned, thousands of people calmly descended the emergency stairs, even though their lives were in immediate danger. Those on the way out stepped aside for firefighters. And the courageous firefighters were running into a *burning building* in order to save other humans! People would stop and say: "No-no, you go first" or "Please take my place" - there was no madness.

There is a persistent myth that humans are selfish, aggressive, and quick to panic by our very nature. Dutch biologist Frans de Waal calls this 'Veneer Theory', the notion that civilisation is nothing but a thin veneer that could crack under the slightest pressure. But, in times of crisis (when bombs are being dropped or floodwaters are rising), is when humans become our best selves. We may have a good side and a bad side, but there is considerable scientific evidence showing that we overwhelmingly turn to our good side in times of crisis. Worst of all, by assuming we're all dark and evil, we're cultivating the worst parts of our nature.

An old man says to his grandson: “There’s a fight going on inside me, a terrible fight between two wolves. One is evil - angry, greedy, jealous, arrogant and cowardly. The other is good - peaceful, loving, modest, generous, honest, and trustworthy. These two wolves are fighting within you too... and every other person on the planet”.

After a moment, the boy asks: “Which wolf will win?”

The old man smiles: “The one you feed”.

The Homo Sapien Edge

You might be thinking that this is a cherry-picked story that highlights the goodness of humanity. And that throughout history we’ve committed all sorts of atrocities.

Over 50,000 years ago, the Homo sapien species had at least five siblings: *Homo erectus*, *Homo floresiensis*, *Homo luzonensis*, *Homo denisova*, and *Homo neanderthalensis*. It is an uncomfortable fact that we shared the planet with other kinds of humans until not long ago. So why are we here whilst the Neanderthals are extinct?

- *Were they weaker than us?* Not likely. The average Neanderthal was stronger than Arnie pumping iron on Venice Beach. While *Homo sapiens* were foraging for nuts and berries, the wild Neanderthals were out there trying to take down large game. We were no match for them in strength.
- *Were they dumber than us?* No, wrong again. Their brains were 15% bigger than ours - 1500 cm³ compared to 1300 cm³. They got the Macbook Pro, we got the Macbook Air. Scientists keep finding more and more proof that they were supremely intelligent. They built fires, cooked food, made clothes, musical instruments, jewellery and cave paintings. There's even evidence we stole ideas from them, like stone tools.
- *Well, were we more cunning?* No, we were not. Lying takes more cognitive power than telling the truth. Researchers have found that *Homo sapiens* evolved the worst poker face. We're wired to trust each other, making us suckers for cons.

There is a new, counterintuitive theory as to why humans became kings and queens of the planet: ‘The survival of the friendliest’.

And physically it shows. Over the last 200,000 years, our bodies have grown considerably softer, more youthful, and more feminine. Our brains have shrunk by at least 10%, and our teeth and jawbones have become paedomorphic. We've become more ‘childlike’.

Alongside friendlier features, we developed friendlier characteristics. Countless studies outline the differences between apes and human toddlers. Surprisingly, human toddlers do relatively poorly on almost every measure of intelligence. But one study, in particular, outlines our fundamental edge; the ‘object choice test’.

In the study, many objects are placed on a table, and a tasty treat is hidden inside one of them. The researcher gives some visual clues as to where the treat is. The subject (the toddler or the young chimp) then tries to find which object has the treat hidden inside.

The professor does her best at giving clues, waving and pointing emphatically at the cup with the banana inside. But no matter what the professor does, the chimps were useless. They got it about 51% of the time, basically as good as a random guess. Toddlers, on the other hand, trusted the professors, taking on board their cues. And 99% took home the baby food.

This outlines our fundamental edge: our ability to cooperate in solving complex problems. Many books and pop culture would have us believe that we murdered our brother and sister species. But we didn't, they just weren't that friendly with each other. They hadn't evolved the friendliness to cope with events such as the last ice age (115k - 15k years ago). It turns out that cooperation is a vital ingredient to survival and is what helped us conquer the planet.

Brutal Friendly Soldiers

World War I started in July 1914 and had been going for a couple of months. As 1914 came to a close, almost everyone thought the war was bound to end soon. People were rejoicing in the streets at minor victories, believing these were signalling the end, unaware the worst was still to come.

It was Christmas Eve, 1914. The British and the Germans were lined up in trenches outside a small town in France. Both thought it possible that the enemy would be planning an attack on Christmas or New Years Eve when the other side wasn't expecting it.

Then at about 7 pm or 8 pm, something strange happened. First, a light popped up above the other trench—then more lights. More and more lanterns were being lit. Then shrubs popped up... Christmas trees? Then they heard it. "*Stille Nacht... Heilige Nacht...*"

One of the British soldiers later said: "I'll never forget that - it was one of the highlights of my life". Once the Germans finished singing, the Brits responded with a rendition of *The First Noel*. Then the Germans applauded, and the two camps sang *O Come All Ye Faithful* in unison. It was amazing - two warring nations, singing Christmas carols together, in the middle of the greatest war in history.

There's another story of a Scottish regiment stationed in Belgium that goes a step further. One Scottish bloke calls out to the Germans to ask if they have a spare ciggie. A German voice replies, saying: "*Come over and get it*". I (Jonesy) remember going to great lengths to get a ciggie when I used to be addicted. But this Scotsman walked out across *no man's land*, risking a bullet in the brain as he approached the opposing trench!

The two supposed enemies started chatting. It was like two long lost friends who were getting reacquainted that had known each other all their lives. Soon enough, they were all out of their trenches, sharing drinks and smokes, telling stories. The people they'd been trying to kill hours earlier, were now laughing and chatting all night. They'd gone from shooting each other to shooting the shit.

The unofficial 'Christmas Truce' happened in battles all over Europe. On Christmas morning, the bravest soldiers from each side jumped out of the trenches and walked to meet in the middle of No Mans Land to shake hands and give hugs and say Merry Christmas. Some exchanged gifts, swapping English tea, chocolate and pudding for German sauerkraut and schnapps. There were even soccer games where they used helmets as the boundary lines and rifles as the goalposts.

Even though the soldiers had been propped up by fear-mongering and hate propaganda, all it took was something like this to realise the enemy were just humans like us. They also had people at home they loved and

people who missed them. They too, were scared of war. They too just wanted to hug and sing and play soccer.

One thing we all need to remember is that all humans are more similar than we are different. Don't pay attention to the angry voters ranting on the TV, or the refugee statistics, or the criminal in the mugshot... in a different life, that person could quite as easily have been our neighbour, our friend or our loved one. The more we dig our trenches and try to separate 'us' from 'them', the more we lose sight of reality. We're lured into thinking that the small, hate-mongering minority reflects all of humankind. Like the handful of anonymous trolls responsible for almost all the hate and venom on Twitter and Facebook, only the tiny minority is truly evil.

Like everything in life, the more you give, the more you get. It goes for war, but it goes just the same for trust, love, friendship and kindness.

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CHAPTER 96

Progress

*“There can be no question
of which was the greatest era for culture;
the answer has to be today,
until it is superseded by tomorrow.”*

Inspired by: **Enlightenment Now,**
by Stephen Pinker

Humans have achieved a whole bunch of cool shit over the ages. Unfortunately, we take it for granted. Progress has a very funny way of erasing its tracks as we move forward as a species.

The local supermarket is overflowing with food; you've got clean water on tap, you drop your waste in the toilet and with a click of a button it vanishes. We have pills that demolish painful infections, planes to take us to the other side of the world, cheap energy to pop the lights on and you have all of the world's knowledge inside your pocket.

We assume these things are birthrights, forgetting that they're human accomplishments. At some stage in history, a person worked on solving these problems and drove our society forward.

Areas of Progress

“If you had to choose a moment in history to be born, and you did not know ahead of time who you would be - you didn't know whether you were going to be born into a wealthy family, a poor family, what country you'd be born in, whether you were going to be a man or a woman - if you had to choose blindly what moment you'd want to be born, you'd choose now.”

— BARACK OBAMA

Life Expectancy

Humans want to avoid death and stay alive as long as possible. In centuries past, human life expectancy was around 35. Then luckily, in the 19th century, we saw 'the great escape'. Life expectancy began to rise dramatically. During the 20th century, our life expectancy increased so much that the average person approached death by only seven months for every year they aged!

In developing countries, it is even more extreme. In Kenya, life expectancy rose by almost ten years between 2003 and 2013. After living and struggling for a decade, mathematically, they hadn't taken a single step closer to death!

Health

For most of human history, the strongest force against our human health was infectious disease. These nasty organisms make a living at our expense, taking a wild ride from body to body in bugs and worms. The old way of dealing with it involved black magic arts such as bloodletting, toxic metals, and even squeezing a hen to death against the infected part. But some legend invented vaccinations in the 19th century and the world changed. With the acceptance of germ theory, the battle began to turn. Handwashing, midwifery, mosquito control and the chlorination of water started to save millions of lives.

Before the 20th century, cities were literally *full of shit*. The rivers were viscous with waste, and you'd wash your clothes and take drinking water from the brown liquid.

Going to your local doctor was actually a health hazard. His black coat was encrusted with dried blood and puss. He'd go straight from an autopsy to probing your wounds. Thankfully, *another* legend developed the idea of washing and sterilising your hands and medical equipment.

Nutrition

The great philosopher Chris Rock once observed: "*This is the first society in history where the poor people are fat*". Though obesity is a health

problem for us today, it's a pretty good problem to have compared to the famines of the past. Recently, the developing world has begun feeding itself. When children are underfed, their growth is stunted, and they're at higher risk of dying.

Thanks to the Green Revolution, the world had a productivity boom in agricultural productivity. This productivity has meant that the land required between 1961 and 2009 increased by 12%, but the food supplied increased by 300%.

Wealth

It's easy to imagine that wealth has always been with the world. The diaries outlining the suffering of the working class battler never made it into the history books. But you can be sure it was actual hell compared to today's standards. As economist Nathan Rosenberg pointed out:

We are led to forget the dominating misery of other times in part by the literature, poetry, romance and legend, which celebrate those who lived well and forget those who lived in the silence of poverty. The eras of misery have been mythologised and may even be remembered as golden ages of pastoral simplicity. They were not.

In preindustrial Europe, a piece of clothing was something you'd have the luxury to buy a few times in your lifetime. One of the main jobs of hospital administration was to make sure the clothes of the dead would go to the lawful inheritors.

It is a fallacy to think that wealth is a given and that a specific amount of wealth has existed since the beginning of time. It was the enlightenment thinker Adam Smith who saw the first rational analysis of prosperity. Its starting point was not how wealth is distributed, but the initial question of how wealth comes to exist in the first place. This was a huge realisation: wealth is created, primarily through networks of people that combine their labour and ingenuity.

The advent of specialisation changed the world. Smith explained that economic activity was a form of mutually beneficial cooperation, a positive sum game. Each person goes to work to make something and gets something back that is more valuable in return. Then through voluntary exchange across the population, everybody keeps on benefiting from the transactions. The exchangers can make an entire society richer and nicer

because you're better off buying things than stealing them in this kind of market.

We don't need to rely on the compassion of the butcher or the baker. They sell their product looking to improve their own living standards. But as a result, everyone benefits from the transaction.

Inequality

But aren't all these benefits just going to the rich? The common idea is that the top 1% are taking all the wealth of recent decades and everybody else is treading water (or slowly sinking).

The first thing we need to recognise is that income equality is not a fundamental component of well-being. It isn't like prosperity, knowledge, health, safety or other areas of progress. This is captured by this old joke from the Soviet Union:

Igor and Boris are dirt poor peasants, barely scratching enough crops from their small plots of land to feed their families. The only difference between them is that Boris owns a scrawny goat. One day, a fairy appears to Igor and grants him one wish. Igor says “I wish that Boris's goat should die”.

The two peasants have become closer to equal, but neither is better off. Philosopher Harry Frankfurt argues that inequality itself isn't morally objectionable. Poverty is objectionable. If a person lives a long, pleasurable and stimulating life, then how much the Joneses earn and how big their house is, is irrelevant. From a morality point of view, everyone doesn't have to have the same. What is morally important is that each should have enough. Having such a narrow focus on economic inequality can be destructive if it distracts us into killing Boris's goat instead of figuring out how Igor can get one.

In the space of 200 years, the rate of extreme poverty in the world has tanked from 90% to 10%. The point of calling out progress is not for self-congratulation, but to identify the causes of wealth to do more of what works.

Equal Rights

Humans evolved to be a little cautious around people who aren't in the same group. Typically, it is due to skin colour, gender and race. Systemic discrimination, such as racism, sexism and homophobia, has been rampant throughout history and culture. The removal of these evils is typically what we refer to as the progression to equal rights.

As with the other elements of progress, humans have made things better over the ages. Equality of rights has never been better.

Progress can be picked up in one quote by Michelle Obama. After sitting in the Whitehouse in 2017, just after Barack Obama completed his second term, she said: "*I wake up every morning in a house that was built by slaves, and I watch my two beautiful, intelligent black women, playing with their dogs on the White House Lawn*".

Obama was succeeded by the first woman nominee of a major party in a presidential election. This was less than a century after the first woman was allowed to vote.

But like most things with progress, it has found a way to erase its tracks. Today, we fixate on the remaining injustices and forget how far we have come.

PART VIII

past,
present
and future.

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Historian R.G Collingwood offered an analogy to explain the difference between those who learn from history and those who don't. The 'ignorant traveller' goes through the forest unaware of their surroundings saying: "*There is nothing here but trees and grass!*" On the other hand, the 'woodsman' sees what lurks ahead: "*Look, there is a tiger in that grass!*" The woodsman is on the road to an incredible journey, and the ignorant traveller is on the road to being the tiger's lunch.

Through our familiarity of people, places and ideas, we can become equipped to see how a situation might turn out. The past can give us insight into what works and what doesn't. By spotting the tiger in the grass, we can better understand current and future challenges.

Compared to the *Homo sapiens* hanging out by the campfire 50,000 years ago, we've become powerful gods. We've developed technology so progressive we've reached a point that we have the capacity to destroy ourselves. As the gap between our power and wisdom grows, our future is subject to an increasing amount of risk. We need to navigate this moment with wisdom we haven't yet developed.

If all goes well, we're just at the beginning of human history. Most species last about a million years, but by no means is this the upper limit. Earth itself has billions of years to go, so humans could potentially hang around a fair while still. This is enough time to create a world we could scarcely imagine today. We could go further into the cosmos, enabling us to live for trillions of years exploring billions of worlds. Such a life span puts present-day humanity in its earliest infancy.

We need to move through this defining period of our time. We're at the critical moment in the history of our species.

Lesson 28

**apes to adams
and beyond.**

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Where did we come from? And where are we going? Earth has been around for 4 billion years or so, but you have only been around a handful of decades. What can we learn from history, and how can we make today (and tomorrow) better?

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CHAPTER 97

Atoms to Apes

*“We are survival machines
– robot vehicles blindly programmed
to preserve the selfish molecules
known as genes.”*

Inspired by: **The Selfish Gene**, by Richard Dawkins

The planet is full of biodiversity today. You've got sharks that can bite your leg off, viruses that trick you into coughing, trees that grow to the sky and humans on every corner of the planet. You'd be forgiven for believing that only a higher power God type figure could conjure up such beauty. So how the hell did we go from the Big Bang, to here, without a big dog sitting in the clouds waving a magic wand?

In the beginning, there was pretty much nothing. The universe was blank and simple. However, one property was abundant: time. Over a long and gradual road (and by that, we mean a loooong road spanning billions of years), the simplicity gradually morphed into complexity.

It all started with atoms. These atoms got tired of being loners and finally made friends, joining forces with each other in groups to form molecules. If you threw them all in a cocktail shaker and gave it a good shake, the form they came out in would be slightly different to how they went in. The early products of this breakup were things like water, carbon dioxide, methane and ammonia.

With a bit of energy supplied by the sun, these compounds kept rearranging themselves into different configurations. The cocktail shaker was producing the goods, with new and interesting properties being conjured with each shake. At some point, as if by a total accident, a remarkable configuration emerged. This one, could copy itself. It eventually became abundant. Evolutionary Biologist Richard Dawkins called it ‘the replicator’.

This replicator didn't need to be big, complex or strong. It just had to be able to repeat itself. This was a weird and extremely improbable property to emerge. But this complexity of evolution happened over hundreds of

millions of years. If you buy a lottery ticket every week for hundreds of millions of years, you will likely win plenty of jackpots. This replicator was certainly the jackpot we can thank for our existence

The characteristics that made replicators more ‘successful’ and more abundant than other molecules include:

- *Longevity*: Whoever hangs around the longest becomes more abundant. The longer you lived, the more copies you could make of yourself. Given longer life equals more success, there was an evolutionary trend towards greater longevity in the replicator population.
- *Speed of replication*: The replicators who made copies of themselves every hour were more numerous than those who made copies once a week. Therefore, there would be a trend towards the speed of replication.
- *Accuracy of replication*: If X and Y last the same time and replicate at the same rate, but X makes a mistake on average every 10th replication, and Y every 100th, Y will become more numerous.

Replicators Are In Competition

In the beginning, this ‘primordial soup’ contained all the building blocks of future life. The mixture of organic compounds acted as the fuel and energy to support the replicators swimming around in the soup. But like anything, there was a natural limit, and the soup couldn’t support an infinite number of replicators. With relatively scarce resources, it meant there was competition for food. Some replicators would thrive, but the weaker ones would eventually become extinct.

To survive, new strategies of competition emerged. The goal would be to increase your access to resources and decrease your rivals’. Some replicators ‘discovered’ how to break up the molecules of their rivals. They pickpocketed their building blocks and used them to make their own copies. Then other replicators ‘discovered’ how to protect themselves by building a physical wall of protein around themselves. This would’ve been the

creation of the first cell walls, as a barrier from rival genes trying to steal their resources.

For millions of years, the strategies became more elaborate. If building a cell wall for protection was a successful strategy, the next step would be to construct an even more substantial container for safety. The longer you survived as a replicator, the more sophisticated a machine you could build to house yourself. What weird engines of self-preservation would millions of years bring forth?

Fast forward to today, the replicators swarm in huge colonies, safe inside these gigantic lumbering robots, sealed off from the outside world, manipulating it with their remote control. Our evolutionary tree goes all the way back - starting as simple structures, before morphing into replicators, then building containers to help them survive. With enough time, the strategies devised by the replicator have built the tortoise shell for defence against predators, the camouflage ability of the praying mantis amongst the sticks and the human immune system to defend against viruses.

Today, we call these replicators genes. They have come a long way, producing the biodiversity we see today. Humans are just one example of the survival machines that genes have constructed.

Who Is Your Boss: You or Your Gene?

A computer can beat the world's best chess grandmaster. But what is the role of the human that built the chess program?

Susie, the programmer, codes some chess software. She plugs in the starting position, she tells it the rules, she says what moves each piece can make, and she lets it know the end goal. But once it is written and the game has started, the computer is off the leash. Susie can no longer manipulate what it does. There are more possible chess games than there are atoms in the galaxy, so Susie could never possibly code in every optimal move for every possible position. The best she can do is give it the smarts it needs to efficiently work it out for itself, given the possible moves it could make, and its desired outcome. Susie provides the computer with the best possible chance of success; then it's on its own.

Similarly to chess, genes are the ones that control your survival machine. Not directly, like a puppeteer holding the strings and directing our

every move, but indirectly like the computer programmer. Your gene has done its best to set you up with the best kind of rules and automated tricks before your game of life begins. It told you that the goal is to replicate your genes, and it gave you some basic guidelines for life, now you are on your own.

Like the human programming the chess software, your genes have built a brain. It has been instructed to act fast. If you're motoring down the highway and see a truck come to a halt in front of you, you automatically slam on the brakes or swerve out of harm's way. Genes don't have this kind of reaction time themselves. Still, they've done their best in advance in building your executive computer: genes programmed the rules like 'fight or flight' along with the advice to cope with as many eventualities they can anticipate. There are so many possible outcomes that genes couldn't predict them, so your genes have instructed your survival machine in *general* strategies to maximise their chances of survival and replication.

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CHAPTER 98

Apes to Adams

“How do you cause people to believe in an imagined order such as Christianity, democracy or capitalism? First, you never admit that the order is imagined.”

Inspired by: **Sapiens**, by Yuval Noah Harari

During evolution, the genes had enough time to design complex survival machines. Arguably, the most effective survival machine created by our genes was the human species.

Homo sapiens look pretty much the same today as we did 150,000 years ago. If you time-warped an old Homo sapien to today, dressed him like a modern hipster and plonked him behind the coffee machine of your local cafe, you probably wouldn't be able to tell the difference. For almost 80,000 years we were happy just hanging out and having a good time. Most of us were chilling in Africa, minding our own business. About 70,000 years ago, the modern equivalent of the Elon-Musk-Mars-Exploring Homo sapiens of the prehistoric world wanted to explore the unknown peninsulas.

We wandered over and quickly conquered the Arabian peninsula, then the entire Eurasian landmass. We encountered other species, such as the Neanderthals, who were much bigger and stronger than us. But despite our enormous size disadvantage, we managed to kick their butts out of the history books.

Why did history unfold like this? What was the secret to our success?

The Cognitive Revolution

At some stage, we went from ‘dumb ape’ to ‘all-powerful human being’. The most commonly held theory is that we had genetic mutations about 70,000 years ago, which changed our brains inner wiring, enabling us to think in new ways and communicate in unprecedented languages. We could now ingest, store and communicate a lot of information about the world around us. Before we sat in our comfortable chairs eating popcorn watching *The Lion King*, we were the ones susceptible to the palate of predators.

When we had monkey brains, we could only rip out a distinctive screech: “*Careful, danger!*” But post cognitive revolution, we could say: “*This morning, near the bend of the river, my sister saw a lion tracking a herd of gazelle on the other side of the water*”.

The cognitive revolution that gave birth to language and story also gave birth to legends, myths, gods and religions. It was the invention of fiction that allowed us to cooperate. We could now say: “*The lion is the guardian spirit of our tribe, we must protect it and offer regular sacrifices to keep us safe*”.

Before myths, we were constrained by our cognitive limits of maintaining about 150 social connections. But when we could share a common narrative, we could group together in millions, building our own, or attacking other empires in the name of our Gods.

The Agricultural Revolution

After beginning as hunter-gatherers, we gradually shifted toward devoting our time and energy manipulating the lives of animal and plant species. From sunrise to sunset, we sowed seeds, watered plants and plucked weeds. Wheat and sheep were domesticated. From 9000BC to 100AD, most of the world were agriculturalists.

The average farmer worked a lot harder than the average forager but got a worse diet in return. The Agricultural Revolution was history’s greatest fraud. We had not evolved for these agricultural tasks. We’d adapted to climb an apple tree and run after a gazelle, but not to clear rocks and carry water buckets. Our spines, knees, necks and arches paid the price.

While this revolution offered nothing for people as individuals, it gave a lot to our species as a whole. Cultivating wheat provided much more food per unit of territory and forced our population to multiply exponentially. Extra hands were needed in the field, but the extra mouths wiped out the food surpluses. So even more fields had to be planted, and more hands were required to manage them. Our population increased so rapidly that returning to hunting and gathering wasn’t an option.

The Scientific Revolution

If a Spanish peasant fell asleep in 1000AD and woke up 500 years later on Columbus's ship, he would have seen a world quite familiar. But if someone on Columbus's ship in 1500AD fell asleep and woke up to the alarm of an iPhone, he would have found a world beyond comprehension. The last 500 years have had unprecedented growth in human power. Modern science differs from all other previous traditions of knowledge in three critical ways:

- *Willingness to admit ignorance*: We hold the assumption that we don't know everything. Also, the things we think we know may actually be wrong.
- *Learning*: Having admitted ignorance, modern science aims to attain new knowledge and uncover new insights.
- *Practicality*: Modern science is not content with just theories. But it is looking to acquire new powers and new technologies.

The Scientific Revolution came with the idea of progress. People could invest resources in research, things could improve, and all this could be translated into economic terms.

CHAPTER 99

Why Society Developed

“History followed different courses for different peoples because of differences among peoples' environments, not because of biological differences among peoples themselves.”

Inspired by: **Guns, Germs, and Steel**, by Jared Diamond

The scientific revolution played an essential role in the development of society as we know it. But why did the major innovation and progress take place in Europe and not Africa?

To drill down even further, you could ask: Why did Christopher Columbus sail to the Americas rather than a Native American sailing to Europe? Or, why did Captain Cook sail from England to Australia, rather than Australia's First Nations people conquering England? Indigenous peoples of Australia were here for tens of thousands of years, and their culture hardly changed. Some may draw the lazy conclusion that in some way they are just biologically inferior and they couldn't come up with the technologies necessary to dominate the planet. This biological explanation is not only cringe-worthy, but it's also wrong. Different cultures developed at different rates due to environmental circumstances, not biology. To understand why society developed in some places and not others, we first need to take a peek at the 'Fertile Crescent's' significance.

Ultimate Cause: *The Fertile Crescent*

The Fertile Crescent is a strip of land that we know today as parts of Iraq, Egypt and Jordan. Known as 'the cradle of civilisation', it is arguably the most important geographic location for all of human development. Today, we think of it as a desert, but thousands of years ago, it was one hell of a place to be. It was full of all kinds of flora and fauna and the ideal place for the rise of agriculture. The developments springing out of the Fertile

Crescent lead to life as we know it today and eventually spread across the globe.

Before agriculture, everyone had to go out to get food to support their family and their tribe. But with the development of agriculture, humans were able to store surpluses of food. Say you have ten people in your family. During the hunter-gatherer days, all ten of you hunted and gathered, had sex and went to sleep. Hunter-gatherers had a simple life. When agriculture was invented, your two brothers might have sorted out the food problem by managing crops of wheat and herds of sheep. The rest of you had a lot more time up your sleeve to do other cool stuff like writing, constructing homes and inventing weapons.

When agriculture started, things became a lot more interesting for human beings. Different family members could specialise in different tasks, and we were able to be more imaginative and creative with how we filled our days. If you no longer had to spend all your time trying to find food, you were free to explore new possibilities.

Any attempts to understand the origins of the modern world must look at how these food surpluses arose, and why it was the Fertile Crescent that was the best at domesticating both plants and animals.

Agriculture

The Fertile Crescent was home to plants easily cultivated by humans: wheat, barley and peas.

It also had animals that humans could domesticate. There are very few animals on the planet that are suitable for humans to farm. Many animals are either too big or too small, so they're ruled out. Of the animals that are the right size, many are either too aggressive or don't congregate in herds.

Of all the world's 148 big, wild, terrestrial, herbivorous mammals (the candidates for domestication) only 14 pass the test. Eurasia (with Fertile Crescent access) had 72 large mammals with 13 domesticable species. Africa had 51 species, but none could be domesticated. The Americas had one that could be domesticated, Australia had zero. If you were in the Fertile Crescent, you could grow wheat and herd pigs, and have a pork sandwich for lunch every day. You could then spend the rest of your time

tinkering and creating all sorts of wonderful inventions. If you were in Australia, you weren't so fortunate.

Spreading Inventions

On the map of the world, some continents have clear differences in shape to others. The Americas and Africa span a great North-South distance with a vast area. In contrast, Eurasia spans a great length East-West. This might not seem like a big deal, but it affected the rate of spread of crops, livestock and technology including writing, wheels and other inventions. Areas along the same latitude have similar climates, meaning animals and crops can comfortably spread from East to West. But moving from South to North, or vice versa, you're moving into vastly different climates. For example, you couldn't take corn growing well in Mexico and plant it in Canada's snow. But your wheat growing in Jordan would have a good chance of surviving in Egypt and Algeria to the West and Iran and Afghanistan to the East.

Because agriculture was shared and spread latitudinally, so too did trade and inventions. The wheel, writing, metalworking techniques, milking, fruit trees, beer and wine production could quickly spread around the large mass on a similar latitude with consistent weather and geography. It was the ideal geography to cross-fertilise innovations back and forth between the human subcultures.

Population Density

When hunter-gatherer tribes shift to a new camp, a mother could carry one child on her back and a few possessions. It is too difficult to bear another child until the toddler is old enough to walk along with the tribe on its own. When tribes developed farms and villages and no longer needed to move around as much, mothers could keep pumping out more and more kids that could eventually work on the farm and lighten the workload. The higher birth-rate of food producers in the Fertile Crescent, together with their ability to support more people per acre of land, led them to achieve higher population densities.

Proximate Causes

Now that we understand the primary cause (how agriculture gave rise to food surpluses that then allowed innovations, and how these could spread easily along the East-West axis), what are some secondary reasons? What else contributed to why humans of this origin ended up conquering the planet?

Better Tolerances With Germs

The biggest killer in history wasn't humans killing each other but germs. Weapons and wars hardly compare to the deadliness of germs. The most lethal in history are smallpox, the flu, tuberculosis, malaria, the plague, measles and cholera.

Infectious diseases usually evolve within animals and one day, through a string of chance encounters, make the jump to humans. There is one story of a family who developed bizarre rashes and a debilitating illness, but no doctors could find the cause or cure. It turns out that whilst the Dad was looking after the farm, he had sexual intercourse with one of his sheep! It is a strange bloke that gets aroused by a sheep, but all you need is a few weird units in the population for diseases to jump from animals to humans.

Once a disease enters our population, the human body builds antibodies to fight the disease. The germ learns tricks, but the human immune system develops counter tricks. It is a co-evolutionary race: better-attacking germs and more defensive immune systems. For the immune system to keep its defensive skills current, it always needs the germ around to attack. If a germ disappears, then the immune system loses its ability to fight back.

For the immune system to have the antibodies for a wide variety of germs, we need a human population that is sufficiently numerous, and densely packed, so there are lots of germ species available to build up our immunity. Hunter-gatherers didn't have any of these attributes to coevolve with germs. The agricultural societies with a large enough population (and occasional sheep-fuckers) were the ones that developed sophisticated immune systems to fight diseases. When those in the old world travelled to the new world, it was the aggressive germs, not the weapons, that were the cause of most casualties.

Ability To Read And Write

Once the food surpluses arrived, a very important pastime was invented - writing! Writing brings power to society, power that is often underappreciated. When a society could write, civilisations could stand on the shoulders of previous generations. Knowledge and wisdom could be passed down the line. It also opened the door to the invention of political institutions and full-time bureaucrats, nourished by all of the food-producing peasants.

Creation Of Institutions

Having a religion brought a few benefits to a centralised society. If your civilisation had a religion with a convincing enough story, you might be happy to go to war with another bloke you've never seen nor met before, as long as you were fighting in the name of the same God. You'd also be happy to club a rival's head just because they believed a different story to you. The religious institutions' leaders make a whole society much more effective in conquering other societies or resisting attacks. Humans are happy to fight (suicidally) to achieve the goals of their religion. Again, it was the food surpluses from agriculture that allowed these religious leaders to emerge.

To reflect on those original questions: Why did Europe develop quicker than Africa? Why didn't Australia's First Nations people or the Native Americans conquer the world? It was the ultimate cause (food surpluses) that enabled people to do new things. They could tinker with new technologies, spread these technologies, write about their life lessons, mingle and coevolve germs with domesticated animals, create weapons and create religions. And it was areas like the Fertile Crescent that were perfectly set up to be able to domesticate plants and animals, then spread their lessons to the East and the West.

In other words:

"History followed different courses for different peoples because of differences among peoples' environments, not because of biological

differences among peoples themselves.”

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CHAPTER 100

History's Lessons

*“The present is the past rolled up for action,
and the past is the present
unrolled for understanding.”*

Inspired by: **Lessons Of History**, by Will & Ariel Durant

Writing was one of the most critical developments in our history. The ideas of previous generations could now be communicated to all those that come after their death. Knowledge is power. And our knowledge has grown exponentially as we've increased our ability to learn from history's lessons.

Biology And History

Being human means, like all the other animals that roam the planet, we're vulnerable to the pressures of evolution. This means we're part of the unforgiving game 'survival of the fittest'. As we've already learned from Dawkins, and as our species has learned in the field of biology, *life is competition*.

Yes, *cooperation* between individuals is important. But cooperation is just a tool for a form of *competition* - competition between groups. You might cooperate with a colleague on a project at your work. But this is to make your organisation win in the competition of business. Same goes for cooperation with family, community, party, and nation. Competing groups have the same qualities of competing individuals: you're trying to gather resources and have the ability to be aggressive.

The other lesson of biology is that *life is selection*. This can be brutally unfair. Inequality is here to stay; it is embedded in us from birth. Evolution simply wouldn't happen if things were the same. It loves difference to drive things forward to gather an overall improvement of the species. The individual dies, but over time the species is better off for it.

While natural, this inequality of life has also grown proportionately throughout history as the complexity of civilisations has grown. This holds

true today: those who own AI algorithms will be very rich, people in jobs that will be automated will be increasingly poor.

Interestingly, those who are rich don't care about equality. They desire freedom instead. It is only those with relatively fewer resources that crave equality.

Character And History

We haven't changed a hell of a lot over the last 5000 years, biologically. But the rate of evolution of character and culture is increasing. There is constant chaos. Economic, political, technological and intellectual domains place constant stress on the human psyche. While uncomfortable in the moment, this stress forces character evolution.

As our species encounters a new problem, we grow to find a new solution. Typically an imitative majority follows an innovative minority who are continually disrupting things.

It is only the disrupters who wish to change the status quo to move society forward. But changing the status quo isn't a universally positive thing. No human can reach the point of fully understanding the conventions and customs of a society. Usually, the status quo remains for very good reasons that you have not yet understood. If you disrupt things, the unintended consequences can sometimes make things worse, not better. History teaches us that the conservative who resists change is just as valuable as the disruptor who proposes it. It is good for your new ideas to be heard, but they should go through the mill of objection and opposition before being implemented. This is the trial that all innovations must survive before being allowed to enter the human race.

Economics And History

We've always wanted more resources. Some might tell you the Crusades were about religion, but it was all about the West capturing trade routes to the East. It is this hunger for resources that drives significant changes throughout history. If we didn't have the desire to improve our situation with more resources, then there would be no history.

History reports that: "*Men who can manage men manage the men who can only manage things, and the men who can manage the money manage all*". The most prominent money managers of history include the Medici of Florence, the Rothschilds of Paris and The Morgans of New York. These families are the ones who always have been (and always will be) behind the major human-caused events in the world. They sit on the councils of governments, finance wars and spark the occasional revolution.

Socialism And History

Socialism has a great idea to solve the natural differences between people. As the rich naturally acquire more resources, legislation can assist in centralising the money to ensure that everybody gets a slice. This centralisation has been commonly attempted throughout history.

In 323BC, Egypt had every resource controlled by the state. They put huge taxes on every person. This enabled the building of great engineering works like the pyramids. But centralisation always comes at the cost of productivity. Eventually, the pharaohs who controlled the commerce undertook other works that weren't productive, like expensive wars. The taxes grew and grew, until a tipping point was hit. The Egyptian Empire was eventually torn apart, and Rome came to dominate the world from 30BC.

The Roman empire began and grew with minimal taxation. But eventually, it had its own version of socialism in 300AD. They set minimum wages, taxed heavily for public work to give jobs to the unemployed, gave food to the poor, and the state became a powerful employer. The innovative entrepreneurs were crushed by taxation, and so the Roman Empire also collapsed.

Arguably, the modern world is again going through another period of socialism, albeit a subtler version. Countries are borrowing money to invest in infrastructure, pensions and unproductive wars. The world debt is growing to the point that economies may collapse. Governments are printing money to put the unemployed to work at the expense of private entrepreneurs. An economic collapse on the order of magnitude of Rome and Egypt may be possible in your lifetime.

CHAPTER 101

The New Story?

*“Questions you cannot answer
are usually far better for you
than answers you cannot question.”*

Inspired by: **21 Lessons For The 21st Century**, by *Yuval Noah Harari*

Now we've had a look at the brief lessons of distant human history, time to look at the lessons from more recent history. In the 21st century, we have encountered the threat of nuclear war, the emergence of climate change, terrorism, unprecedented technological disruption and the epidemic of fake news. How can we learn from the past to best prepare for the future?

Our Unifying Story

As we've already learned, humans think in stories rather than facts, numbers or equations. The simpler the story, the better. During the 20th Century, three appealing stories emerged: the fascist story most characterised by Hitler, the communist story by the Soviet Union and the liberal story by the rise of capitalism. The second world war knocked out the fascist story, and history looks at Hitler's rise as heinous. Between the 1940s to the 1980s, there was a great battle between communism and liberalism. Finally, the communist story collapsed. Now, the liberal story has remained the dominant guide to the human past and the indispensable manual on navigating the future. The liberal story celebrates the value and power of liberty.

However, since 2008, people all over the world become increasingly disillusioned with the liberal story. Rightly or wrongly, people have concluded the colossal racket of liberalisation and globalisation are empowering a tiny elite at the expense of the masses.

In 1938, humans were offered three global stories to choose from. In 1968, it was two. Today, we are down to zero. Having one story is the most reassuring situation of all. Everything is clear. To be suddenly left without any story is terrifying. Nothing makes sense.

The Ecological Challenge

With a constantly growing pie, people would believe the story of capitalism. But economic growth cannot save the ecosystem; in fact, it is the cause of the ecological crisis.

Humans have been around for hundreds of thousands of years and have survived numerous ice ages and warm spells. Agriculture has only been around for 10,000 years. The last ten millennia are known as the Holocene period. Any deviation from Holocene standards will present human societies with enormous challenges they've never encountered before.

Humans alive today, are the guinea pigs of an open-ended experiment. There is consensus that greenhouses such as CO² are causing the earth's climate to change at an alarming rate. Nobody can say exactly what the consequences will be for this degree of warming.

In our lifetime, we might be part of the unlucky cohort who witness the results of this experiment.

The Technological Challenge

Economic growth will not solve the technological disruption problem either. Economic growth requires more disruptive technologies, which will replace the labour of more and more humans.

The central question of the 21st Century is: What do we do with all the people?

Once the highly intelligent non-conscious algorithms and robots can do almost everything better than humans, what is left for us? The industrial revolution that created efficiencies through factories created the working class. The AI revolution is going to make a new category: The Useless Class.

The New Story?

We're a storytelling animal. The world works with heroes and villains, conflicts and resolutions, climaxes and happy endings. When we look for the meaning of life, we want a story to explain what it's all about and your individual role in the cosmic drama.

Liberalism has been a powerful, potent and compelling story. It has given us a quality of life that previous generations couldn't have dreamt of. But it isn't going to have the same firepower for all the new challenges.

To construct a viable identity for yourself and give meaning to life, the story doesn't need to be devoid of blind spots and contradictions; it just needs two conditions. *First*: It needs to give you some role to play. Like movie stars, humans like only those scripts that reserve an important role for them. *Second*: We need to have the right time scale. Short term thinking isn't helpful. But neither is thinking on the scale of millennia. A good story need not extend to infinity; it simply must extend beyond your horizons.

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CHAPTER 102

Adams And Beyond

*“This is the best reason to learn history:
not in order to predict the future,
but to free yourself of the past
and imagine alternative destinies.”*

Inspired by: **Homo Deus**, by Yuval Noah Harari

The Past

In the past, humans had a fixed amount of energy to solve the most immediate problems. If you woke up in pretty much any time throughout human history, your three biggest concerns would be famine, plague or war. But you've never had to worry about these issues, thankfully. As a species, we've managed to transform these uncontrollable forces of nature into manageable challenges.

Famine

For all of human history, hunger was a real problem. But today, you could drop this book right now, unlock your iPhone and log onto Uber Eats. If you live in a busy area, you've most likely got access to hundreds of affordable dishes that can be delivered to you, without leaving the comfort of your own home. Alternatively, you could stroll down the street and order a hot dog from 7-Eleven. You've probably never had to worry once about where your next meal is coming from.

During the last 100 years, we've blown the challenge of food out of the park, with technological, political and economic developments that have created a robust safety net separating us from the biological poverty line. Mass famines still strike from time to time, but they are exceptional and caused by politics rather than natural catastrophes.

Plague

After famine, humanity's second great enemy was plagues and infectious diseases. Humans and germs played a coevolutionary race to finally dominate the planet. In this fight, the germs sometimes won.

For example, between 75-200 million people died from the Black Death in the 1330s, which wasn't even the worst. When Europeans colonised Australia, they brought with them new infectious diseases which the Indigenous population had no immunity. Up to 90% of the population died as a result.

In previous eras, we were no match for these germs. Modern medicine has a fighting chance.

In 2050, undoubtedly, we will face more resilient germs, but medicine will still be ahead.

War

If you were an ancient warrior in 3000BC, you would live knowing that the tribe around the corner could arrive at any moment to put an axe through your head, slaughter your people and occupy your land. Pretty scary thought!

This threat has disappeared. In agricultural societies, war caused 15% of all deaths, during the 20th Century, violence led to 5% of all deaths, and in the 21st Century, it is less than 1%. In 2012, 56 million people died throughout the world. Of this, 620,000 died due to human violence, and 1.5 million deaths were caused by diabetes. Sugar is now more dangerous than gun powder.

The Future

So the three biggest issues we had to deal with have been KO'd. We've still got time and resources to put to work, where will they go instead?

This question becomes doubly relevant as we're gaining immense new firepower in biotechnology and infotechnology at our disposal.

What will we do with all of this firepower? Yuval Noah Harari has three ideas.

Immortality

When you die, it won't be because some bloke in a black cloak taps you on the shoulder, or because God thought your time was up. When you die, it will be because of some technical glitch: your heart will stop pumping blood, the main artery clogged with fatty deposits, cancerous cells spread to the liver, or germs multiply in your lungs. What will be responsible for these technical problems? More technical, and solvable, problems.

Your heart might stop pumping blood because not enough oxygen is reaching your heart muscle. Cancer cells spread because a genetic mutation rewrote instructions. The germs spread to the lungs because someone shook hands after wiping snot from their runny nose. Technically, all these problems can be solved.

If you could solve these problems, you could be the first trillionaire to roam the planet. Can you think of a more alluring market than the promise of eternal youth? If you are a 60-year-old with a billion bucks, can you think of a better purchase than getting back your 30-year-old body? How much would you pay for it?

Happiness

Somewhere along the line, we switched from the pursuit of happiness to the right of happiness. It is an expectation the whole world now has. Despite our achievements, it isn't evident that modern people are significantly happier than our ancestors. It is a paradox that we've achieved our goals in prosperity, comfort and security, but the rate of suicide is higher than what it used to be.

According to biology, happiness and suffering is nothing more than an imbalance of chemicals and body sensations. We don't suffer because of a lost job, divorce or because the government went to war. The only thing that makes anything miserable is the sensations in the body. If science is all about our biochemical system, the only way to ensure everlasting happiness is to rig the system.

We're not there yet: your 25-year-old cousin who takes MDMA and has benders on the weekend is probably happy in the moment the drug kicks in.

But things will catch up - taking drugs is a negative-sum game. Just ask your cousin for a coffee on the following Tuesday.

To raise happiness levels, we need to manipulate human biochemistry. You might not need to hunt for resources with goals like becoming a millionaire to be happy. You can trick your body, to feel the outcome.

Divinity

For 4 billion years, natural selection has slowly tweaked and tinkered your body to be a pretty amazing specimen. But you're far from finished; you have obvious limitations in strength, speed or cognitive capacity. Biological engineering starts with the insight that you're nowhere near realising the potential of your organic body.

We have gone from reptiles to Sapiens, but there is no reason to think Sapiens is the final destination. Bioengineering will not wait for natural selection to do its minor tweaks over the span of millions of years. Instead, engineers will take the Sapien body and intentionally rewrite its genetic code, rewire its brain circuits and even grow entirely new limbs.

This might sound like science fiction, but it's already here today. Monkeys have learned to control bionic hands and feet disconnected from their bodies through electrodes implanted in their brains. With new divine powers of creation and destruction, you could be upgraded from Homo sapien into something new altogether, what Harari calls a Homo Deus.

Lesson 29

**nurturing
our
planet.**

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As our power has developed to unprecedented levels, humans have entered a new period. For the first time, we have the extraordinary ability to destroy ourselves. As the gap between our power and wisdom grows, we're subject to incomprehensible levels of risk. The situation we find ourselves in is unsustainable. Over the next few generations, humanity will be tested.

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CHAPTER 103

The Fate Of Previous Societies

*“History (as well as life itself) is complicated.
Neither life nor history is an enterprise
for those who seek simplicity and consistency.”*

Inspired by: **Collapse**, by Jared Diamond

Looking at ancient ruins of once-great civilisations, an unsettling thought might emerge: could our great society suffer such a fate? Will tourists stare mystified at decrepit and condemned New York skyscrapers as we stare at the Mayan ruins and Egyptian pyramids?

Many civilisations have collapsed after rising to great heights. Some of the reasons for these collapses include:

- *Environmental damage*: Exceptional carelessness of the people, or exceptional fragility in aspects of the environment, or both.
- *Climate change*: Today, we refer to human-induced climate change. But in the past civilisations collapsed due to natural climate change, including the advance and retreat of the continental ice sheets during ice ages, or global cooling from the enormous volcanic eruption of Indonesia's Mt Tambora.
- *Hostile neighbours*: A society might be able to hold off its enemies most of the time, but could succumb in just a brief moment of weakness. The brief moment of weakness is the ultimate cause of the collapse; the conquest is just the final blow.
- *Decreasing support by friendly neighbours*: If you have construction tools and your neighbour has timber, you can build a house. For trade, the sum of the whole can be greater than its parts. But if your neighbour weakens or dies, they can no longer give you an essential good, and you will suffer.
- *The response of the society*: Different societies respond differently to similar problems. For example, in many cultures, deforestation has arisen - some collapsed for exploiting this renewable resource, some developed sustainable management practices.

By learning from previous societies' mistakes, we can take the lessons and mitigate the risks of the collapse of our own civilisation.

Easter Island

For all the collapsed civilisations explored, Easter Island is perhaps the most chilling. The Polynesian inhabitants on this island off the coast of Chile created a thriving and industrious culture. The island was broken into 12 different territories. Each had its own valuable resource to trade with the other clans on the island. Regardless of how thriving this complex civilisation once was, it collapsed in a very short period due to unsustainable resource consumption.

Today on Easter Island, you will see toppled statues. They weigh up to 55-tonnes each, so to re-erect them would require a massive crane. Even with modern machinery, the task is challenging, so it's almost impossible to fathom how a more primitive society could install these 500 years ago. Looking chronologically, the statues increased in size with each passing generation, and they even started adding large decorative features. It was as if the leaders of the various rival clans around the island proclaimed: *"All right, so you can erect a statue 30 feet high... mine is 40! And hey, look at me, I can put this 12-tonne pukao on top of my statue. Try and top that you little wimp!"*

The whole operation of constructing statues and platforms must have been enormously costly on island resources. The thick ropes required were made from fibrous tree bark. Up to 500 people would drag the statues with the rope, then use timber from large trees as sleds, ladders and levers. But what was it all for? Entire villages of people would invest so much time and energy, just to erect a giant statue.

Easter Island is now a treeless, barren wasteland. But scientists found that for thousands of years before human arrival, Easter was a subtropical forest of tall trees and bushes. Some trees grew to 150 feet tall, but now all 21 species of flora have vanished. Presumably, they were all used to drag and erect their statues.

Easter must be the most extreme example of forest destruction in history (so far). The whole forest is gone, and all its tree species are extinct. Immediate consequences for the islanders were loss of raw materials, loss of wild-caught foods, and decreased crop yields. The loss of trees meant the

loss of wood and rope used to make houses. The lack of large timber meant no more seagoing canoes to catch fish. Also, no more wood meant no more fire. Once the trees were gone, the remaining inhabitants did whatever they could to survive... not surprisingly, cannibalism was rampant.

A thought may have crossed your mind: "*Whilst the Easter Islander was cutting down the very last tree, what was he thinking?!*" You could ask the same question of the Brazilian president who ordered the burning of the Amazon forest in 2019 to clear room for more profitable animal agriculture.

Easter's isolation makes it the clearest example of a society that destroyed itself by overexploiting its resources.

Like Easter, all countries in the 21st Century face the challenges that come with a finite resource base. Our fate isn't yet set in stone. As problems continue to arise in different societies, the way we respond is up to us. We can learn from the collapse of the once-great Easter Island civilisation.

Like adversity can advance growth in an individual, it can do the same for civilisation as a whole. Placing stress on a system forces it to respond in new ways and grow through the process. But stress can also lead to crumbling. If our species cannot grow through our challenges, the writing is on the wall; a collapse will be inevitable. One way or the other, the 21st Century will be a defining moment in our development. How it plays out is up to us.

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CHAPTER 104

Managing Growth

*“A sustainable world
could be very much better
than the one we live in today.”*

Inspired by: **Limits To Growth**, by *Donella Meadows*

Since the 1980s, most of the world has cottoned on that we're using more of the planet's resource production than what can be generated each year. This unsustainable pursuit of exponential growth leads to an almost inevitable outcome: a crash.

Growth solves some problems but creates others. For example, China's annual losses due to desertification is \$42 billion, and losses due to water and air pollution is \$54 billion. This combination accounts for 14% of China's GDP! Reliance and faith in growth creates false hope.

As our global population grows, we're putting more strain on the planet. Expansion of the population without consideration of the environment gradually forces humans to divert more capital to cope with the problems that arise. Eventually, so much capital is diverted to manage these issues that it is impossible to sustain further growth.

Resource and emission constraints have led to many crises. Declines in oil production, thinning of the stratospheric ozone, global temperature, hunger, location of disposal sites for toxic wastes, falling groundwater levels, disappearing species, receding forests... just to name a few.

There is a limited rate at which humans can extract resources and emit waste without exceeding the planet's productive or absorptive capacities. Crucial sources are emptying or degrading, and many sinks are filling up or overflowing. The human economy cannot be maintained at current rates forever. A positive feedback loop drove economic expansion, but this will soon reverse, and the economy will inevitably begin to contract.

Planet Earth is finite. In the past, strong economies conquered new lands. But there are only so many islands and continents on Earth. We could conquer new planets, but they're too far away. The only option we have left: to find a better method of manageable growth.

Pricing It In

One possible solution to avoid collapse and bring the world to sustainability would be to slow down economic growth. Our ideological attachment to growth and the real need for it in developing countries rejects this idea. The population of China and India combined, want to live like Middle-Class Australians. And how can you ask them to give up their dreams for the sake of the planet if you're not willing to turn your heater off in the middle of winter?

The expectation of ever continuing material growth has to stop, and externalities must be caught in the prices. We need to understand that the current system doesn't work. The real costs need to be reflected in the price, meaning externalities have to be taken into account. We also need to transcend our current goals of increasing production and accumulation of material wealth. We jump on the hedonic treadmill, buying more and more shit that we don't need to impress people we don't care about at the expense of our planet. The material high we get is very short-lived. We need new goals.

A sustainable society meets the needs of the present without compromising the ability of future generations. It doesn't mean zero growth; it means sustainable development. If we do it right, we can have positive growth in a way that doesn't detract from future generations' well-being.

Ideology And The Environment

Environmentalists don't always help their cause with ideas that can sometimes reach the extreme Hitleresque end of the spectrum. For example, Paul Watson of the Sea Shepherd Conservation Society wrote:

We need to radically and intelligently reduce human populations to fewer than 1 billion people.... Curing a body of cancer requires radical and invasive therapy, and therefore curing the biosphere of the human virus will also require a radical and invasive approach.

The reasonable approach to the environment is Ecomodernism, as proposed by Stephen Pinker. We need to acknowledge that some degree of pollution

is going to happen due to entropy. This means recognising that industrialisation has been *good* for humanity. It has fed billions, doubled life spans, slashed extreme poverty and replaced muscle with machinery, making it easier to end slavery, emancipate women, and educate children. Any costs in pollution and habitat loss, have to be weighed against these gifts.

Industrialisation is also bad *for* the planet; global warming poses perhaps the most significant risk for the human race. Almost every consecutive year is the warmest year on record. Anthropogenic climate change is the most vigorously challenged scientific hypothesis in history. A survey found that only 4 out of the 69,406 authors of peer-reviewed articles in the scientific literature rejected the hypothesis of anthropogenic global warming.

It is hard to find reasonable people on the issues of climate change and industrialisation, on both ends of the political spectrum. Typically, the political right denies this threat. Being heavily underwritten by fossil fuel interests, there have been campaigns around the world to deny that greenhouse gases are warming the planet. They'll claim it is a bit of a hoax conjured up by greenies looking to send us to the stone age.

But left-wing ideology doesn't seem to be helping either. According to Naomi Klein (author of 2014 *This Changes Everything*), we should treat climate change as an opportunity to get rid of free markets, restructure the global economy and remake the political system. In one of the biggest self-defeating displays of the environmental movement, she partnered with the infamous David and Charles Koch. She helped them defeat a 2016 Washington State initiative that would have implemented the state's first carbon tax. She did so because it was "*right-wing friendly*" and did not make the "*polluters pay with their immoral profits to work repairing the damage they have knowingly created*". In 2015, she opposed analysing climate change quantitatively: "*We're not going to win as bean counters. We can't beat the bean counters at their own game. We're going to win this because this is an issue of values, human rights, right and wrong*".

How then should we solve the problem of climate change? The reasonable response to climate change is figuring out how to get the most energy with the least greenhouse gas emissions.

This begins with carbon pricing. We need to charge people and companies for their damage when they dump carbon into the atmosphere. Even if greenhouse gases are halved by 2050, and zeroed by 2075, the world will still be on course for risky warming. We need to suck it out of the air. We do this by encouraging the transition from deforestation to reforestation and afforestation. We could promote building with wood and other plant products.

This will be one hell of a challenge.

The problems are solvable, but that does not mean they will solve themselves.

Biases For Inaction

We assume most of the CEOs, presidents, and prime ministers are rational people. So, why are they willing to take such a gamble with the environment? This is a question that often hits us. Let's look at it through the lens of some of the human biases that are presented in this book.

What you see is all there is WYSIATI (Thinking Fast and Slow, Daniel Kahneman)

We go to the supermarket, and everything is there, the sun is shining outside, the footy is on. In our day to day life, we don't see the effects of climate change visually. WYSIATI refers to the fact that we make our judgements and impressions based on only the information that we have available. We don't spend time thinking about the things that we don't see. We simply assert what is in view.

Survivorship bias (Black Swan, Nassim Taleb)

Lots of civilisations have come and gone in the past. We're only viewing the risks through the filter of the only one that survived. We can't learn the lessons from the civilisations that have failed; they're not around to tell us!

Associative coherence (Thinking Fast and Slow, Daniel Kahneman)

We cannot distinguish risk and benefit. Risk and benefit to a rational person should be mutually exclusive, but they're not. If you

think something is risky, you can't see the benefit (or visa versa). If people think that free markets are beneficial (which they are), they can't see the risk. If people believe renewable energy is risky, they can't see the benefit.

Commitment and Consistency (Influence, Robert Cialdini)

We are likely to appear consistent with what we say or what we've done in the past. Once we have made some kind of visible public commitment, we feel compelled to follow through. This means that all politicians and journalists who have been climate change denialists are compelled to not change their mind, due to their internal pressure to justify previous decisions to feel congruent.

Sunk Cost Fallacy (Thinking Fast and Slow, Daniel Kahneman)

If you buy a movie ticket and the movie sucks, you'll probably hang around until the end because you've spent the money anyway. To a rational person, the fact that you paid money shouldn't matter, you are wasting your time.

Our whole culture has invested loads of money into infrastructure and fossil fuels. Even if renewable energy poses a net positive economic sum, we still might prefer to keep the status quo instead of wasting the money already being spent.

Confirmation Bias (Thinking Fast and Slow, Daniel Kahneman)

We have a tendency to see all evidence as supporting our beliefs. We only seek and interpret any information to support the beliefs we already hold. It doesn't matter how poorly the information fits in your view; you will twist it. This is the path of least resistance for your brain, and it will always take it.

Once a belief is lodged, it is very difficult to dislodge. The smarter people aren't better at dislodging illogical beliefs; they are just better at finding arguments to support themselves.

CHAPTER 105

Existential Risk

The Anthropocene is the time of profound human effects on the environment, while the Precipice is the time where humanity is at high risk of destroying itself.”

Inspired by: **The Precipice**, by Toby Ord

With the detonation of the first atomic bomb, a new age of humanity began. At that moment, our rapidly accelerating technological power finally reached the threshold where we can destroy ourselves. This was the first point in which the threat to humanity from within exceeded the threats from the outside world.

Nuclear War

If full-scale nuclear war broke out today, perhaps there is a real risk of the permanent collapse of civilisation. Firestorms burning in cities could create great columns of smoke, lofting black soot into the stratosphere. At this height, the soot can't be rained out. This would block the sunlight, chilling, darkening and drying the world. Crops would fail, and billions would starve in this nuclear winter.

But an existential catastrophe via an unrecoverable global collapse of civilisation seems unlikely, especially if we consider a place like New Zealand or South East Australia which is unlikely to be targeted and would avoid the worst effects of winter being coastal.

We must not be complacent. Recent years have witnessed the emergence of new geopolitical tensions that may again raise the risks of deliberate war. Today, we still have 3,750 nuclear warheads in the world waiting to be pumped out. If enough were to be launched, then our existence would be certainly at stake.

Russian Roulette Risks

When we think of existential risk from nuclear weapons, our first thoughts are full-scale nuclear war. But long before the Cold War or Hiroshima, scientists worried that a single nuclear explosion might spell the destruction of humanity.

In the summer of 1942, American physicist, Robert Oppenheimer, held a series of secret meetings in his office. He brought together all the field's leading thinkers to design the first atomic bomb. This was based on the recent discovery of nuclear fission, and they were working out the implications on unprecedented experiments.

On the second day, Edward Teller noted that an atomic explosion would reach a temperature exceeding that of the sun's centre (15 million degrees). And if an atomic bomb could be surrounded with fuel such as hydrogen, its fission reaction might trigger a fusion reaction similar to the sun. This would cause a self-sustaining reaction that would blow up everything, including the world's oceans. A heated discussion broke out amongst the scientists as there was no consensus.

The atmosphere did not ignite. Nor has any nuclear test since. But that isn't the point. The real risk is that the bomb designers didn't know for sure, but they shot from the hip anyway. There was a severe subjective risk of them destroying humanity. It is hard to estimate the exact risk because, given hindsight, we're tempted to believe the result was inevitable. There are plenty of times in history where theoretical and experimental science have been worlds apart.

When we're playing with new technologies with limited understanding of its implications, it is a lot like playing Russian Roulette.

Let's imagine that someone offers you \$10 million to play Russian Roulette. To play, you need to put a revolver containing one bullet in the six chambers to your head and pull the trigger.

Each realisation would account for one history, for a total of six possible histories of equal probabilities – five out of six lead to ten million bucks, one would lead to death. The problem is that only one of the histories is observed in reality. After playing, the new millionaire might begin calling this a low-risk game, neglecting that the bullet and death were real possibilities.

Similarly, every time we play with unprecedented experiments, we can't be sure if the bullet may hit this time. This makes the idea of the Russian Roulette risks the hardest to grasp.

Pandemics

COVID-19 by historical standards was a pretty tame pandemic with a low death rate. For example, in 1347, the black death came to Europe, brought in by the Mongol Army. Within six years, the black death was all over the continent, and between 1/4 and 1/2 of all Europeans were killed. When Europeans reached the Americas in 1492, the two populations exposed each other to novel diseases. There are estimates that about 90% of America's population was wiped out over that century.

Our population is still more susceptible to pandemics than most of human history. As many major diseases originate in animals before crossing over to humans with examples like: HIV (chimps), Ebola (bats), SARS (bats) and influenza (usually pigs or birds). Evidence suggests that diseases are crossing over into human populations from animals at an increasing rate.

The last ten years have seen breakthroughs in understanding pandemics. The most influential innovation is CRISPR, which allows us to insert new genetic sequences into a genome efficiently. But this cuts both ways. It is also easy for your backyarder to experiment with their own new sorts of superorganisms. There is a real chance that our immune system may not be entirely ready.

People with the motivation to wreak global destruction are mercifully rare, but they exist. The Aum Shinrikyo cult in Japan was active between 1984 and 1995, which sought to bring the destruction of humanity. They launched multiple lethal attacks using VX gas and sarin gas. What happens when a circle of people who could create a global pandemic becomes wide enough to include members of such a group?

Unaligned Artificial Intelligence

The ultimate goal of AI is to build machines that rival humans in intelligence. In the last decade, the approach of neural networks has taken off in modelling the brain. Technical improvements in their design and training, combined with richer datasets, have allowed us to train much larger and deeper networks than ever before.

What would happen if researchers created artificial general intelligence surpassing human abilities in almost every domain in this century? They'd take over the top dog status as the most intelligent entities on Earth.

Our natural response is we can turn the AI off. But AI may have very good reason to resist our attempts to shut it down. Let's say it's programmed for a goal with a single-minded reward. Being turned off makes it impossible to achieve its goal, so it could come up with creative ways to remain 'on'. It may even go one step further, seeking to acquire additional resources, computation capacity or power over humans. It could wrestle control from humanity - as that would help it achieve these instrumental goals.

Unforeseen Risks

Imagine if scientists in 1930 tried to compile a list of the existential risk over the next 100 years. From today's perspective, it seems like a redundant exercise. They'd have no idea about engineered pandemics, nuclear arms or climate change. And so we must ask: in the year 2100, will the greatest risks be unknown to us today? Since humanity's power is rapidly growing, we shouldn't be surprised if some of these threats pose a substantial amount of risk.

If all goes well, we're just at the beginning of human history. Earth itself has billions of years to go, so humans could potentially hang around for millions more generations. This is enough time to create a world we could scarcely imagine today. We could go further into the cosmos, enabling us to live for trillions of years exploring billions of planets. Such a life span puts present-day humanity in its earliest infancy.

But we need to move through this defining period of our time. We're at the critical moment in the history of our species.

PART IX

**non-wanker
philosophy.**

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When people think of philosophy, they think of a bunch of ineffective professors teaching hippy students about wanker concepts that have seemingly little real-world relevance. Karl Marx wrote: “*Philosophy stands in the same relation to the study of the actual world as masturbation to sexual love.*” Students are seemingly shuffling around corridors with thick textbooks, racking up educational debt to earn a degree that won’t get them a job. ‘Philosophy’, at least in our eyes, had become synonymous with the word wanker. But our avoidance of philosophy could be coming at a significant cost to how we live our life. In *Philosophy: Who Needs It*, Ayn Rand wrote:

As a human being, you have no choice about the fact that you need a philosophy. Your only choice is whether you define your philosophy by a conscious, rational, disciplined process of thought and scrupulously logical deliberation - or let your subconscious accumulate a junk heap of unwarranted conclusions, false generalisations, undefined contradictions, undigested slogans, unidentified wishes, doubts and fears, thrown together by chance, but integrated by your subconscious into a kind of mongrel philosophy and fused into a solid weight: self-doubt, like a ball and chain in the place where your mind's wings should have grown.

Today, Philosophy is as important as ever. The default philosophy in the 21st Century is to avoid pain and maximise pleasure. At first glance, this seems like a very reasonable way to be living. But this could be causing more suffering than happiness. Without inspection, you might be swept up by the crap that people believe, making you increasingly fragile like the rest of society. Avoiding adversity can doom us for failure, but it is the way in which we respond to adversity that is most important.

Lesson 30

**ancient
wisdom.**

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We can aspire to material success and get there. You can get the fancy job title, your side hustle can take off, or you can ride that winning crypto investment all the way to the moon. But killing it in these external measures of success means very little if you're unable to take control of our internal spiritual domain.

Throughout history, each culture has had its own version of powerful ideas, handed down from generation to generation. Empires have risen and fallen, but luckily some of their philosophies have survived long enough that we can benefit from them today.

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CHAPTER 106

Chinese Wisdom

*"The journey of a thousand miles
begins with a single step."*

Inspired by: **Tao Te Ching**, by Lao Tzu

Written in 400 BC, the *Tao Te Ching* provided ancient wisdom that has remained relevant for the past two and a half millennia. It presents ‘the paradigm for non-action, which is the most effective form of action’. Despite us not really understanding what it means, it seems like quite a profound statement (either that or something you’d find inside a fortune cookie). In any case, there is a lot to be gained from this ancient wisdom.

#9

Fill your bowl to the brim, and it will spill. Keep sharpening your knife, and it will blunt. Chase after money and security and your heart will never unclench. Care about people's approval, and you will be their prisoner.

Do your work, then step back. The only path to serenity.

Our interpretation: don't try too hard! Sometimes trying too hard can actually lead you to perform worse. I (Ashto) am certainly no golfer, but I enjoy having a whack at the driving range from time to time. The funny part about golf is that the harder I try, the worse the outcome. Whenever I grip the club really tightly and try to smack it with all my force, I end up slicing it off sideways into the trees. The same goes for archery, swimming, and many other things in life - if you're trying too hard, you lose touch with your senses and ‘get in your head’, and your performance suffers.

Another way to impede your results is by continuing to sharpen your metaphorical knife even after it's already sharp enough. ‘Sharpening’ can be a form of procrastination, the thing that stops you from taking action. Instead, sharpen until it's sharp, then start chopping things. In some

instances, this could be like us reading so many books. Reading books and learning new things is great, but at some point, we need to stop gaining more unused knowledge and start applying our knowledge to the real world.

#56

Those who know don't talk. Those who talk don't know.

Close your mouth, block off your senses, blunt your sharpness, untie your knots, soften your glare, settle your dust. This is the primal identity.

Be like the Tao. It can't be approached or withdrawn from, benefited or harmed, honoured or brought into disgrace. It gives itself up continually. That is why it endures.

The first line of this is simple but profound¹. The loudest voice isn't necessarily right, and the person sitting quietly in the corner might be thinking deeply rather than spouting off BS without any substance. Talking comes from our desire to be right, to be seen to be right, and to influence, persuade or convince others to our way of thinking. Rather than forcing our opinions onto others, we should begin to listen more attentively and operate from the place of 'primal union' by letting go of our own need to be right.

Robert Greene talks about this in his book *The 48 Laws of Power*. In Law 4: Always say less than necessary, he says: "*The human tongue is a beast few can master. It strains constantly to break out of its cage, and if it is not tamed, it will run wild and cause you grief. Power cannot accrue to those who squander their treasure of words*". Only the weak will blabber without thinking. Only those without power will crave the attention they hope to get by speaking. I (Jonesy) look for any opportunity to shoehorn my big wins in life into conversations. But then I remember that I don't want to be drawn into seeking attention by bragging. It's often better to stay humble.

Take a look at a few LinkedIn profiles. Who do you think knows more: the person who writes three paragraphs to try to convince you about how much responsibility they have, or the leader who just lists the job titles they've held over their career and lets their experience speak for itself?

#65

The ancient Masters didn't try to educate the people, but kindly taught them to not-know. When they think that they know the answers, people are difficult to guide. When they know that they don't know, people can find their own way.

If you want to learn how to govern, avoid being clever or rich. The simplest pattern is the clearest. Content with an ordinary life, you can show all people the way back to their own true nature.

You can't possibly learn anything new if you think you already know it. You dismiss this information. You don't take it in - you're closed off.

A Zen master once took on a new student. But everything the master tried to teach him, the student 'already knew'. When the master filled the student's cup of tea, he poured until it overflowed, then kept pouring more tea. Baffled, the student asked what was wrong. The master said that the mind is like the teacup - once it's already full, nothing new can go inside. If you want new tea, you must first empty the cup. If you want to acquire knowledge, you must first be willing to let go of everything you thought you 'knew'.

There is so much happening in the world around you that you can't possibly know it all. It is better to come from a place of humility and openness. It is far better to assume that you *don't* know everything. Only then do you have a chance to actually learn.

CHAPTER 107

Mexican Wisdom

*"I will no longer allow anyone to manipulate
my mind and control my life."*

Inspired by: **The Four Agreements**, by *Don Miguel Ruiz*

The Toltecs were an ancient civilisation from Mexico, known as 'the women and men of knowledge'. They were scientists and artists who formed a society to explore and conserve the ancients' spiritual knowledge and practices. It's not a religion; it's a spiritual way of living. Don Miguel Ruiz examined the Toltecs to extract their core wisdom and guiding principles.

We have all made several 'agreements' about how we will go about life. We've made agreements with our friends, partners, parents, children, our God/s, and with society more broadly.

Like a sheep being domesticated to fit into farm life, there are unwritten agreements we need to follow to fit in and live a successful life. We've been domesticated since childhood. We were built upon a punish-or-reward system which has moulded us to become who we are today.

And of course, the most important agreements are the ones we've made with ourselves. All of these agreements we've made guide our 'personality': they tell us who we are, what we feel, what we believe, and how we behave. You might unconsciously be contracted to keep your head down, keep quiet, avoid controversy, wear certain clothes, eat certain foods, and behave a certain way. Some agreements serve you; some don't. In most cases, however, you accepted them somewhere along the way without much thought.

We've got to become conscious of our agreements. Some are no longer serving you and need to be dropped. There are *Four Agreements* that everybody should take on to live a wonderful life.

The First Agreement: Be Impeccable With Your Word

Our word is the most powerful tool at our disposal. But it's a double-edged sword: with our word, we can create the most beautiful dream, or destroy everything around us. We must be careful about how we use our power.

Through the power of our word, we plant seeds in our mind. The human mind is fertile ground, and the seeds we place with our ideas and opinions start to take root. If we plant bad seeds with bad words, we're going to get rotten fruit. It's important to recognise that our 'word' is not just the things we say out loud to other people, but also the things we tell ourselves.

One evening, a 28-year-old man from North Carolina fired a military assault rifle inside a Washington pizzeria. He had read online (or maybe heard an Alex Jones rant) that Hilary Clinton was one of the many Democrats involved with a child sex slave ring. The man hoped to save innocent kids who were being exploited by the establishment. But he saved no children. Instead, he scared the living shit out of the employees and patrons who ran away from this madman. The widespread conspiracy theory of 'Pizzagate' turned out to be BS, and this bloke found himself facing jail time.

Gossip is like black magic. It is pure poison. Like a virus, if you spread gossip and rumours, you become infected yourself. This gossip had the power to damage their lives for no good reason. The First Agreement then is to be impeccable with your word. Don't speak untruths. Not only will they harm those around you, but you'll also be hurting yourself.

The Second Agreement: *Don't Take Anything Personally*

Imagine someone walks up to you in the street and says: “*You're stupid*”. How would you react? Would you brush it off? Would you let it fester inside you? Would it ruin your day?

Some people give such weight to people's opinions that it colours their worldview and affects their potential. It's easy for us to get dragged down by what people around us say.

I (Ashto) don't like to admit this, but from time to time I've watched a few minutes of *The Bachelor* (just here and there... only when the ads were on footy... and I accidentally flicked over... I swear...). In one of these accidental viewings, a bloke named Timm² actually dished out some pretty

profound advice: “*What Sally says about Susie says more about Sally than it says about Susie*”.

We need to realise that most comments or thoughts or opinions of others say a lot more about *them* than they do about *us*. If your boss lashes out and says your work isn’t up to scratch, maybe they’ve been having a rough week at home. If the barista at your local coffee shop doesn’t return your smile, maybe they’re still recovering from a previous customer’s unfair complaint. If someone rejects your dinner date invitation, perhaps they’re nervous about having their heart broken.

In any scenario like this, we need to recognise it isn’t personal – the things that *happen to us* aren’t a true reflection of *who we are*. Don’t take other peoples’ opinions and apply them to yourself. Recognise that this goes both ways: accepting the praise can only serve as a building block to boost your ego and set you up for a greater fall the next time you’re insulted. When someone insults you, don’t take it personally, and if someone gives you immense praise, don’t take it personally.

The Third Agreement: *Don't Make Assumptions*

Making assumptions sets you up for future problems. An assumption is taking a tiny piece of information, then extrapolating it to paint a full picture. If we believe this picture (based on one small piece of information) gives us a firm grasp of the situation, then we’re doomed.

The biggest assumption we *all* make is that everybody sees the world the same way that we do. We all view the world differently based on our background, our experiences, and our current positions. It is vital that we realise that everybody is looking at the world through their own tinted glasses – while the outlines look similar, the finer details appear entirely different.

The way to combat this is to have the courage to admit that you don’t know something, then ask questions. Rather than making an assumption and guessing that you’re probably 30% right (which makes you 70% wrong), be upfront and admit that you’re unsure. That way, you’ll get much closer to a 100% understanding. If we get more information, we can begin to truly know something, rather than just assuming.

The Fourth Agreement: Always Do Your Best

It seems obvious - *of course we should always do our best!* If you're honest with yourself, you'll be able to pick out something you did this week that wasn't your best. We half-ass things that don't seem like a big deal. But how we do anything is how we do everything. If we take our foot off the pedal, we're eroding our potential if we allow ourselves just to pass rather than to excel.

This goes for the big things: the annual report, the important speech, the Christmas dinner you cook for your family. But it's also for the small stuff: our daily interactions with another human, the way we speak to our partner, the energy we give off when we shake someone's hand or enter a room. If we don't do our best, this gap between how we perform and how we know we *could* perform gets filled with the guilt or regret of not trying. If we do our best, there is no room for regret.

And if one day you don't do your best? Don't stress, don't worry, don't replay the moment in your head. Just put a full stop at the end of that day. Tomorrow is another opportunity.

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CHAPTER 108

Western Wisdom

“When you have something to say, silence is a lie.”

Inspired by: **12 Rules For Life**, by Jordan Peterson

So far, we've sought wisdom from China and Mexico. Now, we're going to the West, with Jordan Peterson's *12 Rules For Life*. Peterson takes inspiration from nursery rhymes, the bible and evolutionary biology to give us his 'rules' we should all live by.

Rule 1: Stand Up Straight With Your Shoulders Back

A victorious lobster will change its neurochemistry as he moves up the dominance hierarchy amongst his lobster peers. The female lobsters identify the top guy quickly and become irresistibly attracted to him. Instead of undertaking the computational difficulty of identifying the best man, the females outsource the problem to the dominance hierarchy.

Hierarchies are widespread. For most animals on the planet, life sucks if you're low status. You have nowhere to live, nowhere to go, your food is terrible, you are of minimal romantic interest, you're more likely to fall ill, age rapidly and die young, with few around to mourn you. While these jungle laws sound pretty harsh for other animals, we humans are not so different.

The goal for humans, just like all other animals, is to ascend higher in the dominance hierarchy. The higher our status, the better our life. If we walk with good posture, emulating high status, we're sending clear signals to those around us. But we're also sending a signal to ourselves. Standing up straight with your shoulders back improves your internal neurochemistry. This becomes a self-fulfilling prophecy - you *feel* like you're strong, so you *become* stronger.

Rule 2: Treat Yourself Like Someone You Are Responsible For Helping

My (Ashto) dog Charlie recently got crook. I won't go into the gross details, but things got a little messy. The vet guessed that she'd eaten something while walking on the beach that didn't agree with her stomach and had given her ulcers. The treatment was a strict ten-day regime of pills and tablets to get her sorted out. Every morning she had to have the little yellow pill first thing, then the square purple one an hour later, then an hour after that I had to dissolve a big white tablet in a syringe with 10mL of water for 15 minutes then hold Charlie's mouth open and squirt it down her throat (because it tasted like crap and she spat it out otherwise). Then an hour later it was time to feed her gluggy rice and shredded chicken, which I'd spent an hour cooking and shredding the night before. Then at 3 pm, the cycle started all over again. I followed the instructions to the letter, setting a series of alarms throughout the day. After the ten days, she was back to normal. Because she couldn't help herself, I made sure to look after her.

Contrast this to my own medical condition. I've had a little wart on the bottom of my foot for about four years. About once a year, I make a mental decision to visit the docs and have it zapped with dry ice. If I got this done three weeks in a row, the wart would be gone forever. But I usually go once, maybe twice, then put off the third visit or forget about it altogether. If my mum or my girlfriend were looking after me, they'd book in the appointments, drive me there and make sure it got done. If I had a child, I'd make sure they got it fixed within a matter of weeks. When I'm responsible for looking after myself, well... it's been four years and it's still there.

What might your life look like if you were caring for yourself properly? What advice would you give to someone else, someone you were responsible for helping? Why aren't you taking that advice yourself?

Rule 3: Make Friends With People Who Want The Best For You

Let's say you've got a bucket full of crabs. And one ambitious crab wants to break free and climb out in search of a better life. The other crabs in the bucket don't like this. They try to pull the lead crab back down with the rest of them. The 'crab mentality' is a way of thinking that says: "*If I can't have it, neither can you*". This attitude is all too common in the world, and it might even pop up amongst your friends (or in yourself). People are always pulling you down, back into line.

But not everyone is like this. Some people will happily help you out. If you're trying to climb over a wall, they'll crouch down and offer you a boost.

Looking at it through this lens, it's quite obvious which types of people you should be spending your time with. Move away from the crabs that are dragging you back to the bottom of the bucket and start spending more time with the mates that are offering you a boost and helping make the world a better place.

Understand that some people prefer to be hanging out in the bucket.

Rule 4: *Compare Yourself To Who You Were Yesterday, Not To Who Someone Else Is Today*

At the time of writing, our *What You Will Learn* podcast generates hundreds of thousands of downloads each month. If you told us a few years ago that we'd be reaching this many people, we wouldn't believe you. At the start, we were just hoping that one or two people might listen and be inspired to read a book. The idea of millions of downloads a year would make us the proudest and happiest podcasters in the world... or so you'd think. It's very easy not to be pleased with our download numbers. All we need to do is take a quick peek up at Joe Rogan and notice that he is reaching *billions* of downloads a year. We suck compared to Rogan. We'd be far better off if we compared our show to where we were in the beginning, rather than where Rogan is today!

This is amplified in all areas of life. Previous generations could compare their level of attractiveness only to people in their town or neighbourhood. Today, social media puts us up against the whole world, and only the hottest 0.0001% cut through to have any real relevance. In the past, your business would be competing against other businesses within driving distance; today, your business is stacked against everyone else you can find on the internet.

You must recognise that everyone is taking off from a different starting line. Your current *position* is less important than your current *trajectory*. Measuring your growth and improvement is a more useful metric than measuring yourself against the current leader. Run your own race and avoid peering at the lane next to you.

Rule 5: Do Not Let Your Children Do Anything That Makes You Dislike Them

Many parents decide to be friends with their children. They want their children's friendship above all and are willing to sacrifice respect to get it. That's not good.

Every year I (Jonesy) catch up with a mate of mine who has two kids. Their parenting style is to let the kids do whatever they like. They're given all the toys in the world. If they're playing up at dinner, then they get the iPad. And they can have as many fizzy drinks as they can guzzle down their little gullets. I have never seen them be disciplined. One of them especially is a little shit who gets away with wild behaviour most parents wouldn't put up with. This might not seem like a big deal now, but it will have repercussions down the track. No adult likes hanging around when the kid is there and other parents don't want him around for playdates. Compounded over time, it becomes a downward spiral - the kid will have less and less interactions with adult humans. As a result, he won't learn proper social skills and develop into a fully functioning human being.

Discipline is an act of responsibility to guide a child's behaviour. It might be difficult for your relationship in the short term, but it is best for the child in the long term. They will be a better kid when encouraged to act in a more favourable way.

Rule 6: Set Your House In Order Before You Criticise The World

Have you taken full advantage of the opportunities presented to you? If the answer is no, don't criticise the world for the way it is. Until you try and improve things yourself, you're in no position to judge. Stop doing something that you know to be wrong.

Don't blame capitalism, the radical left, or your own personal enemies. Make your own bed before you go out and protest on the streets. Don't try to reorganise the state until you have reordered your own experience.

Recently I (Jonesy) was watching *The Last Dance* on Netflix. In one scene, Jordan is dunking over Shaq. The next scene was an overweight reporter claiming that: "*MJ has lost his drive*". Something seemed a little off about this chubby reporter criticising a physical superstar. The same

goes for people protesting in the streets or hanging shit on the government when their home life is a mess. The advice from modern philosophers is that you should fix yourself before you try to fix the world.

Rule 7: Pursue What Is Meaningful, Not What Is Expedient

Life is suffering. There is no more basic irrefutable truth. What can be done about that? The immediate answer is to pursue pleasure. Party hard on weekends, have sex with strangers, take drugs to feel good, blow all your money buying shit you don't need. Lie, cheat, steal, deceive, manipulate - do whatever it takes to get to the top, just don't get caught.

The other path, rather than pursuing fleeting pleasures, is to pursue something meaningful. We should delay our instant gratification and go for long-term satisfaction in its place.

Instead of spending \$100 every week on Friday night drinks for short-term gratification, save up and buy a house that will give you life-long satisfaction. Instead of eating that tub of ice-cream, put your body through a workout, and you'll thank yourself later. Instead of 'self-medicating' with substances on the weekend to make up for your lack of drive, spend the weekend working on a side project that could bring you a sense of purpose. Regulating your impulses now could bring far greater rewards later.

Rule 8: Tell The Truth. Or At Least, Don't Lie.

Jordan Peterson was a relatively unknown character in 2017. But his career blew up when he went against the tide and disagreed with the enforcement of gender pronouns as it impeded free speech. He took on great career risk to hold onto a controversial view, particularly in a progressive university campus environment. The easier thing to do in his position would have been telling a little lie and clinging to a safe job and a safe life. He took the harder way and spoke his truth. This commitment is what strapped his career to a rocket and sent it flying into the stratosphere.

If you tell lies, you'll always have to have your guard up. In every interaction, you need to remember every lie you spun up in your tangled web of deception. It's bloody hard work.

Take the better road - tell the truth. These are not merely two moment-to-moment choices; they are different pathways through life. They're utterly different ways of existing.

Rule 9: Assume The Person You Are Listening To Knows Something That You Don't.

You are a human being that is taking an infinitesimally small slice of the human experience. You don't know everything, and you never will. But in every interaction, you have an opportunity to learn a little bit more.

There is no capacity for learning if you assume you are smarter than those around you. As that Zen master we spoke about earlier said, you cannot take in anything new if you believe your cup is already full. But if you take the approach that every person you meet can teach you something, you open yourself up to growth.

Rule 10: Be Precise In Your Speech.

In a famous kids book, Billy Bixbee finds a tiny dragon in his bedroom. His mum tells him: "*Billy! There is no such thing as a dragon*". But this only makes the dragon grow bigger. The dragon grows and grows until it is bigger than the entire house! One day Billy claims: "*There is such a thing as a dragon!*", and the dragon shrank back down to a manageable size.

Like Billy, sometimes we prefer to pretend a problem doesn't exist. Rather than confront it head-on, we sweep it under the rug. But if left to fester, problems can grow beyond your control. Sometimes the dragon just needs recognition.

Don't beat around the bush. You might think you're elegantly dancing around a topic and everyone knows what you're trying to imply. But if you're dancing the waltz and they're dancing the cha-cha, you're headed for disaster. Be clear, be straightforward, be precise.

Rule 11: Do Not Bother The Children When They Are Skateboarding.

The costs of being overprotective as a parent are explained in the fairy tale 'Hansel and Gretel'. The brother and sister go through the lost forest where

they fall into the hands of a cannibalistic wild witch. Lured in by the gingerbread house, the kids are unaware of their immediate danger. Hansel and Gretel are living the dream - able to eat as many cakes, sweets and treats as they like without doing any work in return. They fall into the trap of the witch and are slowly fattened up for slaughter.

Like the cannibalistic witch, well-intentioned parents encourage their kids to stay at home. They'll cook for them, clean for them and be at their beck and call. They believe it's dangerous on the streets and feed into the narrative of the van with tinted windows that could scoop them up at any moment. The parent believes that if they provide a life of ease, the child will never leave them. All this does is wrap the child in a big wad of cotton wool, giving them no ability to mature and learn from their own mistakes.

Children are best to endure the risks and pains that are in the world. Let them skateboard. They might make mistakes. They might fall off and break their arm. But this is the only road to maturity.

Rule 12: Pet A Cat When You Encounter One On The Street.

The world is a wild and beautiful place. It is all too easy to forget this and get caught up in the busyness of day-to-day life. We need to stop and notice the little things.

If a cat³ happens to cross your path as you walk the streets, your head spinning with thoughts, pause for a moment. It is in these few seconds of simple joy as you scratch the chin of the sun-baking cat that we are reminded of how wonderful life truly is.

¹ Any *Survivor* superfans like Ashto will recall Shii Ann dropping this bomb on Robb Z in her voting confessional in Season 5, *Survivor: Thailand*.

² No, that's not a typo, his name was actually spelt with two Ms

³ Or a dog.

Lesson 31

winter
is coming.

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Biting into a bad piece of fruit, a dodgy internet connection, the batteries dying in the TV remote... these are all classic 'first world problems'. We're so busy worrying about the small stuff that we're never prepared for the big stuff. When a serious 'problem' hits, it can wipe us out - that's when we realise our concept of what constitutes a problem wasn't accurate at all. Winter Is Coming, so it's best to prepare ourselves before the storm hits.

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CHAPTER 109

Perspective On Suffering

*“A disciplined mind leads to happiness,
and an undisciplined mind leads to suffering.”*

Inspired By: **The Art Of Happiness**,
by The Dalai Lama and Howard Cutler

Life's purpose is pretty clear to Tenzin Gyatso, the 14th Dalai Lama¹: *to seek happiness*. Happy people have it a lot better than unhappy people. Studies show you're more likely to pick up a better mate, more satisfying marriages, more likely to be a better parent, have a better immune system and live an extra ten years. It also leads to better mental resilience and ability to deal with adversity or trauma. In the workplace, happy individuals perform much better and earn much more than miserable employees watching the minutes tick throughout the day. These happy employees are more productive, loyal and take fewer sickies.

But happiness isn't the default setting for human beings. Suffering is. The Buddha said: “*All I teach is suffering and the end of suffering*”. Suffering can come in the form of smacking your toe into a table, frustration when things don't go your way or an underlying unease about the future.

We think life would be easier if we were smarter, prettier, wealthier, more powerful, younger, older, male, female or with different families. But there is no easy way out.

Since it is unrealistic to hope for a stress-free life, it makes more sense to learn how to deal with the stresses that inevitably arise.

Shifting Perspective

Once there was a disciple of a Greek philosopher who was commanded by his master for 3 years to give money to everyone who insulted him. When this period of trial was finally over, the Master said to him, "Now you can go to Athens and learn wisdom". When

the disciple was entering, he met a certain wise man who sat at the gate insulting everybody who came and went. He also insulted the disciple who burst out laughing. "Why do you laugh when I insult you?" said the wise man. "Because for 3 years I've been paying for this kind of thing and now you give it to me for nothing". "Enter the city," said the wise man, "it's all yours".

This 4th Century story reveals the value of suffering and hardship. The willingness of the disciple to shift his perspective of obstacles meant the world was his. No matter what the world threw at him, he'd perceive it differently.

The ability for us to shift perspectives is the most powerful tool to help cope with our problems. Philosophers from different cultures and different times in history have reached the same conclusion:

- The Greek philosopher Epictetus wrote: “*What really frightens and dismays us is not external events themselves, but the way in which we think about them. It is not things that disturb us, but our interpretation of their significance.*”
- The Buddha: “*Our life is the creation of our mind.*”
- Shakespeare: “*There is nothing either good or bad, but thinking makes it so.*”
- Milton: “*The mind is its own place, and in itself can make a heaven of hell, a hell of heaven.*”
- Marcus Aurelius: “*External things are not the problem. It is your assessment of them (which you can erase right now).*”

Shifting perspective is becoming more difficult. What constitutes as emotionally harmful is increasing in scope. Take the word ‘trauma’. In the early 20th century it was reserved for the causing of physical damage, such as ‘traumatic brain injury’. In 1980, the term began to cover ‘post-traumatic stress disorder’ (PTSD), for extraordinarily terrifying experiences. For it to classify, the event would need to evoke significant distress symptoms outside the range of everyday experience. For example, in war, people are required to kill other human beings at close range, or instances of sexual abuse. Divorce or the death of a loved one wouldn’t count. But today, the

word trauma has crept to mean anything that is subjectively emotionally harmful. Paintings, statues, art and comedy are among the things considered traumatic to factions in the population. Eventually, we might find people claiming trauma for running out of milk or getting a flat tyre. We can take the power back and realise that it is our choice to be harmed. And it is our choice *not* to be harmed.

Enemies As Opportunities

Generally, we don't wish good things for our enemies. We'd love them to get what's coming for them. But even if your enemy is made unhappy, what is there for you to be joyful about?

Buddhists pay a lot of attention to their rivals and enemies. This is because hatred is a stumbling block to our happiness. And if you're able to practice patience and tolerance when enemies pop up, everything else is much easier. So for a happiness practitioner, enemies play a critical role.

Imagine if you never had an enemy in the first place. You'd pop out into existence, and everyone would pamper, hand-feed you and make goo-goo noises. If from infancy, you never faced challenges, you'd never have a chance to grow. It might be cool at first, but sooner or later, it turns into a living hell.

Having an enemy is a necessary condition for practising patience. Your mates don't usually test you and provide opportunities like this, compared to the enemy. So when you stumble across one, you should treat it with gratitude. This enemy is truly rare, and the supply is limited. The struggle and the process of conflict lead to learning, examining, growth and insights.

Kisagotami's Search

In the time of the Buddha, a woman named Kisagotami suffered the death of her only child. Unable to accept it, she ran from person to person, seeking medicine to restore her child to life. The Buddha was said to have such medicine. Kisagotami went to the Buddha, paid homage and asked: "Can you make a medicine that will restore my child?"

"I know of such a medicine" the Buddha replied. "But in order to make it, I need certain ingredients."

Relieved, the woman asked: "What ingredients do you require?"

"Bring me a handful of mustard seeds... I require the mustard seed to be taken from a household where no child, spouse, parent or servant has died".

The woman agreed and began going from house to house in search of the mustard seed. At each house, the people agreed to give her the seed, but when she asked them if anyone had died in that household, she could find no home where death had not visited.

In one house a daughter, in another a servant, in others a husband or parent had died. Kisogatami was not able to find a home free from the suffering of death.

Seeing she was not alone in her grief, the mother let go of her child's lifeless body and returned to the Buddha, who said with great compassion: "You thought you alone had lost a son, the law of death is that among all living creatures, there is no permanence."

Kisagotami's search shows that no one lives free from suffering and loss. It doesn't matter how bad things may seem for you; everyone, at some point, will feel the same pain. Suffering is a universal phenomenon.

Throughout your day, problems are about to arise. The biggest problems are inevitable: old age, illness and death. Trying to avoid these might provide temporary relief, but they'll rear their ugly heads sooner or later. If you've got the kahunas to confront your suffering head-on, you're more likely to appreciate the nature of the problem. It may be scary, but you're in a much better position to deal with them than if you looked to avoid them.

Rather than accept suffering, some prefer to go with: *"Oh, I shouldn't be experiencing this! Why me?"*. They feel like they don't deserve to suffer, that they are some innocent victim. They believe suffering is negative and should be avoided at all costs.

Many in the East have a greater acceptance of suffering. Like Buddhism, spiritual teachings provide people with greater tools for accepting suffering and bumping up their baseline level of happiness. But in the Western world, we've seemingly gone the other way. We believe that good things should happen to us all of the time. If the world doesn't cater to these expectations, we get upset and ticked off. We rob ourselves of

happiness, feeling as if something or someone is out to get us. We blame the government, the education system, parents, the other gender or our partner. But the only reason we got ourselves into this mess, is that rather than accepting suffering (like Kisogatami eventually did), we're expecting a life free from setbacks.

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CHAPTER 110

Meaning From Suffering

*“When we are no longer able to change a situation,
we are challenged to change ourselves.”*

Inspired by: **Man’s Search For Meaning**, by *Viktor Frankl*

Victor Frankl suffered through one of history's greatest tragedies. But despite all the atrocities he was dealt, remarkably he came out the other side of the holocaust a better person. When he was eventually freed, he shared his new philosophy: *logotherapy*. His psychological theory is based on the idea that our lives' main motivational force is to pursue meaning.

The central idea is that external forces can have the power to take everything out of your control... except for one thing: *how you respond*. Frankl shows us how to find meaning even in the darkest of circumstances.

On Day 1 in the concentration camps, 90% of people were sent to the gas chambers. For the 10% that remained, their heads were shaved, and they were stripped naked. Everything was taken away from them. Frankl said: “*Our nakedness was brought home to us: we really had nothing except our bare bodies*”.

Death was so common in the camps that people became completely desensitised to the loss of life. One day Frankl took care of a man who was suffering and who later died. Despite them having an intimate interaction, he stared at the dead man with no emotion at all.

Food was so scarce; it was rationed to the last breadcrumb.

In the camps, Frankl asked himself whether life had a purpose. He developed and refined his theories of psychology whilst suffering ordeals across three different concentration camps.

Suffering Is Relative

A man’s suffering is similar to the behaviour of gas. If a certain quantity of gas is pumped into an empty chamber, it will fill the chamber completely and evenly, no matter how big the chamber.

Thus suffering completely fills the human soul and conscious mind, no matter whether the suffering is great or little. Therefore the “size” of human suffering is absolutely relative.

A small quantity of gas can spread throughout the entire chamber. Similarly, suffering can dominate the human soul and conscious mind, whether the suffering is great or little. The loss of a job or a relationship can feel as all-consuming for one person as a miscarriage or cancer diagnosis can feel for other people. A little suffering can fill the entire soul.

Be Worthy Of Suffering

Any human can decide what shall become of him, mentally and spiritually. Frankl wrote: “*There is only one thing that I dread, not to be worthy of my sufferings*”. Accepting suffering gives man an opportunity to add a deeper meaning to his life, even under the most difficult circumstances. One of Frankl's friends said: “*In my former life, I was spoiled and did not take spiritual accomplishments seriously. I am grateful that this fate has hit me so hard*”. Under any circumstances, you can choose to be brave, dignified and unselfish.

According to this insight, horrible events are our tickets to spiritual growth. Frankl is proof that by ingraining this attitude into your psyche, you'll be able to handle any ordeal the world throws at you.

The Decline Or Rise Of A Human

You have two choices. You can preoccupy yourself with retrospective thoughts. If you only look backwards, you'll continue to decline without any vision of a future goal. Alternatively, you can look forward and focus on the rise instead.

Some prisoners closed their eyes and thought of the past. They daydreamed about the life they used to have. They reminisced about time spent with friends and loved ones, about their hobbies, or even about their jobs. Life for such people became meaningless. These people believed the opportunities of life had passed.

In Frankl's reality, there was an opportunity and a challenge. You can make a victory of experiences by turning life into an inner triumph, or you can ignore the challenge and simply vegetate. The majority of the prisoners chose the latter.

One day, when walking with frostbitten toes and thinking about trading a cigarette for a sausage, he visualised himself talking to a university about camp life psychology. By envisioning the future rather than dwelling on the past, he rose above the situation.

After the ordeals, Frankl established a new school of thought by creating 'logotherapy'. At its core, logotherapy states that an individual's primary motivational force is to find meaning in life. The meaning he found in the camps was to later tell his stories and share his lessons. He dreamed that he could educate and inspire people so they could learn from his struggles, without having to go through the same struggles themselves.

The Meaning Of Life

What was needed most was a simple change in attitude. It did not really matter what we expected from life, but rather what life expected from us. As Frankl put it: "*We needed to stop thinking 'what is the meaning of life?', and instead to think of ourselves as those who were being questioned from life*". Life ultimately means taking responsibility and finding the right answer to problems that life assigns to each individual. Human life, under any circumstances, never ceases to have meaning.

The meaning of life is always changing. It is a bit like asking a chess master: "What is the best move in the world?" There is no such thing as the best or even an objectively 'good' move. There is only a specific 'good' move for each particular situation in each particular game against each particular opponent. Just as in life, each person has their own particular vocation or purpose to carry out at any given moment. Each situation in life represents a challenge and a problem to solve.

Ultimately, we should not ask what the meaning of life is, but recognise that *we* are the ones being asked.

CHAPTER 111

Our Final Moments

*“Our ultimate goal, after all, is not a good death
but a good life to the very end.”*

Inspired by: **Being Mortal**, by Atul Gawande

Located in India’s heart, Varanasi is the most ‘different’ place I’ve (Jonesy) ever been on earth. It felt like a different planet altogether.

Walking down the Ganges river, I noticed dead animals, humans defecating, and people having their morning bath, all within a few metres. Not to mention the stacking of burning corpses ready to be released from their life-death cycle.

On the first day, I joined a group of locals to watch a stack of bodies burn². The emotional weight of the moment was akin to having a beer by the local campfire - it wasn’t such a big deal to these guys. I started to chat with one of the blokes and asked if he knew these people. “Yes, that is my brother!” he responded, pointing to one of the heads poking out of the fiery sticks. I was shocked and looked to comfort him at this moment. But he stopped me: “You from Australia? Ricky Ponting, Ricky Ponting!”, excited for the opportunity to discuss the former Australian cricket captain. We bonded over cricket for the next 15 minutes before parting ways.

What I learnt from this experience was that the East viewed death in an entirely different way. For them, death is ingrained in their culture. They accept and even embrace it. If you’re old, you can be comforted that your kids will look after you to the very end. Impermanence just goes with being alive.

On the other hand, Westerners are quick to pull the trigger on throwing the oldies in the nursing home. Most hardly visit their parents, preferring to avoid the depressing retirement villages altogether. It is painful to see the demise of parents, who not long ago were our heroes. In our culture, if you think or talk about your mortality, people get worried about you.

This avoidance of the discussion and exploration of death in the West has dire consequences. It comes at the cost of accepting and handling our

final moments in a way that delivers minimal pain and burden on our loved ones.

You and everyone you know is going to die one day. This is an uncomfortable fact. So uncomfortable that it rarely crosses your mind. Most people are therefore totally unprepared for their meeting with their final moments.

No profession attempts to understand how to handle our final moments. Doctors learn a lot in medical school, but mortality isn't on the curriculum. The textbooks have almost nothing on aging, frailty or dying. How the process unfolds, how people experience the end of their lives and how it affects those around them seem useless.

Atul Gawande, the author of *Being Mortal*, was treating a patient, Joseph Lazaroff (Joe), a city administrator in his 60s suffering from cancer. It had spread to the spine and was compressing his spinal cord. The cancer couldn't be cured, but they hoped it could be treated. Emergency radiation failed to shrink the cancer, so the neurosurgeon offered two options: comfort care, or surgery to remove the growing mass of tumour from his spine. No matter what he did, he had at most a few months to live, and the procedure was inherently dangerous. It required opening his chest, removing a rib, and collapsing a lung to get at his spine. Blood loss would be high and recovery would be difficult. In the weakened state, he faced considerable risks of debilitating complications afterwards.

Lying in his bed, Joe looked grey. The time had come to get his consent for surgery. This required confirming he was aware of the risks. He was told of the serious complications, paralysis and stroke and that it could be fatal. His son questioned whether the heroic measures were a good idea. But Joe didn't like that at all: "*Don't you give up on me. You give me every chance I've got*". He was adamant about 'doing everything'.

This is intuitively understandable. If you were faced with death, you'd likely fight at all costs to have a crack at staying alive. The last thing you want to do is have the people you love mourn at your funeral. For Joe, accepting death meant leaving kids without a father, and a wife without a husband.

Gawande believes this is the wrong way to go about it. He believed that Joe had chosen poorly. Not because of all the dangers, but because the operation didn't stand a chance of giving him what he really wanted: the life he had previously known. He was chasing little more than fantasy at the risk of a prolonged and terrible death - which was precisely what he got.

The operation was a technical success. Over 8.5 hours, the tumour was taken from the spine without issue. But Lazaroff never recovered from the procedure. In intensive care, he developed respiratory failure, a systemic infection, and blood clots. Every day he got worse. Finally, he had to admit he was dying. His oncologists, radiation therapists, surgeons and other doctors had all seen him through months of treatments for a problem they knew could not be cured. They couldn't bring themselves to discuss the larger truth about his condition, or the ultimate limitations of their capabilities. He was pursuing a delusion, and so were the doctors.

A study asked doctors of 500 ill patients to estimate how long they thought their patient would survive their terminal illness. 63% of doctors overestimated their survival time, and the average estimate was 530% too high. More than 40% of oncologists admit to offering treatments they believe are unlikely to work. The relationship is increasingly on retail terms, 'the customer is always right', and doctors are hesitant to trample on a patient's expectations.

There is a long tail of possibility of miraculous recovery in any graph of survival rates, however thin. What's wrong with looking at it? Nothing, unless you haven't prepared for the outcome that is much more probable: the short head. The trouble is that we've built the medical system around the long tail. We've created a multi-trillion-dollar industry for dispensing the equivalent of lottery tickets.

This is a modern tragedy played a million times over. We don't know how much longer we have when we are sick, but we imagine we have more time than we do. Our every impulse is to fight, to die with chemo in our veins or a tube in our throats.

It doesn't register that our struggles to fight with the Grim Reaper ironically shortens our life and makes a misery of our final moments on the Earth.

Hospice

So far all we've done is trash the traditional way. But what else is there? Gawande recommends Hospice.

The difference between medical care and hospice is not the difference between treating and doing nothing; it is *priorities*. For ordinary medicine, the goal is to extend life. You'll sacrifice the quality of your existence now (by performing surgery, providing chemo, putting you in intensive care) for the chance of gaining time later.

Hospice deploys nurses, doctors, chaplains, and social workers to help people with a fatal illness have the fullest possible lives right now. Hospice is not an easy choice for a person to make.

A 2010 study had startling findings. They looked at 151 patients with stage four cancer. Half received usual oncology care, while the other half received oncology with visits to palliative care. These are specialists in preventing and relieving the suffering of patients. The specialists in this study discussed goals and priorities with their patients for if, and when, their condition worsened.

The result? Those who saw a palliative care specialist stopped chemotherapy sooner, entered hospice far earlier, experienced less suffering at the end of their lives, and they lived 25% longer.

In other words, our decision making in medicine has failed so spectacularly that we are actually inflicting harm on patients rather than confronting the subject of their mortality.

1 Better known as ‘The Big Dal’ to us.

2 As you do in Varanasi

Lesson 32

the
good
life.

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*Have you ever asked yourself:
what do you want from life?*

You might answer a car, job, spouse, house, a holiday etc. But these are the things in your life. In asking what you want out of your life, we're referring to your grand goal of living. What the hell are you doing on this planet?

Most people have never asked this question. They have no overarching vision and no underlying philosophy. Despite all your activity and the pleasant distractions you enjoy along the way, you might get to the end and wonder what it was all for.

You may waste your only chance of living.

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CHAPTER 112

Stoic Wisdom

*"Your primary desire should be
your desire not to be frustrated
by forming desires you won't be able to fulfil."*

Inspired by: **A Guide To The Good Life,**
by William B Irvine

The stoics were an interesting bunch. Blokes like Epictetus, Seneca and Marcus Aurelius were the originators of stoic philosophy back in Greece and Rome over two millennia ago. This school of thought applied equally to slaves like Epictetus as it did to kings like Marcus Aurelius. Nearly two thousand years on, this philosophy's core tenets are more relevant today than ever before.

Trichotomy Of Control

Everything that happens around us can be grouped into three buckets: things we have *no* control over, things we have *complete* control over, and things we have *some* control over. You've got no control over the weather. You've got complete control over the first words that come out of your mouth when you step into the office. And you've got some control over how your romantic relationships pan out - not complete control, but not a complete lack of control either.

The stoics had simple advice for each of these buckets:

The things you have no control over? Forget about them. Don't worry about them. Don't let them impact your emotions or affect what you do. There's nothing you can do to influence them, so you just accept them as they are.

The things you have complete control over? Focus on doing these to the best of your ability. When you think about it, there are very few things you have complete control over. So you need to give these your fullest commitment.

The things you have some control over? Work out which elements you can control and which you can't. Forget about things you can't, and focus only on what you can control. Scale it down to something that you *do* have complete control over. This usually means shifting things from an external goal to an internal goal. Say you're playing a tennis match against a friend. You want to win (external goal), but you don't have complete control over the match's outcome. Instead, shift your goal of winning to an internal goal, like playing to your best abilities, or focusing on serving without faulting. These are internal goals that you have complete control over. Even if you don't score the most points, you can still win your own game.

Hedonic Adaptation

When I (Ashto) went to university, it was a real luxury to catch up with Jonesy for breakfast to talk about books. Money was scarce. That once a week splurge on breakfast in the city was a real treat. When I started working full time, it gradually crept up to eating out for two breakfasts a week and getting takeaway for dinner one night. After a promotion, it quickly became two breakfasts, three lunches and two dinners.

It isn't just food. Same goes with cars. When my partner Alison turned 18 and got her licence, her mum handed down her old brown bomb. To have a car, *any* car, was an absolute joy. Wheels meant freedom. But soon, that dodgy fifteen-year-old car wasn't looking so cool. When her friends were buying snazzy new wheels, Alison wanted something new too. For a few months, this new car was awesome! But now, a few years later, she's already thinking about buying the next one. Of course, the next one has to be bigger, cooler and more expensive. The cars change, but at the end of the day, our appreciation settles at a constant.

We humans are unhappy in large part because we are insatiable; after working hard to get what we want, we routinely lose interest in the object we desire... Rather than feeling satisfied, we feel a bit bored. And in this response to this boredom, we go on to form new even grander desires.

This is the 'hedonic treadmill'. Once we're comfortable at the speed of the treadmill, we crank it up a few notches. Similarly, once we're comfortable with the things we have, we start looking at what we *don't* have, and we start wanting more and more. I could almost guarantee the next TV you buy will be bigger than the one you've already got. The next car you buy will be more expensive than the one you're driving today. Your next house will have more rooms than where you live now.

Psychologists Shane Frederick and George Loewenstein studied lottery winners. They found they were pretty excited when they first won, and the following months were great. But after about a year, the winners ended up at the same level of happiness they'd had prior.

Once we achieve a goal or fulfil a dream, we adapt to the feelings of having it and forget how much we wanted it in the first place. We're already on to desiring something else that we don't already have.

The antidote is to recognise that you're already living out your dreams. The life you have today is probably better than anything you could have dreamed of ten years ago. But we fail to realise this because we're already dreaming about what our life could be in the next ten years.

Negative Visualisation

Many self-help books sell us on the idea of visualising an amazing life. You'll imagine stepping out of your mansion, into your Lamborghini, and driving down to the local helipad to take you to your yacht moored in the harbour. You walk inside, and you're greeted by your smoking hot lover who pounces on you instantly. That evening you have an 'invite-only' dinner party where the most important people on the planet are privileged to join. They are full of laughter at your hilarious jokes and wittiness. The 'Law of Attraction' claims that by visualising these things, you can manifest them into existence.

Stoicism suggests a different kind of visualisation: visualising your entire life falling apart. Imagine your business goes bankrupt, you lose your house, your partner dies of cancer, and a crow pecks out your eyeballs leaving you blind. Why would you imagine such horrible things? Surely the Law of Attraction is a lot more fun.

Negative visualisation has a ton of practical value in delivering a good life. It forces you to realise that however badly you're feeling at this

moment, whatever tough times you're going through right now, it could always be worse. Most of us ignore the fact that things could take a downhill turn at any moment and fail to appreciate what we have.

Firstly: it means we could prevent bad things from happening. By imagining the worst-case scenarios, we can better prepare for them and start to take action to avoid these things in the first place.

Secondly: we're prepared for the worst if it does eventuate. You won't be as hurt or as surprised, because you already recognised this could happen.

Thirdly: negative visualisation means we can want less and be happy with what we've already got. If we realise things could always be worse, we start to become more content with where we are right now. A visceral understanding of the downside makes you appreciate the present moment. This appreciation turns what we *have* into *enough*. If you visualise your house burning down, you'll appreciate it so much more the next time you step inside.

“Misfortune weighs most heavily upon those who expect nothing but good fortune.” By practising negative visualisation, you're going to appreciate what you have, because you know there is the risk of losing it.

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CHAPTER 113

Choosing The Obstacle

*"There is no good or bad without us,
there is only perception.
There is the event itself and the story
we tell ourselves about what it means."*

Inspired by: **The Obstacle Is The Way,**
by Ryan Holiday

At 5:30 pm on December 10, 1914, an explosion ripped a factory apart, setting everything inside on fire. Fire departments rushed to the scene, but the inferno was too far gone. The factory, owned by legendary inventor Thomas Edison, contained his life's work. Everything inside was doomed to oblivion.

Edison calmly walked over to his son and said in a childlike voice: “*Go get your mother and all her friends. They will never see a fire like this again!*”. When Charles objected, Edison replied: “*It’s all right. We’ve got to get rid of a lot of rubbish*”. The following day he said: “*Although I am over 67 years old, I’ll start all over again tomorrow*”.

We all face obstacles. If you haven’t been slapped in the face by life recently, you can be sure it’s coming around the corner. These obstacles come in many shapes and sizes. You lose your job, break a leg, your partner dumps you, your investment tanks or your business blows up. Whatever we face, we have a choice: will obstacles block us, or will we advance beyond them?

Edison could have easily whipped out a victim ‘why me’ narrative and that would have been the end of his career. Instead, he embraced the obstacle and moved forward, sticking to his word and rebuilding the following day. Edison and his team made almost \$US10 million the following year.

Like Edison, we can shift from ‘*this is bad*’ to ‘*how can I make this good?*’ We all think something is holding us back from achieving our best. It might be physical (race, size, age, distance, disability, money), or mental (fear, uncertainty, intelligence, inexperience, prejudice). If you see these as

obstacles, you will be stuck. The people who can accept them and move on anyway are the people who will ultimately achieve greatness. As Marcus Aurelius said: “*What stands in the way becomes the way*”. Never forget, within every obstacle is an opportunity to improve our condition.

We can turn our greatest challenges into our greatest opportunities. We start by *feeling* - shifting our perspective. Instead of perceiving obstacles as negatives, we view them as opportunities. Next is *thinking* - staying on the path and keeping your mind on track. And finally, *doing* - we must take action.

Feeling

Let's use an example I'm sure we've all encountered: having a bad boss. He micromanages you at every step, expects you to work on weekends for no extra pay and is just an all-round douchebag. One day he yells at you for what he thinks is below standard work. You may be at the end of your rope and ready to quit. This sucks.

Whether out loud or just to yourself, you might say something resembling: “*This happened, and it is bad*”. We say it as one idea, but we've conflated two independent statements. ‘*This happened*’ is a fact, it's objective, and it's true – your boss yelled at you for shitty work. ‘*It is bad*’ is our perception, our feeling. We've judged the event, we've applied our personal biases and filters. We've turned an objective event into a subjective assessment. We can't control external circumstances, but we can control what we do next. We can't control what happens, but we can control how we react.

There might be many opportunities for you here. You could analyse what makes them a lousy boss so you can learn to be a better one. You have a chance to practice patience or to stand up for yourself and be less of a 'yes-man'. If you plan on leaving anyway, you've got the perfect place to practice a new style of working, a new time management system, or a new way of communicating. If it doesn't work, you'll soon be gone anyway.

Where one sees a crisis, another sees an opportunity. Where one loses control of emotions, another can remain calm. Where one sees limitless success, another sees reality with ruthless objectivity.

Thinking

Whatever action you undertake, things won't go perfectly. Bad times are coming. You better be prepared. You can live in the ignorance of fairyland, or look the realities straight in the eye.

Some books suggest conducting a 'pre-mortem'. This is like the business application of the stoic 'negative visualisation' - imagining the worst possible thing that could happen. Rather than a post-mortem, where you analyse why something died or why a project failed, conduct this at the start - imagine the project you're about to begin working on has just failed, and ask yourself what the major causes of its failure were.

At the time of writing, I (Ashto) am engaged and set to get married in 2022. In Australia, the divorce rate is around 1/3, with the average marriage lasting about 12.1 years. Like everyone else on the planet, I'm utterly convinced that I won't be in that one-third. Everyone thinks they're not going to be part of the statistic, but of course, at least a third of people will be proven wrong. By taking a pre-mortem, the odds of a successful marriage skyrocket. Alison and I can be proactive in finding the most prominent risks that drive wedges in relationships. Rather than pretending it will all be perfect and that everything will come up roses, we can proactively minimise the chances of problems and maximise the likelihood of a successful marriage.

You can conduct this pre-mortem on any project you're about to take: a new diet or fitness regime, a new business venture, an application for a promotion, anything! By thinking about the worst-case scenario ahead of time, you'll work harder to find the flaws and give your project a greater chance of success.

Doing

Every situation that blocks our path presents a new path for a new part of us. If someone you love hurts you, you have a chance to practice forgiveness. If your business tanks, there is a chance to practice acceptance. If you get laid off from your job, you get a shot at developing your skills or trying something completely new. Duke Ellington said: "*Problems are a chance for us to do our best.*"

When the obstacle comes, don't let them stop you in your tracks. Don't stagnate, just keep moving.

The first step to hitting a home run is taking the bat off your shoulder and giving it a swing. If you want to get anywhere, you have to start somewhere. By simply *trying* something, you're already ahead of most people who prefer to play it safe and follow the rules.

But ask yourself: *could you be doing more?* You probably could. There's always more. At a minimum, you could be trying harder. You've started – that's the most challenging part – now keep going. Stay persistent. Invest more of yourself into the project.

Then prepare to start again. The great law of nature is that it never stops. Just when you think you're done, and you've conquered every obstacle standing in your way, when you feel like you've finally achieved what you set out to achieve, there is another obstacle even more significant than the last, lurking somewhere just beyond the horizon.

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CHAPTER 114

Big Wins From Small Losses

*"Antifragility is beyond resilience or robustness.
The resilient resists shocks and stays the same;
the antifragile gets better."*

Inspired by: **Antifragile**, by Nassim Taleb

Think about the wind. For some, it is an obstacle; for others, it is an opportunity. The wind is a phenomenon that cuts both ways: it extinguishes a candle but energises a fire. It is the same with randomness, chaos and uncertainty: you want to harness their power, not be wiped out when changes come along. You can be the fire and wish for the wind.

There was no word to capture the meaning of something that was the opposite of fragile. ‘Fragile’ refers to something that is easily broken or damaged, weakened by change. You might think that the opposite of ‘fragile’ is ‘sturdy’, ‘resilient’ or ‘robust’. But these are things that neither break nor improve. The opposite of negative is positive, not neutral. The opposite of *fragility* should be *negative fragility*. Nothing captured this, so Nassim Taleb invented a new term: *antifragile*.

Antifragility In Greek Mythology

Three famous Greek Mythological characters can explain the concept of fragility, robustness and antifragility:

- *Damocles is Fragile*: A character who lived with a sword above his head attached to a single string of hair. Any cause of stress to that thin piece of hair might end his life.
- *Phoenix is Robust*: A long-lived bird that dies and regenerates from the ashes, returning to its previous form.
- *Hydra is Antifragile*: A serpent-like monster that lay deep in the lake of Lerna. It was a ferocious beast that had many heads. When you cut off one head, it would grow back two in its place.

If you're always choosing the easy road for the short term, you are becoming more and more like Damocles. Sometime in the future, that string of hair will break, and that sword will fall on your head, destroying everything. The character you want to be in life is Hydra. Choosing antifragility means you experience a whole series of losses which might be painful in the moment. But every time the beast is hurt, it becomes stronger.

Antifragility In Modern Society

As a culture, we're going in the wrong direction. We're doing all we can to smooth out the world's jaggedness, stifling it of its volatility. We think that we become safer and stronger by removing the stressors that could harm us, but this is backfiring. We're unaware of the benefits of antifragility and constantly choose fragility instead. If you're not careful, our society will teach you to turn into that lion in the comfort and predictability of the local zoo, rather than its cousins out in the wild.

We are committing all kinds of crimes against life when we are continually looking to avoid all stressors.

- We have a culture of giving participation trophies to the kids who can't keep up. *The losers no longer feel the momentary shame and lose any driving force for improvement.*
- We live in environments that are constantly climate-controlled - we blast the heater during winter and crank the aircon all through summer. *Our bodies no longer need to adapt and adjust to different temperatures, so we're getting weaker on the inside.*
- We avoid telling the truth to not hurt feelings. *We let problems fester and grow to the point that they blow up an entire relationship.*
- You'll choose not to present your idea to your company directors, so you don't look silly. *And despite the risk of temporary loss, you lose the opportunity for a new exciting venture.*

Antifragility in Careers

The concept can be applied to what you choose to do in your vocation. Think of the differences between a banker, taxi driver and author.

Banker (fragile): A midlevel bank employee, with a big mortgage, is fragile to the extreme and doesn't even know it. She is dependent on her salary to pay down the debt of the home, pay the kids private school fees and of course the annual holiday to Barbados. These choices leave her a prisoner to a system that invites her to be corrupt to the core. But when there is a corporate restructure or a new technological innovation, she'll be made redundant.

Taxi-driver (robust): The banker knows precisely what she'll earn each month. The taxi driver's income is different every day. He might moan that he doesn't have the banker's job security, but this is an illusion. He actually has a lot more. For the banker, a new boss might come in and may want to get rid of her. The taxi driver doesn't have a boss, he might have fewer fares, but the income won't go to zero overnight. Professions like taxi drivers, prostitutes, plumbers and dentists have some volatility in their income, but they are robust to the minor professional volatility. The taxi driver also has the freedom to continue until he drops since he is his own boss. Compare that to the fragile banker. If the sword falls when she's in her fifties, she'll be almost unhirable if she finds herself made redundant.

Author (antifragile): Some professions are antifragile, like the author, entrepreneur, or artist. For these professions, the average income of the trade means nothing. If you know how many years of experience the banker has, you can pretty accurately guess her income because all bankers earn the average banker salary. But there is a wide range of potential incomes in antifragile careers - some make next to nothing, while those at the top make squillions.

An advisable strategy for antifragile careers is to be more controversial and push things to the extreme. In doing so, you are much more likely to convert someone who 'likes' you into someone who 'loves you'. You're also more likely to convert people who 'dislike you' into people who 'hate you'. But the people who 'love you' are going to be your raving fans who always buy your work.

The people who ‘hate you’ don’t count; there is no negative in buying your work.

Instead of having 100% of people finding your mission acceptable or mildly commendable, you are better off having a high percentage of people disliking you and your message (even intensely), combined with a low percentage of loyal and enthusiastic supporters.

In this sense, Nassim Taleb practices what he preaches. He is arguably the most controversial, hated and loved philosopher on the planet.

Errors Are Investments

One time I (Jonesy) was presenting at an engineering conference and decided to experiment with a *Game Of Thrones* gag. In focusing so much on trying to be funny, I forgot the fact that I was spoiling the climactic ending in the second last episode of Season 8, literally the day after it had aired.

I learnt two things in this experiment. Firstly, don’t spoil the exact ending of an 8 Series show in case people in the room haven’t watched it yet. Secondly, I’m capable of getting a few laughs in a boring technical presentation. When I had to do the same presentation for a different group the following week, I dropped the spoiler but added a new gag instead. Despite the error, my presentation improved.

The central piece of advice for individuals to take away from *Antifragile* is for you to ingrain the belief that ‘errors are investments’. There is continuous upside to trial and error, or as Taleb calls it, ‘tinkering’.

Think of this as if buying an option in the stock market. An ‘option’ means you have the ability, but not the obligation, to buy the stock. If you hold an option, it means you *can* buy at a future date, but you don’t have to. By testing, trialling and experimenting, you give yourself more opportunities and more options to choose. With a handful of options, you can pick the best path forward. You’re no longer restricted to the conventional path. If you want, you can exercise your options and take a sideways step. Without any options, you’re trapped.

CHAPTER 115

Eliminating The Ego

*“Whoever you are, whatever you’re doing,
your worst enemy already lives inside you:
your ego.”*

Inspired by: **Ego Is The Enemy**, by Ryan Holiday

As you come toward the end of this massive behemoth of a book, you might be tempted to pat yourself on the back for all of the new things you’ve just learned. For us, we’re pretty proud of the fact that we’ve read over 350 books each. We gaze lovingly at the books on our bookshelves, imagining they’re trophies we’ve collected over the years. We like to think that we’ve got this thing called ‘life’ all worked out now.

But this is exactly the wrong approach. We know *almost nothing!* As John Archibald¹ said: “*We live on an island surrounded by a sea of ignorance. As our island of knowledge grows, so does the shore of our ignorance*”. The more we read, the more we learn, and the more confidence we gain. But from time to time, we need a healthy dose of reality to remind us how much further we still have to go on our journey.

All of us, at every stage of life, are the victims of our ego. Just when we think we’ve ‘got it’ and we put all our chips on the table, we’re reminded of just how fragile we are. We have to become less invested in the story we’re telling ourselves about how ‘special’ we are. We should be humble in our aspirations, gracious in our success, and resilient in our failure.

Dreams

When we aspire: our ego leads us to strive too far, expect too much, and assume that we’re deserving – all before we’ve done any work.

We’re prompted continuously to talk and share: the empty status box, the blank tweet, the comments at the bottom of the article we just read (instead of taking real action on what we just learned). Everywhere, empty spaces

are begging to be filled with thoughts and stories. Often we're talking about what we're *going* to do, the things that *should* or *could* be, or what we *hope* will happen next. But as Henry Ford astutely put it: "*You can't build your reputation on what you're GOING to do*".

It's easier to talk about things than to do them, but talking depletes us. *Talking* and *Doing* fight for the same resources. Research shows that goal visualisation is important, but our mind begins to confuse it with actual progress after a certain point. After spending so much time thinking or explaining or talking about a task, we start to feel closer to achieving it.

Sharing our dreams and ideas makes us feel good, and the praise we get from our friends and family might be enough to satisfy us so that we no longer need to do those things we dreamt of.

The achievers, on the other hand, are the ones working quietly in the corner. They ignore the impulse to seek recognition before they act. They don't talk much. They're too busy working to do anything else. And when they do talk, they've earned it.

Head back to the lab, the gym or the keyboard. Let others pat each other on the back and talk a big game, while you're actually doing the work.

Winning

When we succeed: our ego makes us push further and chase the wrong things, making our success far shorter and less fruitful.

Your project is a great success. You've become famous and earnt a million bucks. After all the hard work, you can take a deep breath: you've won.

You've reached the pinnacle. And what have you found? You thought it would be easy when you arrived. Instead, it is even harder. You find that you must manage yourself to *Maintain* success. Endless ambition is easy; anyone can put their foot down harder on the gas. This is what Jim Collins calls the "*undisciplined pursuit of more*". What's tougher is to apply the right amount of pressure, at the right time, in the right way, for the right period of time, in the right car, going in the right direction, for the right reason.

As Napoleon said: "*Men of great ambition have sought happiness... and have found fame*". Although their initial intention was to get better for

the sake of their happiness, Ego soon took over and shifted their goals. Behind every goal is the drive to be happy and fulfilled, but when egotism takes hold, we lose track of our goal and end up somewhere we never intended.

With an unchecked ego, you'll never get off the treadmill and be truly satisfied.

Losing

When you fail: your ego crushes any attempts to try again, not wanting to risk a similar fate.

Robert Greene developed a concept he calls ‘Alive Time or Dead Time’. Greene says that we always have a choice: *dead time*, when people are passive and waiting, or *alive time*, when people are learning, taking action and utilising every second they have.

When the coronavirus hit in 2020, it was a perfect opportunity to choose the experience as dead time or alive time. Many people lost their jobs and social interactions, freeing up unprecedented amounts of time during the week. Some said it was a good time to put projects on hold and take a much-needed opportunity to chill out, opting in for dead time. For others, it was an opportunity to tackle the projects that they wouldn’t have the capacity to take in any other year.

For us, before the pandemic hit, we thought this book was finished in March 2020. If we were living our normal routine, then undoubtedly we would’ve released the first version to the public, and it would’ve been a piece of shit. But with extra time up our sleeve, we could keep working towards a fourth and fifth iteration of the book. We took the time to go back to the drawing board and do it all properly. When we hold the end product in our hands, we’re glad that we made the most of the year from hell.

There are countless examples throughout history where people facing tough moments put their ego aside, refused to wallow in their sorrow, and got back to work:

- Francis Scott Key wrote a poem that later became the US national anthem while trapped on a ship during a prisoner exchange in the

War of 1812.

- Viktor Frankl defined his theories of psychology while he was suffering ordeals in three different concentration camps.
- Ian Flemming was on bed rest and forbidden to write another Bond novel as doctors said it would be too much for his body to handle and wasn't allowed to use a typewriter – so he wrote *Chitty Chitty Bang Bang* by hand.
- Walt Disney was hospitalised after stepping on a rusty nail, and it was here that he decided to pursue cartooning.
- Malcolm X chose to teach himself to read by copying out the dictionary by hand whilst in prison, then read widely into classic books of history, sociology, philosophy and more.

It may feel good to be shortsighted and become angry, sad, down, depressed, deprived or heartbroken during times of failure. But a far more productive approach is to look to the future instead. We all have this choice. At all times, we are faced with the same decision: *Alive Time or Dead Time*.

¹ John from the pub.

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