

Picking
Nuggets

43 Nuggets

To Get

Better

Richer

Wiser

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Introduction

After reading books and watching interviews/podcasts (of remarkable doers and entrepreneurs) almost every day for the last 4 years, I've captured 43 insights that I believe have the power to change your life in many dimensions.

I consciously focused only on timeless principles, because:

- These are the principles that are the most likely to be correct. As Nassim Taleb stated in his “Lindy Effect” principle: the longer an idea has been around, the longer it will still be around.
- You can learn them once, and apply it forever—no matter the point in time. Thus, I believe timeless principles are high-leverage principles! You learn it once, and then you can apply it an unlimited number of times throughout your life (and as you apply it, you also complete and reinforce the knowledge).

But...

Why only from doers?

I think Steve Jobs said it best: *“It’s very easy to take credit from the Thinking. The Doing is more concrete. Usually when you dig a little deeper you find that the people that really ‘did it’ were also the people that really worked through the hard intellectual problems as well... The Doers are the major Thinkers.”*

And Nassim Nicholas Taleb has also two brilliant quotes on this:

“To become a philosopher king, start with being a king, not being a philosopher.”

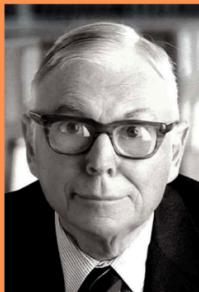
“The problem of knowledge is that there are many more books on birds written by ornithologists than books on birds written by birds...”

The 43 insights are segmented in 3 areas:

- Character: 11 Insights to get better.
- Wealth: 11 Insights to get richer.
- Wisdom: 21 Insights to improve our judgment (this is the bedrock that can sustain the previous areas, and more broadly, a life well lived).

24 Influential Doers

Here's a list of the influential Doers from whom I picked the insights for this work.



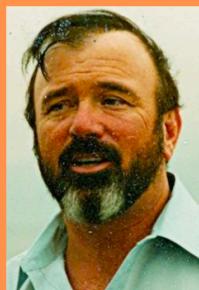
Charlie Munger was the Vice Chairman of Berkshire Hathaway, Chairman of The Daily Journal Corporation and Director of Costco Wholesale Corporation. His wisdom and exemplary character has influenced millions of people.



Elon Musk co-founded Zip2 Corporation (1996), PayPal (1999), SpaceX (2002), SolarCity (2006), Neuralink (2016), The Boring Company (2016) and Starlink (2018). He also joined Tesla shortly after its founding, becoming its pivotal leader.



Felix Dennis was a British entrepreneur. He founded Dennis Publishing in 1973, becoming one of the largest independent publishers in the UK. He wrote the book "How To Get Rich" (2006). His estimated net worth was 400-900M \$.



Gary Halbert is one of the most influential figures in the world of Copywriting and Marketing. He generated over \$1 Billion for his clients and his book, The Boron Letters, is considered a timeless classic.



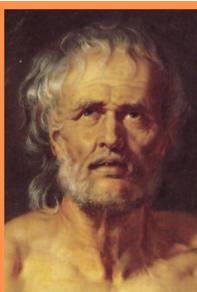
Jeff Bezos founded Amazon — with successful ventures such as Amazon Prime, AWS, Kindle / ebooks, Alexa and Amazon Prime Video. He is taking his “winnings” from Amazon to fund Blue Origin — his aerospace company.



Jensen Huang is the co-founder and CEO of Nvidia. He grew up in a middle-class family, and currently he is the 17th richest person on Earth. In 2024, he was elected to the National Academy of Engineering.



Jony Ive joined Apple Inc. in September 1992, and was promoted to Senior Vice President of Industrial Design in the late 1990s (after the return of co-founder Steve Jobs to the company), and Chief Design Officer in 2015.



Lucius Seneca (4 BC - 65 AD) was a Roman Stoic philosopher, statesman, and writer. Known for his wisdom and practical philosophy, he tutored and advised Emperor Nero, and authored influential works like "Letters to Lucilius."



Marc Andreessen co-authored Mosaic, the first widely used web browser. He co-founded Netscape, another popular web browser. Then, he co-founded A16z, a Venture Capitalist fund with 35b\$ in Assets Under Management (as of 2023).



Mark Jenney went from being poor to start 30+ companies, notably selling RV Share for \$100M.

Now, he runs a \$12M/year Airbnb business, dedicating only 30 minutes weekly.



Mark Zuckerberg co-founded Facebook in 2004, and later would acquire WhatsApp and Instagram, making him one of the most influential figures in the Advertising industry.



Mohnish Pabrai is an entrepreneur and investor. He sold his first business for 20M\$, then started Pabrai Funds (currently managing +600M\$). He founded the NGO "Dakshana" in India, and had a close friendship with Charlie Munger.



Mo Gawdat is a (4x) bestselling author, and former Chief Business Officer at Google. After the death of his son Ali, he embarked in a journey to find happiness and peace — and now is helping others to do the same.



Nassim Nicholas Taleb is the author of bestsellers like Antifragile and The Black Swan—considered one of the century's most influential books. Former option trader. Co-founder of Universa Investments—with \$19 Billion in Assets Under Management.



Naval Ravikant is the co-founder of AngelList. He's an early-stage investor in companies such as Uber, Twitter, and Notion. He's wildly admired for his deep insights on happiness, wealth, and general wisdom.



Paul Graham is the co-founder of Y Combinator—one of the most successful startup accelerators globally. Before that, he created the programming language Lisp, and co-founded Viaweb—one of the earliest online store builders.



Peter Thiel is a co-founder of Paypal, first investor in Facebook, founder of Palantir Technologies, and Venture Capitalist with his fund Founders Fund.



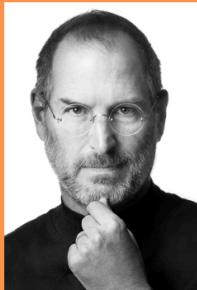
Reid Hoffman is the co-founder of LinkedIn and Inflection AI. He holds a Master's degree in Philosophy. And he argues that, in Entrepreneurship, a degree in Philosophy is much more valuable than a degree in Business.



Rick Rubin is an influential record producer. He co-founded Def Jam Recordings in 1984, and has worked with Red Hot Chili Peppers, Metallica, Dr Dre, Eminem, Adele, among many other artists.



Robert Greene is best known for being the author of the international best-seller "The 48 Laws of Power". Greene's works often delve into the darker aspects of human psychology and behavior, blending history and philosophy.



Steve Jobs was the co-founder of Apple Inc. and NeXT. He was also the chairman and majority shareholder of Pixar.



Sam Altman is the co-founder and CEO of OpenAI. Before that, he was the President of Y Combinator. And he began his entrepreneurial career by co-founding Loopt, a location-based social networking mobile app, acquired for 43M\$ by Green Dot Corp.



Socrates was a greek philosopher. He is considered as one of the founders of Western philosophy. One of his most notable ideas was the "Socratic Method" — a time-tested method to foster critical thinking.



Warren Buffet is the Chairman and CEO of Berkshire Hathaway. Warren started buying Berkshire (in 1962) at \$7.50 / share and eventually took control. As of today (18th October 2023), the price has risen to a modest \$520,000 / share.

Part I

CHARACTER



Never Feel Self-Pity

Charlie Munger:

Generally speaking, envy, resentment, revenge and self-pity are disastrous modes of thoughts. Self-pity gets pretty close to paranoia—which is one of the hardest things to reverse—you do not want to drift into self-pity.

I have a friend who carried a big stack of cards, and when somebody would make a comment that reflected self-pity he would take out one of the cards and hand it to the person. And the card said: "Your story has touched my heart. Never have I heard of anyone with as many misfortunes as you". Well, you can say that's wagging [humorous], but I suggest that every time you find you're drifting into self-pity—and I don't care what's the cost... your child can be dying of cancer... self-pity is not going to improve the situation—just give yourself one of those cards...

Charlie's son, Teddy, died of leukemia in 1955 at age 9.

[Self-pity] is a ridiculous way to behave, and when you avoid it you get a great advantage over almost everybody else—because it is a [human] standard condition and yet you can train yourself out of it!

(Source: [Commencement Speech at USC — link to the YouTube Clip](#))

Nassim Taleb:

"The interesting thing about stoicism is that it plays on dignity and personal aesthetics, which are part of our genes. Start stressing personal elegance at your next misfortune. Exhibit *sapere vivere* ("know how to live") in all circumstances.

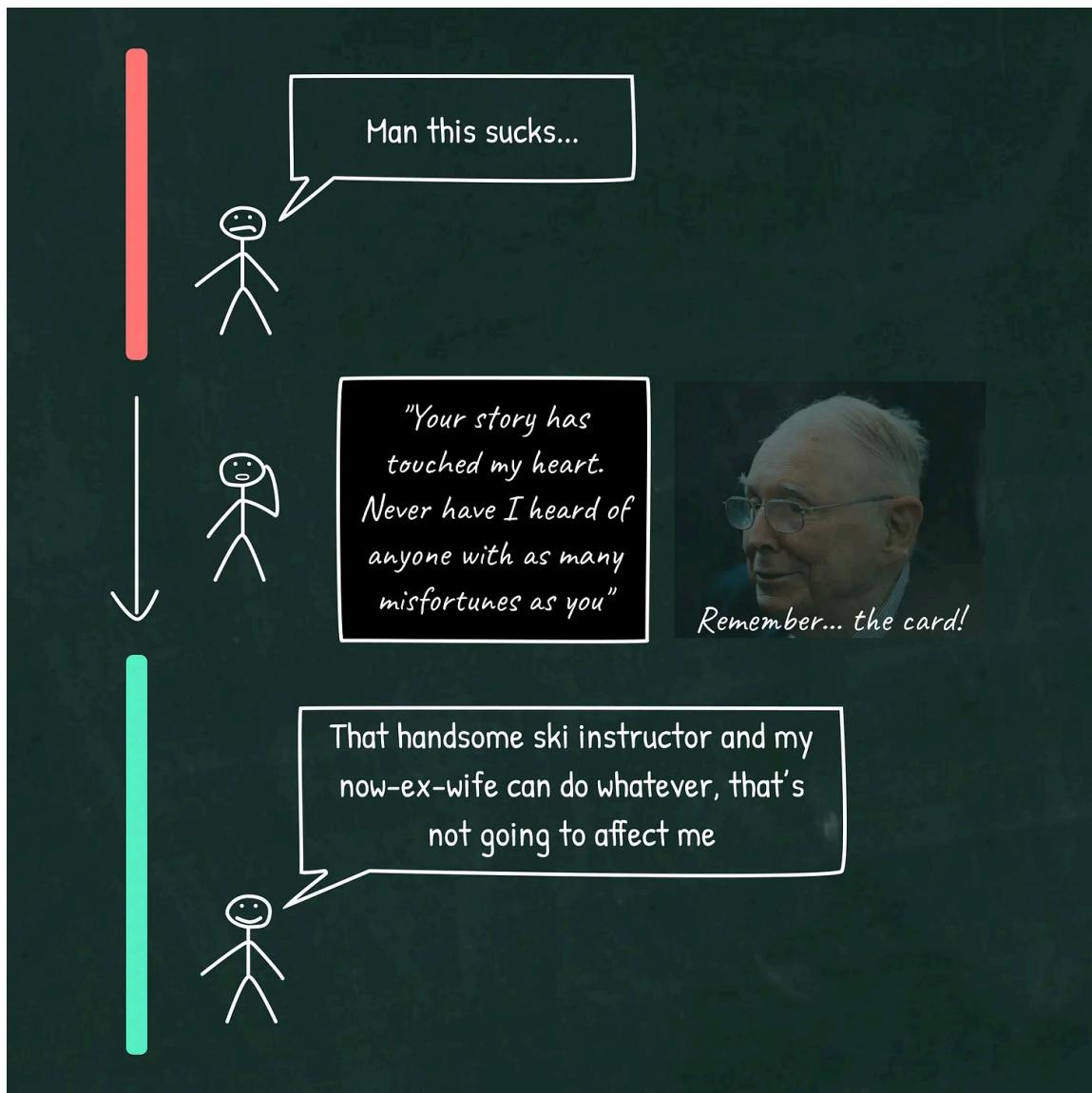
...

Dress at your best on your execution day (shave carefully); try to leave a good impression on the death squad by standing erect and proud.

...

Never exhibit any self-pity, even if your significant other bolts with the handsome ski instructor or the younger aspiring model."

(Book: [Fooled by Randomness](#))



[Personal Thoughts]

I love this mental model of never drifting into self-pity, it helps me see the light of living despite all of its inescapable darkness. Thinking about my mortality also helps me see this in perspective — there is no time to feel sorry for oneself, for I will be dead for a long time! My "alive" state is just a blink of an eye (relatively speaking), why would I waste it on these shitty emotions. Character is a choice, the most important choice...

"When wealth is lost, nothing is lost;
when health is lost, something is lost;
when character is lost, all is lost."

- Billy Graham



Nassim Nicholas Taleb ✅

@nntaleb

...

Crying in public because you saw atrocities and feel sorry for someone else is fine;
crying in public because you feel sorry for yourself (& implore others to feel sorry for you) is the greatest marker of weakness.

4:18 PM · Sep 28, 2018



Nassim Nicholas Taleb ✅

@nntaleb

...

I still don't know what lead to "success". But I know what leads to insuccess: a temperament of complaint, the mentality of permanent victimhood, and the collective and individual propensity for lamentation.

11:05 PM · Jul 8, 2023 · 1.2M Views

Never Feel Like A Victim (Even If You Are)

The insight from Charlie Munger comes from an answer he gave to a young man from the crowd (during the 2020 Daily Journal Annual Meeting).

The young man (speaking to Charlie):

"You're a testament to the idea of... Not to be a Victim, but to be a Survivor.

And it's an attitude that has helped me in my short life so far.

Could you perhaps expand on that idea?"

Charlie Munger:

Well, it's really interesting...

Some people are victimized by other people. And if it weren't for the indignation that that causes we wouldn't have reforms that we need.

But that truth is mixed with another... → It's very counterproductive for an individual to feel like a victim—even if he is.

Best attitude is just to be cheerful about everything and keep plugging along.

Picking Nuggets Note:

As we see, victimhood is useful at a societal level.

But at an individual level is disastrous -- it robs your agency and makes you dependent on others... Feels good in the short-term (because you put off responsibilities), but in the long-term it can only cause misery and a sense of enslavement.

Therefore I don't like politicians that get ahead by trying to make everybody else feel like a victim. They make my flesh crawl. And I just don't believe in it.

Of course... Who wants to be a victim instead of a survivor? [rhetorical question]

You can recognize your position as bad and try to improve it—that's okay.

But to have a deep feeling that it's all somebody else's fault is a very counterproductive way to think. People don't even like being around them. It's really stupid...

And yet our politicians build on it and try to make their careers work by doing something that's very bad for all the people they are talking to. And they think they're doing the world's work! It's crazy. It's absolutely crazy.

(Source: [Video Clip from the 2020 Daily Journal Annual Meeting](#))

● **Naval Ravikant:**

The Victim Mentality...

- [Definition] → It's somebody else's fault, it's my skin color's fault, it's the system's fault...
- [Outcome] → Those people are sinking. I feel bad for them... I want to shake them out of it and say: actually you can get out of it.
- [Overcome it] → You just have to stop thinking it's everybody else's fault.

Joe Rogan added:

"You have to alter the perspective...

But it's so difficult for people to do. It's one of the most difficult things for people: to change the way they approach reality itself."

[Naval Ravikant]:

At the end of the day, I do think life is really a single player game.

It's all going on in your head.

Whatever you think. [Whatever] you believe... will very much shape your reality—both from what risks you take and what actions you perform. But also your everyday experience of reality...

If you're walking down the street and you're judging everyone: "I don't like that person because [of] their skin color. She's not attractive. That guy's fat. This person's a loser..."

The more you judge, the more you're gonna separate yourself and you'll feel good for an instant—because you'll feel good about yourself: "I'm better than that"—but then you're gonna feel lonely and then you're just gonna see negativity everywhere.

The world just reflects your own feelings back at you.

Reality is neutral. Reality has no judgments. To a tree there's no concept of right or wrong, good or bad...

You're born.

You have a whole set of sensory experiences, stimulations, lights, colors and sounds.

And then you die.

And how you choose to interpret that is up to you—you do have that choice.

(Source: [Video Clip from The Joe Rogan Experience Podcast #1309](#))

[Personal Reflections]

"Between stimulus and response there is a space. In that space is our power to choose our response. In our response lies our growth and our freedom."

- Viktor Frankl

"It is your mind that creates the world."

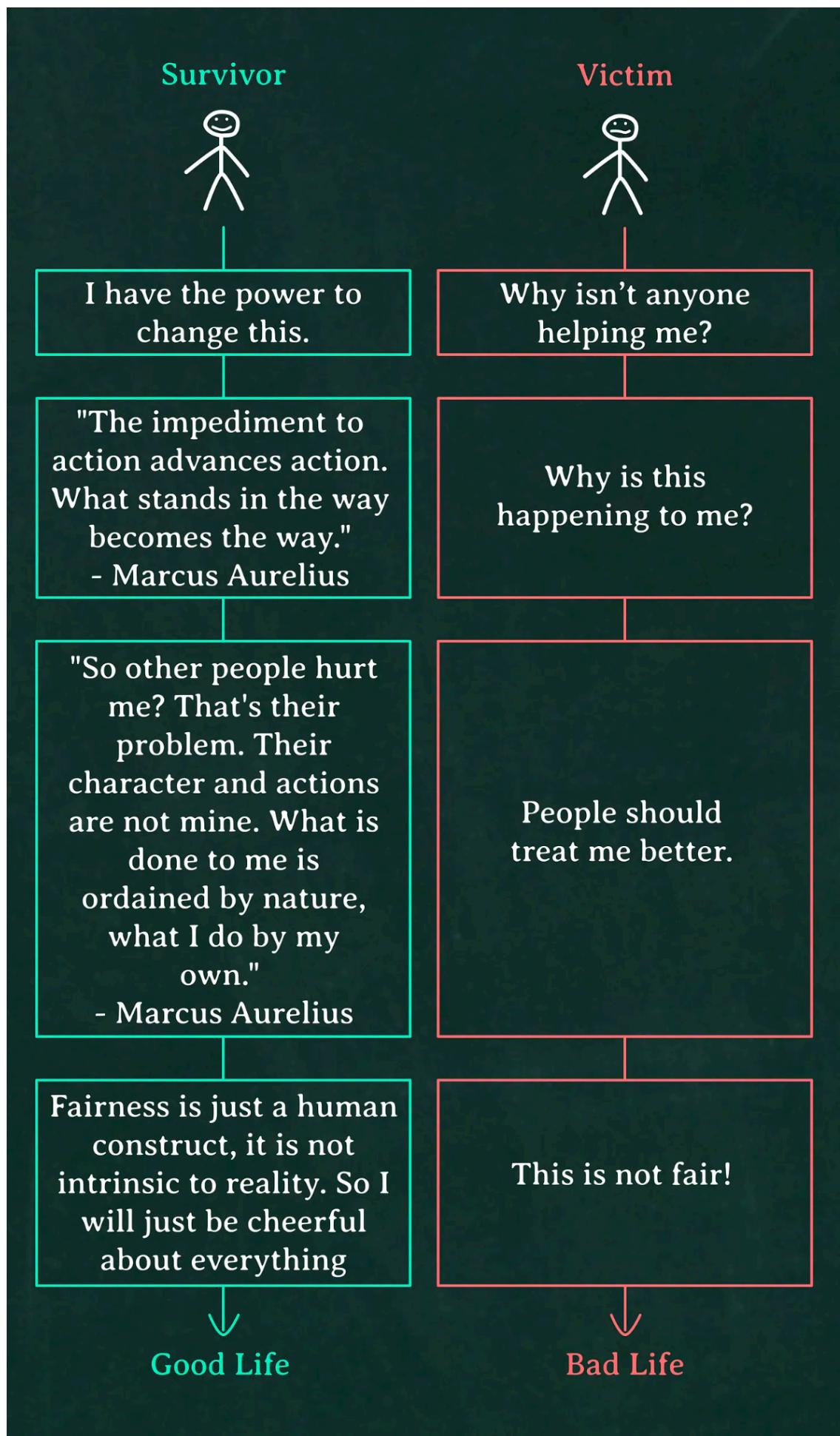
- Buddha

"My formula for greatness is amor fati: That one wants nothing to be different, not forward, not backwards, not in all eternity. Not merely bear what is necessary, still less conceal it.... but love it."

- Nietzsche

"A great man is hard on himself; a small man is hard on others."

- Confucius



How To Build Resilience

[Interviewer]:

Stanford has a lot of aspiring entrepreneurs. Students that are entrepreneurs. And maybe they're Computer Science majors, or Engineering majors of some sort.

What advice would you give them to improve their chances of success?

● Jensen Huang:

I think one of my great advantages is that I have very low expectations. And I mean that.

Most of the Stanford graduates have very high expectations. And you deserve to have high expectations because you came from a great school. You were very successful, you're top of your class, obviously you were able to pay for tuition, and then you're graduating from one of the finest institutions on the planet. You're surrounded by other kids that are just incredible. You naturally have very high expectations...

[But] People with very high expectations have very low resilience. And unfortunately, resilience matters in success. I don't know how to teach it to you except for... *I hope suffering happens to you.*

"To those human beings who are of any concern to me I wish suffering, desolation, sickness, ill-treatment, indignities — I wish that they should not remain unfamiliar with profound self-contempt, the torture of self-mistrust, the wretchedness of the vanquished: I have no pity for them, because I wish them the only thing that can prove today whether one is worth anything or not — that one endures."

- Friedrich Nietzsche

"By endurance, we conquer."

- Ernest Shackleton

And I was fortunate that I grew up with my parents providing a condition for us to be successful (on the one hand); but there were plenty of opportunities for setbacks and suffering...

And to this day, I use the phrase "pain and suffering" inside our company with great glee. And I mean that... You know "Boy, this is going to cause a lot of pain and suffering!" And I mean that in a happy way! Because you want to refine the character of your company. You want greatness out of them. And greatness is not intelligence (as you know).

Greatness comes from character. And character isn't formed out of smart people, it's formed out of people who suffered.

And so if I could wish upon you—I don't know how to do it, but—for all of you Stanford students, I wish upon you ample doses of pain and suffering.

(Source: [Jensen Huang at 2024 Economic Summit](#))

[Personal Reflections]:

I think many people automatically think that having low expectations is equivalent to not having ambition or a big vision for your life.

But this is a complete misconception...

You can both think big (as big as you want) and keep expectations low.

You can be driven to achieve something audacious, while also be prepared to expect failure after failure after failure.

As the saying goes: "Success is going from failure to failure without losing your enthusiasm." (supposedly attributed to Winston Churchill)

I think this also reflects perfectly the "Stockdale Paradox" in honor of James Stockdale — A US soldier prisoner who was captured in Vietnam and spent 7 years in captivity and torture.

He argues that the radical acceptance of the present realities combined with the optimism that he would eventually be released, was the key to his survival.

He noticed that the soldiers who only had hope of release (without acceptance of present realities) died quickly in prison.

[Embracing your current reality ==> Amorftati ==> Resilience] + Mission = Success



There is Nothing To Lose



The most important thing I've ever encountered to help me make the big choices is to remember that I'll be dead soon.

I know it sounds a bit dramatic, but it's true. And when I remember this, I realize that all of the expectations and standards and restrictions of others and society mean nothing in the end.

I realize that I have nothing to lose by following my heart and intuition, even if I embarrass myself or fail in the eyes of others. Because I'll be dead soon. And I realize that I don't have forever to decide to find what my intuition tells me is waiting out there for me.

When I was 17, I read a quote that said something like

"If you live each day as if it was your last, someday you'll most certainly be right."

And since I was 17, I have looked in the mirror every morning and asked myself

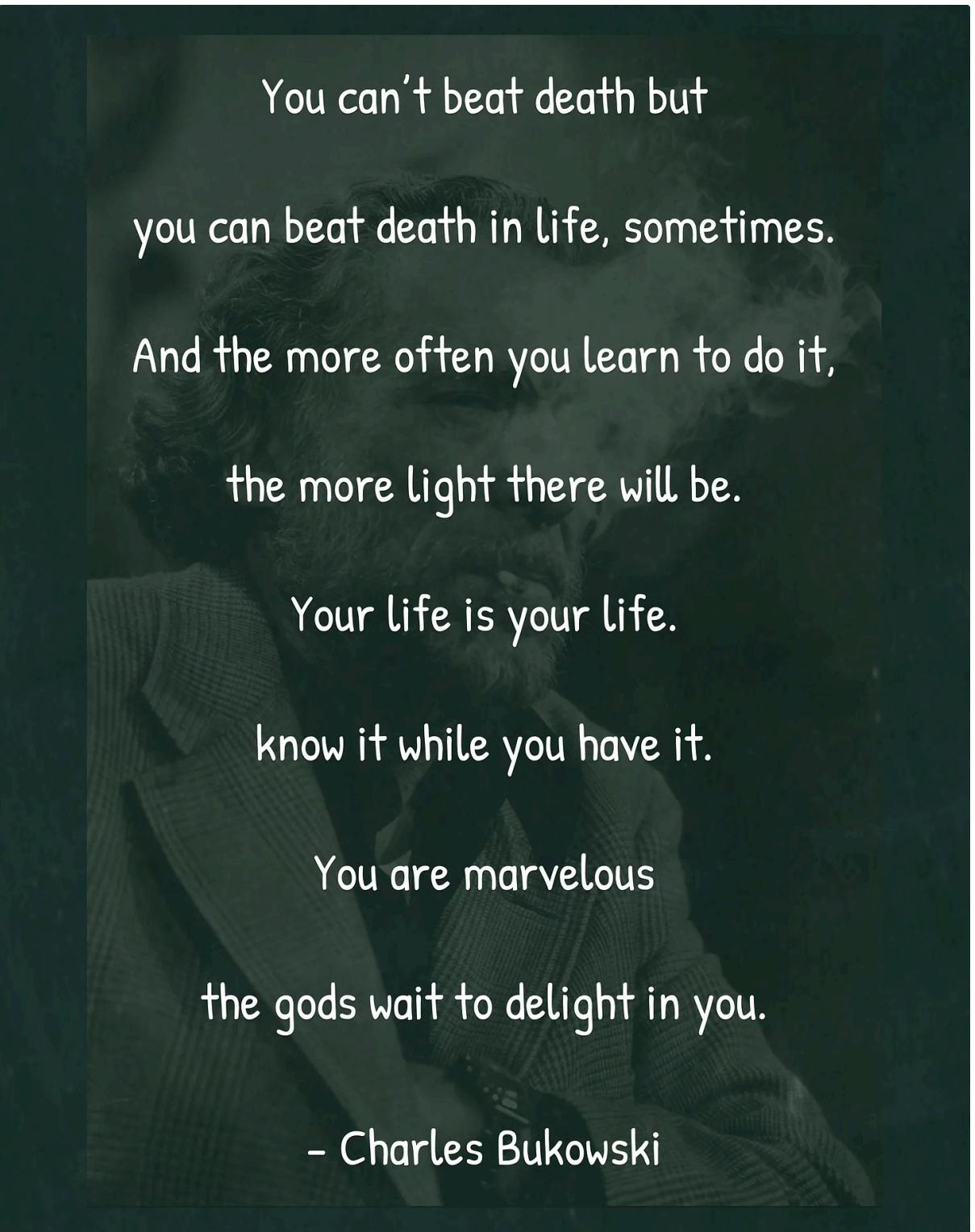
"If today was the last day of my life, would I want to do what I am about to do today?"

And when the answer has been "NO" for too many days in a row, I know I need to change something in my life.

Another way to think about this is that your life is a story. It's hard to see it that way when you're looking forward at 22. But imagine yourself as an old person looking back on your life. Your life will be a story. It will be your story, with its highs and lows, its heroes and villains, its forks in the road that mean everything.

And if you can remember that your life is a story in the making, it will help you make those important decisions. When you have to decide between taking the prestigious job that pays well, or the offbeat job with no future that makes your heart sing, just imagine yourself looking back on your life in 50 years and you'll know what path is yours. You will give yourself the right advice. You will intuitively know if something is part of your story or not.

(Book: [Make Something Wonderful](#))



You can't beat death but
you can beat death in life, sometimes.

And the more often you learn to do it,
the more light there will be.

Your life is your life.

know it while you have it.

You are marvelous
the gods wait to delight in you.

- Charles Bukowski

The World Is Not Driven By Greed, Is Driven By Envy...

Charlie Munger:

With all this enormous increase in living standards, freedom, diminishment of racial inequities, and all the huge progress that has come, people are less happy about the state of affairs than they were when things were way tougher.

That has a very simple explanation. The world is not driven by greed; it's driven by envy. So the fact that everybody's five times better off than they used to be, they take that for granted. All they think about is somebody else having more now and it's not fair that he should have it and they don't. That's the reason that God came down and told Moses that he couldn't envy his neighbor's wife or even his donkey. I mean, even the old Jews were having trouble with envy.

So it's built into the nature of things. It's weird for somebody at my age because I was in the middle of the Great Depression and the hardship was unbelievable. I was safer walking around Omaha in the evening than I am in my own neighborhood in Los Angeles after all this great wealth and so forth. So... and I have no way of doing anything about it. I can't change the fact that a lot of people are very unhappy and feel very abused after everything's improved by about 600% because there's still somebody else who has more. I have conquered envy in my own life. I don't envy anybody. I don't give a damn what somebody else has. But other people are going crazy by it. And other people play to the envy in order to advance their own political careers.

We have whole networks now that want to pour gasoline on the flames of envy. I like the religion of the old Jews. I like the people who were against envy, not the people who were trying to profit from it.

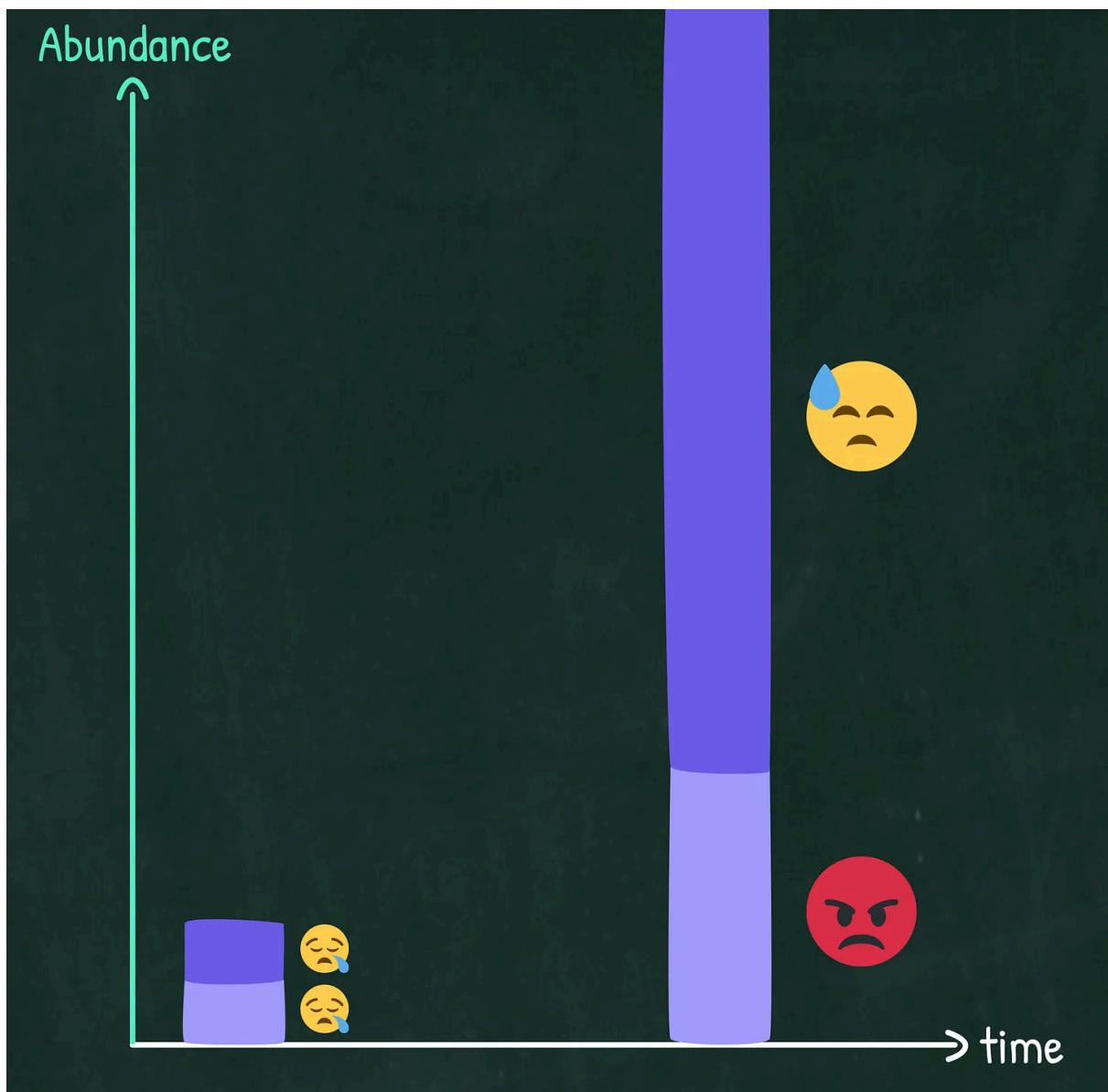
Think of the pretentious expenditures of the rich. Who in the hell needs a Rolex watch so you can get mugged for it? Yet, everybody wants to have a pretentious expenditure. That helps drive demand in our modern capitalist society. My advice to the young people is: don't go there. To hell with the pretentious expenditure. I don't think there's much happiness in it. But it does drive the civilization we actually have. And it drives the dissatisfaction.

Steven Pinker of Harvard is a smart academic. He constantly points out that everything's gotten way, way better, but the general feeling about how fair it is has gotten way more hostile. As it gets better and better, people are less and less satisfied. That is weird but that's what's happened.

Transcript Credit → Junto Investments (<https://junto.investments>)
(Source: [Daily Journal Corporation 2022](#))

"Envy makes the world go around."

- Naval Ravikant (Source: [The Joe Rogan Experience](#))



[Personal Reflections]:

As Paul Graham argued in his book *Hackers and Painters*, inequality of income is a symptom of a healthy Society, when it stems from technological advancement — which is (mostly) the case in our times.

Technology is leverage, and so the more advanced the technology gets, the more leverage humans have at their disposal. This means that if someone is a bit more productive than the next person, the difference in the outcome is massive — because that slight increase in productivity gets amplified by the technology used.

The more advanced the tech, the wider the gap in outcomes between people. So, in this sense, inequality of income is a good thing. With a good distribution system in place, the pie gets bigger for everyone — and everyone wins.

This is of course all that it really matters. That everyone has at least their basic needs covered and a strong safety net. But it's an absolute scale. That's the "problem". We are humans so we get used to it, and when that happens we only see the other people that are better off — and so many people will think that there is something "wrong" in the system. And they will pick examples of corruption and bad behavior from rich people or pro-capitalists to justify their actions. Of course this seems to me like a stupid argument — in any complex and big system there will always be bad players, but it does not say anything about the system itself. These people are too blinded by their feelings of envy and unfairness to see the progress and abundance that that system has brought.

By the way, I'm reading the new book from Eric Jorgenson on Balaji Srinivasan "The Anthology of Balaji" and it's fascinating — especially the glimpses of what's coming in technology for the next decades.

Leveraging The Power Of Reality

● Robert Greene:

Reality has its own power—you can turn your back on it, but it will find you in the end, and your inability to cope with it will be your ruin.

(Book: [*The 50th Law*](#))

● Naval Ravikant:

One definition of a moment of suffering is “the moment when you see things exactly the way they are.” This whole time, you’ve been convinced your business is doing great, and really, you’ve ignored the signs it’s not doing well. Then, your business fails, and you suffer because you’ve been putting off reality. You’ve been hiding it from yourself.

“The first principle is not to fool yourself – and you are the easiest person to fool.”

- Richard Feynman

The good news is, the moment of suffering—when you’re in pain—is a moment of truth. It is a moment where you’re forced to embrace reality the way it actually is. Then, you can make meaningful change and progress. You can only make progress when you’re starting with the truth.

The hard thing is seeing the truth. To see the truth, you have to get your ego out of the way because your ego doesn’t want to face the truth. The smaller you can make your ego, the less conditioned you can make your reactions, the less desires you can have about the outcome you want, the easier it will be to see the reality.

(Book: [*The Almanack of Naval Ravikant, pages 96-98*](#))

Picking Nuggets Note:

Don't wait for reality to hit you. Embrace it now and become a "realist"...

● Robert Greene:

It is in fact a function of character and fearlessness. Simply put, realists are not afraid to look at the harsh circumstances of life. They sharpen their eye by paying keen attention to details, to people’s intentions, to the dark realities hiding behind any glamorous surface. Like any muscle that is trained, they develop the capacity to see with more intensity.

Your eyes are fixed in the world, not on yourself or your ego. What you see determines what you think and how you act. The moment you believe in some cherished idea that you will hold on to no matter what your eyes and ears reveal to you, you are no longer a realist.

...

Now is the time to stop drifting and wake up—to assess yourself, the people around you, and the direction in which you are headed in as cold and brutal a light as possible. Without fear.

(Book: [The 50th Law, pages 32-34](#))

"Reality is my drug. The more I have of it, the more power I get and the higher I feel."
- 50 Cent

<u>Realist</u>	<u>Fantasist</u>
<ul style="list-style-type: none">● Fixes on the world.● Strong Character.● Courage to deal with the harsh truth. They embrace it! (Fearlessness)● Prefers the Truth -> He sees it as necessary to make meaningful change and progress.● Clarity of Mind. Good Judgment.	<ul style="list-style-type: none">● Fixes on himself (ego).● Soft Mind.● Fear of the World. Fear that reality won't match their expectations.● Prefers Imagination -> As it feels immediately comfortable.● Confusion. Bad Judgment / Self-Deceit.

Choose your 5 Chimps Correctly

● Naval Ravikant:

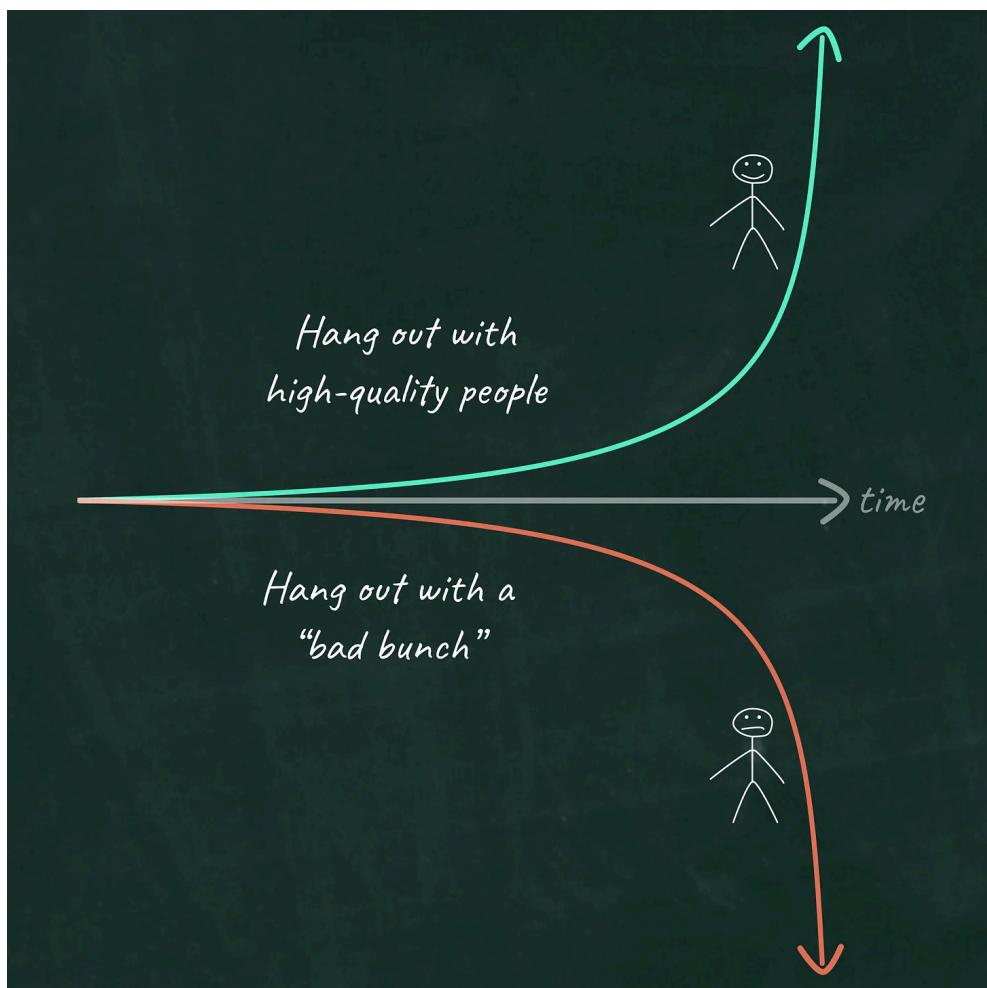
There's the 'five chimps theory' where you can predict a chimp's behavior by the five chimps it hangs out with the most. I think that applies to humans as well. Maybe it's politically incorrect to say you should choose your friends very wisely. But you shouldn't choose them haphazardly based on who you live next to or who you happen to work with. The people who are the most happy and optimistic choose the right five chimps.

(Book: [*The Almanack of Naval Ravikant*](#))

● Warren Buffet:

Pick out those [people] whose behavior is somewhat better than yours and you will drift in that direction. Similarly, if you hang out with a 'bad bunch' you are very likely to find your behavior worse over.

(Video: [Berkshire Hathaway's Annual Meeting, year 2005](#))



The (True) Definition Of Success

● **Nassim Nicholas Taleb:**

There's a single definition of success: Look at yourself in the mirror—in the evening—and wonder if you disappointed the person you were at 18, right before people get corrupted by life. Let him or her be the only judge [of your success].

Not your reputation. Not your wealth. Not your standing in a community. Not the decorations on your lapel.

If you do not feel ashamed, then you are successful. All other definitions of success are fragile modern constructions.

"Nietzsche's Master-Slave morality in modern terms: Reputation is for slaves. Honor, Courage, & Integrity is for the Self-Owned."

- Nassim Taleb

Success requires absence of fragility. I've seen billionaires terrified of journalists. Wealthy people who felt crushed because their brother-in-law got very rich. Academics with Nobel who were scared of comments on the web. The higher you go, the worse the fall—for almost all people I've met external (not internal) success came with an increase in fragility and heightened state of insecurity.

Self-respect, on the other hand, is robust. That's the approach of the Stoic School. So, I've seen robust people in my village Amioun who were proud of being local citizens, liked by the community. They wake up happy, and go to bed happy. Or Russian mathematicians, who during the difficult post-soviet period were proud of making 200 dollars a month, and did work that was appreciated by 20 people, and considered that showing one's decorations or accepting awards was a sign of weakness and a lack of confidence in one's own contribution.

And believe it or not, some wealthy people are robust. But you just don't hear about them because they're not socialized.

(Source: [Commencement Speech at the American University of Beirut](#))

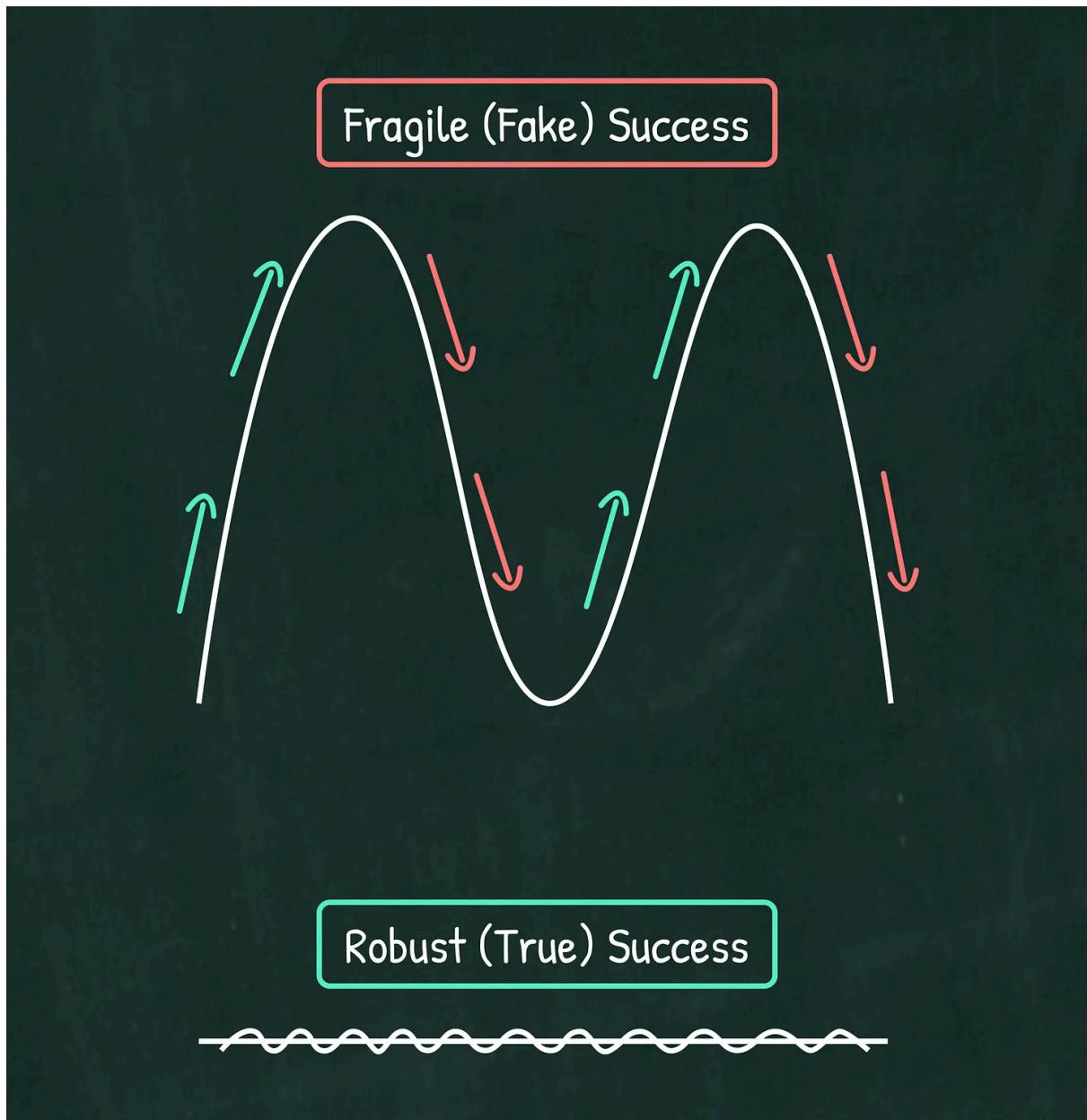
[Personal Reflections]:

"Receive [wealth or prosperity] without arrogance; and be ready to let it go."

- Marcus Aurelius

The best way for me to know whether I'm being driven internally or externally it's the famous quote from Warren Buffet:

"Would you rather be the world's greatest lover, but have everyone think you're the world's worst lover? Or would you rather be the world's worst lover but have everyone think you're the world's greatest lover?"



Naval Ravikant: The Most Important Thing I Did To Become Successful

During a Periscope live event, Naval Ravikant got asked:

"What was the one most important thing you did to become successful?"

The transcription below is Naval's reply to that question.

In my opinion, beyond serving as a useful guide to become successful, it serves as a useful guide to live a life that is worth living.

And we will see how this nugget is linked with a letter written by the stoic philosopher Lucius Seneca, almost 2000 years ago!

● Naval Ravikant:

Anyone who has known me for a long time knows that my defining characteristic it's a combination of being very impatient and willful.

So, I don't like to wait. I hate wasting time. I'm very, very famous for being rude at parties, events, dinners... where the moment I figure out it's a waste of my time, I get up and I leave.

I went to a dinner at a friend's house recently. I went with my wife, and it was a small, intimate, twelve-person dinner party. And my friend had put together a very elaborate affair where we were going to sit there and it was like this fancy thing where you're blindfolded and then other people kind of feed you for four hours while you have conversation. And that sounded terrible to me. So I got up and I left after 10 minutes, even though it was this massive paid event.

And my friend understood, because he's a good friend of mine and he knows how I think. So he let me get away with it, but I've been doing that my entire life. The moment I figure out something is a waste of time, I leave immediately. Immediately!

So I have no time for tedious dinners, tedious ceremonies, tedious people.

I have no time for formality.

I have no time for dressing up.

I have no time for business trips... I came to the decision that business trips are never worth it so I just stopped going to business trips.

...

And all of this is broken glass. It does annoy people.

"People who don't value their time seem to get very offended by people who do."

- Ryan Holiday

But fundamentally, where I'm going with this is I valued my time!

Value your time. It is all you have. It is more important than your money. It's more important than your friends. It's more important than your... Anything! Your time is all you have. Do not waste your time.

And that doesn't mean you can't relax. I mean, what am I doing right now? I'm wasting time on Periscope by some people's definition. But I'm doing what I want. So that's okay. As long as you're doing what you want... that's not a waste of your time. But if you're spending your time not doing what you want, and you're not earning, and you're not learning, then what the heck are you doing?

Don't spend your time making other people happy. Other people being happy is their problem. It's not your problem.

"You have no responsibility to live up to what other people think you ought to accomplish.

I have no responsibility to be like they expect me to be.

It's their mistake, not my failing."

- Richard Feynman

[Actually...] If you are happy, it makes other people happy. If you are happy, other people will ask you how you're happy, and they might learn from it. But you are not responsible for making other people happy.

(Source: [Naval on Periscope \(2018\)](#))

To expand on this valuable idea, I will add a passage from Seneca's letter "On Saving Time".

● Lucius Seneca:

What man can you show me who places any value on his time, who reckons the worth of each day, who understands that he is dying daily? For we are mistaken when we look forward to death; the major portion of death has already passed. Whatever years be behind us are in death's hands.

Therefore, Lucilius [the receiver of Seneca's letter], do as you write me that you are doing: hold every hour in your grasp. Lay hold of today's task, and you will not need to depend so much upon tomorrow's. While we are postponing, life speeds by.

Nothing, Lucilius, is ours, except time. We were entrusted by nature with the ownership of this single thing, so fleeting and slippery that anyone who will can oust us from possession. What fools these mortals be! They allow the cheapest and most useless things, which can easily be replaced, to be charged in the reckoning, after they have acquired them; but they never regard themselves as in debt when they have received some of that precious commodity—time! And yet time is the one loan which even a grateful recipient cannot repay.

(Source: [The Tao of Seneca - Volume 1](#))

For Someone who was born in 1930 and died in 2010, all that he truly owned was his experience over that 80-year period. Nothing else.

⌚ Time...

1930 (AD)

2010 (AD)

[Personal Reflection]:

There is a great line from Seneca which (I think) summarizes all the above ideas very well...

"Begin at once to live, and count each separate day as a separate life"

Always Look Forward (You Are NOT Your Past)

● Mohnish Pabrai (On Charlie Munger):

I developed a very good friendship with Charlie over the last 14 years; a very unlikely thing to happen, but it did happen. Over the last 14 years, I had many bridge games and dinners at his place with him. I got to observe him in a very intimate setting.

When I looked at the way Charlie was, one of the things I noticed over time was that he did not look back. I would always tell Charlie, "Charlie, look at the work that you have done in your lifetime. It is so immense and impressive. You are going to go down as one of the great historical figures of all time, especially as a philosopher and an investor." He would always brush it off, and his focus would always be on whatever problem he was looking at in front of him.

Berkshire has been successful, but he would moan and say, "We have too much cash. We cannot find investments. We are looking, things are so expensive." He would not spend time talking about the past of Berkshire Hathaway or the past of Charlie Munger.

He was also chairman of a company called the Daily Journal Operation, and he was looking for a CEO successor for the Daily Journal. He would moan and groan to me that he needed to find someone, and that he was not able to find someone.

What I found is that all of his energies were focused on taking the next step forward; they were not focused on looking back and saying, "Wow, I have covered a lot of distance behind me." Anyone else looking at Charlie would say, "Forget what is in front of you; the Daily Journal CEO, or Berkshire's money. Drop that today. It is fine." The history [of Charlie] is so impressive, but that is not how he thought. That is also not how Warren Buffett thinks.

I tried to learn from that.

I used to be like a lot of others. Humans, by instinct, look back, and say, "We did well at school. We did well in business. We did well in the investment fund..." But, in my opinion, it is a better mental model to focus the energies going forward.

(Source: [Mohnish Pabrai's Interview at Morningstar, The Investor's Mind on December 1, 2023](#))

● Robert Greene:

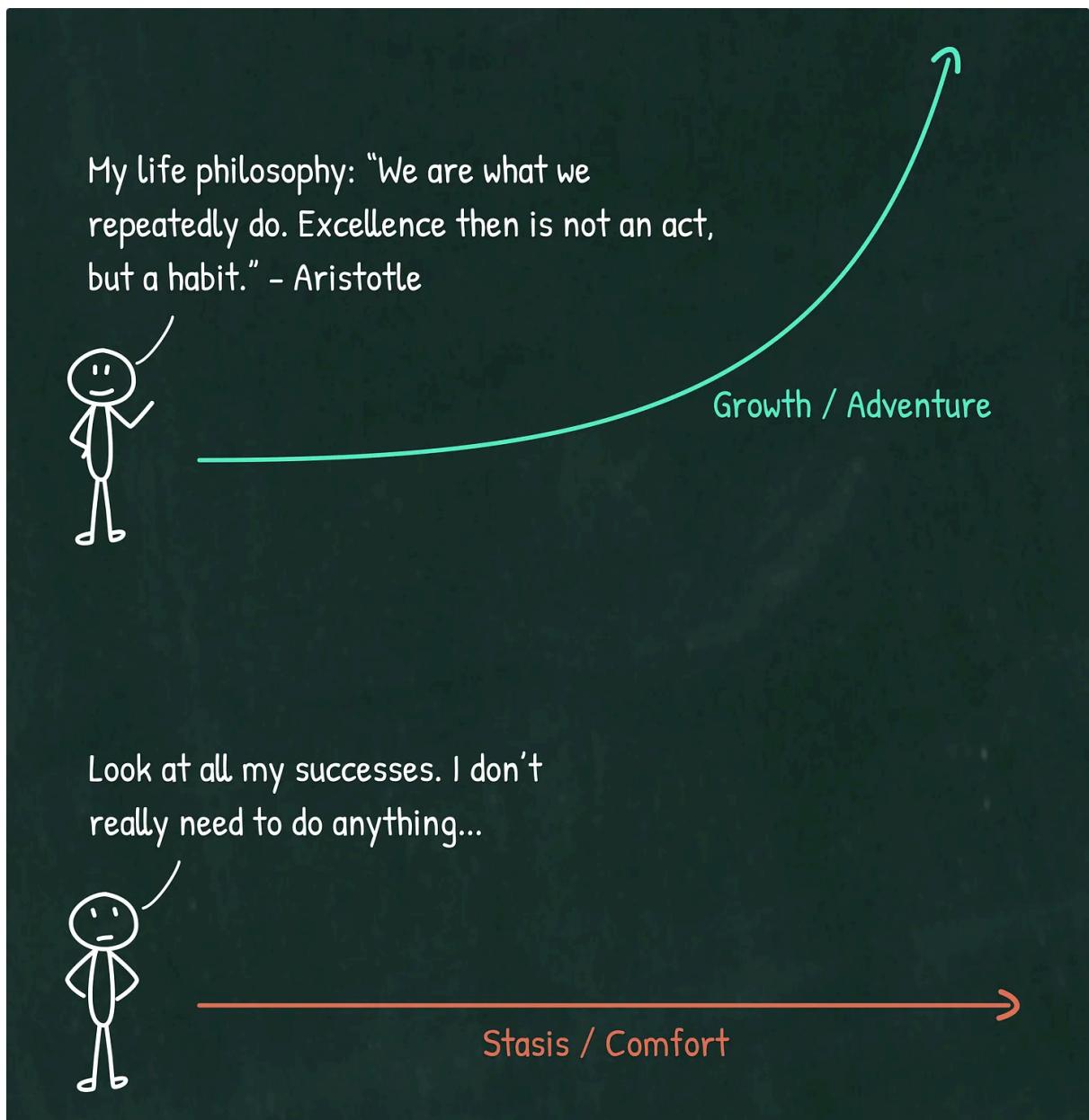
Be future-oriented...

That's one of the key elements about people who are very successful in life—they're always sort of oriented towards the future: What's the next project? What am I going to be doing in five or ten years? As opposed to obsessed with the past.

I think people who have the hardest time in life are so obsessed with the past... "that scumbag... he destroyed me... he ruined my last project..." They hold on to all this crap. They're so weighed down by the past... They whine, they complain...

People who are future-oriented: "I'm on to the next thing." It's like they say in basketball: "Next man up! Our star player was injured? All right, next player come on! Let's just go, we gotta win this game!"

(Source: ["These LAWS OF POWER Will Change Your Future!" | Robert Greene](#))



Jeff Bezos: The 9 Questions To Live Your Best Life

● Jeff Bezos:

	
<p>Will inertia be your guide?</p>	<p>Or will you follow your passions?</p>
	
<p>Will you follow dogma?</p>	<p>Or will you be original?</p>
	
<p>Will you choose a life of ease?</p>	<p>Or a life of service and adventure?</p>
	
<p>Will you wilt under criticism?</p>	<p>Or will you follow your convictions?</p>
	
<p>Will you bluff it out when you're wrong?</p>	<p>Or will you apologize?</p>



Will you guard your heart against rejection?

Or will you act when you fall in love?



Will you play it safe?

Or will you be a little bit swashbuckling?

When it's tough...



Will you give up?

Or will you be relentless?



Will you be a cynic?

Or will you be a builder?



Will you be clever? (at the expense of others)

Or will you be kind?

I will hazard a prediction: When you are 80 years old and in a quiet moment of reflection, narrating (for only yourself) the most personal version of your life story... the telling that will be most compact and meaningful will be the series of choices you have made.

In the end, we are our choices.

Build yourself a great story.

(Source: [Speech at Princeton University](#))

PART II

WEALTH



Desire VS. Compulsion

Felix Dennis:

All error springs from flawed assumptions. If there are no assumptions, there can be no error.

I am told that during the Vietnam War, a sign was kept nailed on a wall above a particular marine commander's desk which said: '**Assumption is the mother of all f***-ups'. Those seven words should be carved into the heart of every entrepreneur**, the wealthy or the wannabe, the gonnabe or the been-there-done-that.

As far as getting rich is concerned, the cardinal error is to begin such a quest in the vague belief that you would like to be rich. Wishing or desiring to be rich is perhaps the most commonplace of human desires, other than sexual fantasy. Yet few people ever succeed in achieving it. Such desire is a fleeting thing, a will-of-the-wisp floating across the surface of the mind as you pass the front window of a chic boutique: 'I wish I was rich. If only I could afford it, I would march straight inside and buy that beautiful handbag.' Then the No. 43 bus comes along, and all such thoughts are abandoned on the pavement.

Wishing for or desiring something is futile without an inner compulsion to achieve it. Such lack of compulsion, if not frankly acknowledged, can lead to great personal unhappiness.

...

The assumption that you might be able to achieve some goal if you only wished hard enough is not just a f***-up. It's a potential personal tragedy.

...

Do not mistake desire for compulsion. Only you can know the song of your inner demons. Only you can know if you are willing to tread the narrow, lonely road to riches. No one else can know. No one else can tell you either to do it or to refrain from the attempt. When the going gets tough, when all seems lost, when partners and luck desert you, when bankruptcy and failure are staring you in the face, all that can sustain you is a fierce compulsion to succeed at any price.

(Book: [How To Get Rich](#))

Mark Manson:

What determines your success isn't "What do you want to enjoy?" The question is, "What pain do you want to sustain?" The quality of your life is not determined by the quality of your positive experiences, but the quality of your negative experiences.

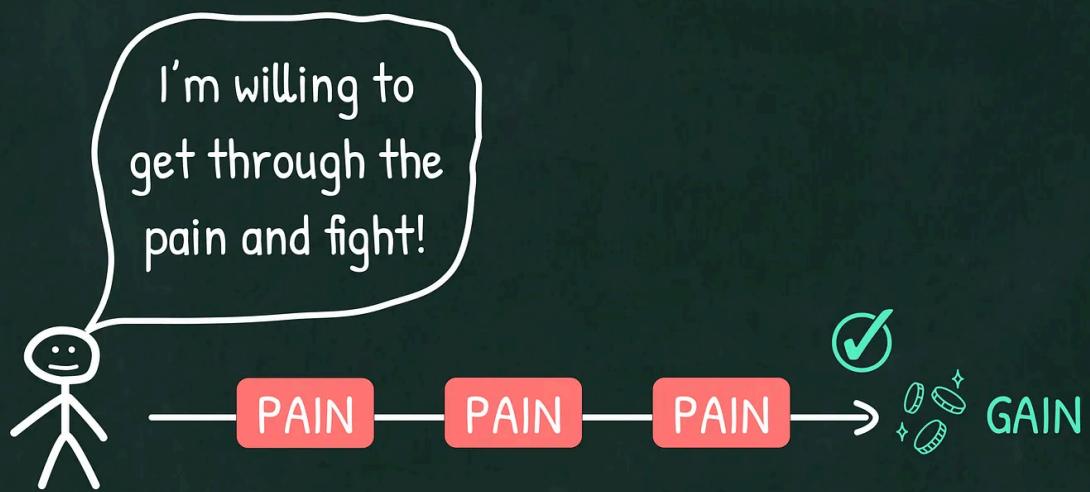
There's a lot of crappy advice out there that says, "You've just gotta want it enough!"

Everybody wants something. And everybody wants something enough. They just aren't aware of what it is they want, or rather, what they want "enough."

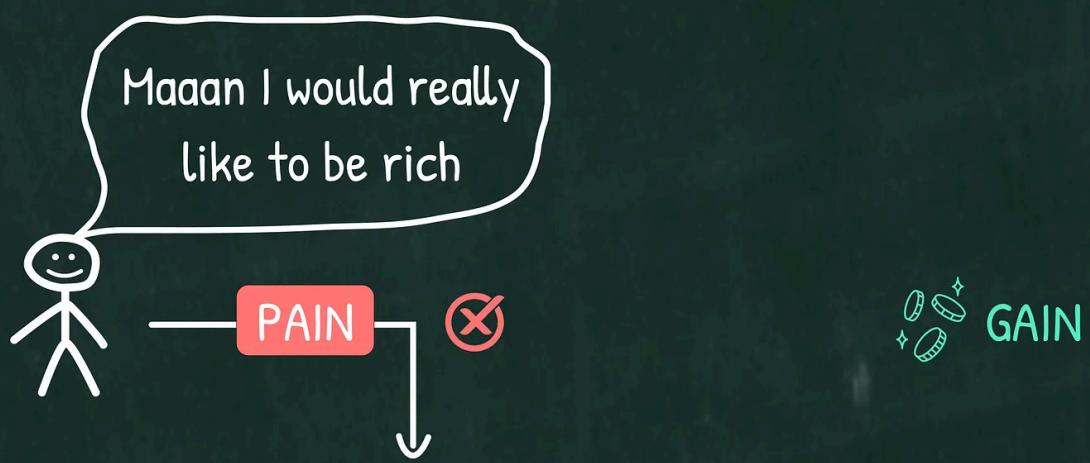
Because if you want the benefits of something in life, you have to also want the costs. If you want the beach body, you have to want the sweat, the soreness, the early mornings, and the hunger pangs. If you want the yacht, you have to also want the late nights, the risky business moves, and the possibility of pissing off one person or ten thousand.

If you find yourself wanting something month after month, year after year, yet nothing happens and you never come any closer to it, then maybe what you actually want is a fantasy, an idealization, an image, a false promise. Maybe what you want isn't what you want—you just enjoy wanting. Maybe you don't actually want it at all.

(Blogpost: [The Most Important Question of Your Life](#))



"Success consists of going from failure to failure without loss of enthusiasm."
- Winston Churchill



"Your real resume is just a cataloging of all your suffering."
- Naval Ravikant

"If you need encouragement, don't become an entrepreneur."
- Elon Musk

Become an Exponential Curve



Sam Altman:

You want to be an exponential curve yourself—you should aim for your life to follow an ever-increasing up-and-to-the-right trajectory.

It's important to move towards a career that has a compounding effect—most careers progress fairly linearly.

You don't want to be in a career where people who have been doing it for two years can be as effective as people who have been doing it for twenty—**your rate of learning should always be high**. As your career progresses, each unit of work you do should generate more and more results. There are many ways to get this leverage, such as capital, technology, brand, network effects, and managing people.

"Arm yourself with Specific Knowledge, Accountability and Leverage."

"Leverage is a force multiplier of your judgment."

"Judgment requires experience, but it can be built faster by learning foundational skills."

- Naval Ravikant

It's useful to focus on adding another zero to whatever you define as your success metric—money, status, impact on the world, or whatever. I am willing to take as much time as needed between projects to find my next thing. But I always want it to be a project that, if successful, will make the rest of my career look like a footnote.

"The main message of *The Magic of Thinking Big*: Don't overestimate others and underestimate yourself. I still read the first two chapters whenever doubt creeps in.

It's not enough to remove life's niggly minutiae that are bothering you—you need a compelling big goal. You need an inspiring, abnormally large objective to chase."

- [Tim Ferriss \(on Twitter\)](#)

Most people get bogged down in linear opportunities. Be willing to let small opportunities go to focus on potential step changes.

I think the biggest competitive advantage in business—either for a company or for an individual's career—is long-term thinking with a broad view of how different systems in the world are going to come together. One of the notable aspects of compound growth is that the

furthest out years are the most important. In a world where almost no one takes a truly long-term view, the market richly rewards those who do.

Trust the exponential, be patient, and be pleasantly surprised.

(Blogpost: [“How to be Successful”](#))

● **Paul Graham:**

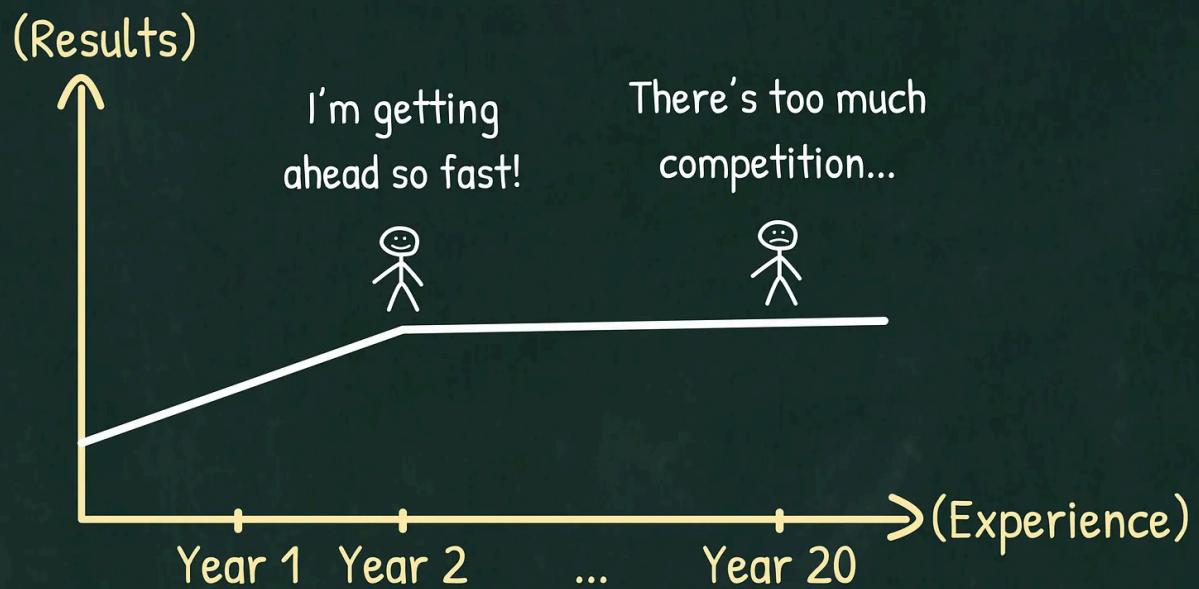
If you do work that compounds, you'll get exponential growth. Most people who do this do it unconsciously, but it's worth stopping to think about. Learning, for example, is an instance of this phenomenon: the more you learn about something, the easier it is to learn more. Growing an audience is another: the more fans you have, the more new fans they'll bring you.

The trouble with exponential growth is that the curve feels flat in the beginning. It isn't; it's still a wonderful exponential curve. But we can't grasp that intuitively, so we underrate exponential growth in its early stages.

Something that grows exponentially can become so valuable that it's worth making an extraordinary effort to get it started. But since we underrate exponential growth early on, this too is mostly done unconsciously: people push through the initial, unrewarding phase of learning something new because they know from experience that learning new things always takes an initial push, or they grow their audience one fan at a time because they have nothing better to do. If people consciously realized they could invest in exponential growth, many more would do it.

(Essay: [“How To Do Great Work”](#))

Careers with a Linear progression



Careers with a Compounding progression



(I originally created this visual for an essay I contributed to the organization Spread Great Ideas. You can check out the essay by [clicking here!](#))

Play The Right Game (Leverage + Judgment)

● Mark Jenney:

One thing I wish I would have known earlier on in my career and one thing I would kind of go back and tell to a younger version of myself is “make sure you are playing the right game”.

If you're going to build a business—it could be a small business or it could be a massive business—it's going to take about the same amount of effort and energy to become super successful at anything.

And if you're playing the right game, your outcome can be exponentially better than if you're playing the wrong game.

Example of a small-upside business...

If your goal is basically just to open one restaurant... You're very limited in what your upside is.

Example of a big-upside business...

If you want to go and build a software company... Then obviously you can build a billion dollar business.

The Restaurant VS. the Software Company...

Both of those—the owner of the restaurant and the owner of the software company—they're both going to work really hard.

They're both going to put all of their energy, all of their effort into their business to make it as successful as they can.

But they're going to have very different outcomes—if they're both successful:

- [Big-upside business] → One is going to have a life-changing amount of income and they are gonna probably become very very wealthy from it. And it could be even generational wealth.
- [Small-upside business] → And the other one... They might have worked themselves into a successful job that maybe allows them to pay the bills. But it doesn't have the same type of outcome.

(Source: [Mark Jenney with Noah Kagan](#))

● **Naval Ravikant:**

We like to view the world as linear → “I’m gonna put in eight hours of work, I’m gonna get back eight hours of output”.

Doesn’t work that way.

The guy running the corner grocery store is working just as hard or harder than you and me.

How much output is he getting?

[Conclusion] What you do [+] Who you do it with [+] How you do it → [Is] way more important than How hard you work.

Outputs are non-linear based on the quality of the work that you put in.

(Source: [Naval Ravikant on The Joe Rogan Experience](#))

The most important thing to increase your results (for the same amount of effort) is to use a source of Leverage...

[Naval Ravikant]:

Fortunes require leverage.

Business leverage comes from capital [money], people [labor / employees], and products with no marginal cost of replication [code and media].

Code and media are permissionless leverage.

They’re the leverage behind the newly rich.

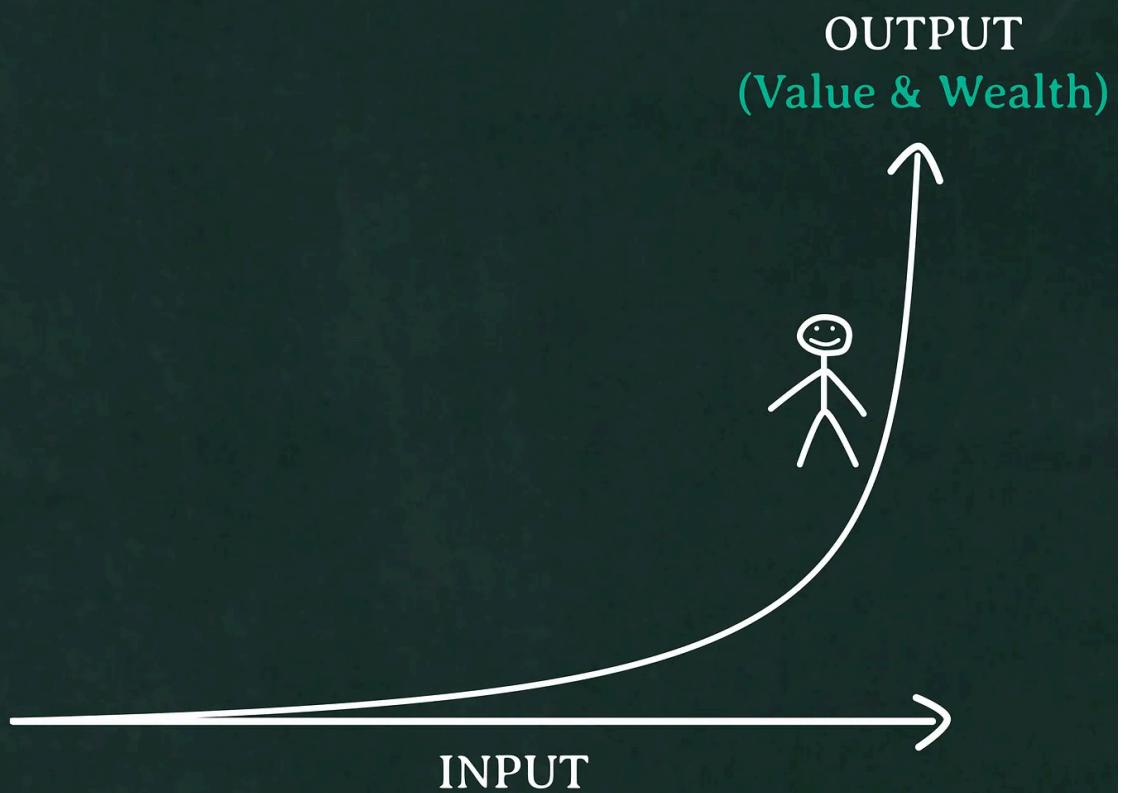
You can create software and media that works for you while you sleep.

Once you have Leverage, it’s all about applying Good Judgment...

Leverage is a force multiplier for your judgment.

In an age of infinite leverage, judgment is the most important skill.

(Book: [The Almanack of Naval Ravikant](#))



(High Leverage + Good Judgment)

Pick one (or more):

- +100 Employees
- +1M \$ Capital
- Code (Software)
- Media (Content Creation)

You need:

- Direct Learning (build Experience with Fast Iterations)
- Indirect Learning (learn from other people -- from books, videos, etc.)

How To Be an Inventor (The Day-One Mindset)

Jeff Bezos:

If you want to be an inventor of any kind (e.g. inventing a new service offering for customers, or a new product or anything), it requires that you have to be a domain expert—because the world is so complicated.

Even if you're not at the beginning, you have to “learn learn learn” enough so you become a domain expert.

But the danger is, once you've become a domain expert, you can be trapped by that knowledge.

Inventors have this paradoxical ability to have:

- That “10,000 hours of practice” and be a real domain expert.
- And have that beginner's mind—to look at it freshly even though they know so much about the domain.

And that's the key to inventing. You have to have both.

And I think all of us have that inside of us, and we could all do it but you have to be intentional about it. You have to say... “Yeah I'm gonna become an expert and I'm gonna keep my beginner's mind”.

(Source: [Summit](#))

[Jeff Bezos]:

Every day is day one.

Every day you are deciding what you're gonna do. And you are not trapped by what you were or who you were, or any self-consistency. Self-consistency (even) can be a trap.

And so day one thinking is kind of... We start  fresh every day. And we get to make new decisions every day about invention, customers, about how we're going to operate, even as deeply as what our principles are (it turns out we don't change those very often, but we change them occasionally).

When we work on programs at Amazon, we often make a list of tenets (they're a little more tactical than principles, kind of the main ideas that we want the program to embody). And one of the things that we do is we put: “These are the tenets for this program”. And, in parentheses, we always put: “Unless you know a better way”. And that idea “Unless you know a better way” is so important... Because:

- You never wanna get trapped by dogma.
- You never wanna get trapped by history.

It doesn't mean you discard history or ignore it—there's so much value in what has worked in the past—but you can't be blindly following what you've done. And that's the heart of day one
→ You're always starting fresh.

(Source: [Lex Fridman Podcast](#))

Steve Jobs on the Beginner's Mind:

"I didn't see it then, but it turned out that getting fired from Apple was the best thing that could have ever happened to me. The heaviness of being successful was replaced by the lightness of being a beginner again, less sure about everything. It freed me to enter one of the most creative periods of my life."

(Source: <https://book.stevejobsarchive.com/>)

The next quote from Max Planck shows how hard it is for most experts to accept new ideas and adopt a beginner's mind:

"A new scientific truth does not triumph by convincing its opponents and making them see the light, but rather because its opponents eventually die and a new generation grows up that is familiar with it" - Max Planck

Innovation – Progress – Success



Stasis – Decline – Death



Jony Ive's Biggest Lessons from Steve Jobs

Graydon Carter (interviewer at Vanity Fair) asked Jony:

"Can you name 3 life lessons you took away from working with Steve Jobs?"

● **Jony Ive:**

This sounds really simplistic, but it still shocks me how few people actually practice this—and it's a struggle to practice—but is this issue of *focus*.

Steve was the most remarkably focused person I've ever met in my life.

You can achieve so much when you are truly focused.

And one of the things that Steve would say [is]: "How many things have you said no to?" And I would have these sacrificial things—because I wanted to be very honest about it, and so I say: "Oh, I said no to this, and no to that..." But he knew that I wasn't vaguely interested in doing those things anyway. So there was no real sacrifice.

What Focus means... is saying NO to something that—with every bone in your body—you think is a phenomenal idea. And you wake up thinking about it... but you say NO to it because you're focusing on something else.

And then the third one is an interesting one (which actually reflects a little bit poorly on myself):

But I remember having a conversation with him and [I] was asking... it could have been perceived that in his critique of a piece of work he was a little harsh.

And we'd been working on this, we put our heart and soul into this... and I was saying: "Could we not moderate the things we said? A little bit."

And he [Steve] said: "But why?"

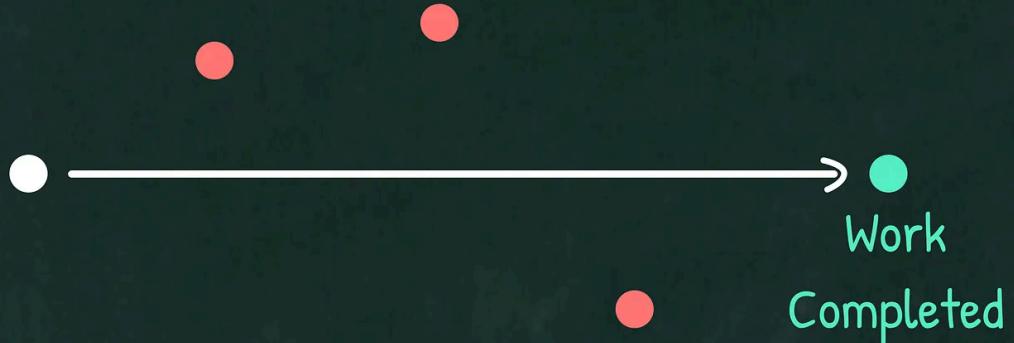
And I said: "Well, you know, because I care about the team."

And he said this brutally brilliantly insightful thing: "**No, Jony. You're just really vain. You just want people to like you. And I'm surprised at you because I thought you really held the work up as the most important, not how you believed that you were perceived by other people.**"

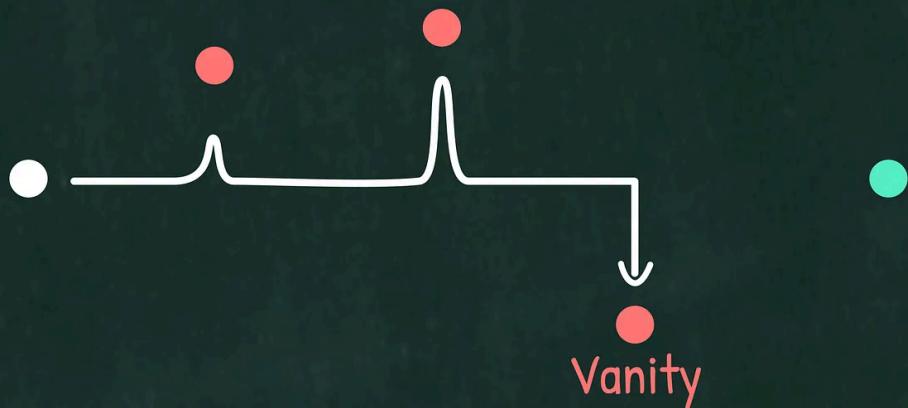
And I was terribly crossed because I knew he was right...

(Source: [Jony Ive on Vanity Fair](#))

FOCUSSED



DISTRACTED



"I think when you multi-task so much, you don't have time to think about anything deeply. You're giving the world an advantage you shouldn't do. Practically everybody is drifting into that mistake."

Concentrating hard on something that is important is ... I can't succeed at all without doing it. I did not succeed in life by intelligence. I succeeded because I have a long attention span."

- Charlie Munger ([source](#))

Jeff Bezos is another great example of someone with intense focus...

"I don't like to multitask. It bothers me. If I'm reading my email I want to be really reading my email. My mom tells a story about me being in Montessori School and then they couldn't get me to switch tasks, so the Montessori School teacher would have to literally pick up my chair and just move me to the next task station. So I don't need discipline in order to not be checking my email, for me it's very natural. I love being present in whatever I'm working, and I'm happy multitasking but I do it serially.

Honestly, if something really important is happening somebody will find me... you know it's not like I have to check my text messages every five minutes or something like that. It's not a big deal."

- Jeff Bezos ([Mark and Jeff Bezos in conversation](#))

The Truth About Working on a Team

 **Felix Dennis:**

"Team spirit is for losers, financially speaking. It's the glue that binds the losers together. It's the methodology employers use to shackle useful employees to their desk without having to pay them too much. While lives may depend on it in a few professions, like soldiering or fire-fighting, in commerce it acts as a subtle handicap and a brake to ambitious individuals. Which, in a way, is what it's designed to do..."

When it comes right down to it, 'team spirit' and not letting your colleagues down is a feeble reason for procrastination when opportunity comes knocking. Nearly always, it is an excuse to avoid the possibility of humiliating failure. If one of the team you work with inherited ten million quid tomorrow, do you really believe they would be checking in to keep up morale? Of course not. Neither would you, or anyone in their right mind."

(Book: [How To Get Rich](#))



Ambition

Boldness

\$\$\$



Team Spirit

Fear Paralysis

\$\$\$

[Personal Reflection]:

Another factor that I don't like about working in a team is that it makes me less accountable for the work output, and accountability is extremely important according to Naval Ravikant, as it is one of the 3 ingredients to get rich (the other two are leverage and specific knowledge). Besides, when I don't feel 100% responsible about something, I also don't work as hard and obsessively — and this is critical not only for making money, but also for finding meaning!

It's true that if one's mission is to build something big (next Google or Stripe) we definitely need partners and work in a team, but if one's mission is more of a lifestyle

choice (with a not-so-big product) then it is definitely viable to go alone and make a living!

"Nowadays it is the fashion to pretend that no single individual is ever responsible for a successful advertising campaign. This emphasis on "teamwork" is bunkum - a conspiracy of the mediocre majority."

- David Ogilvy (The father of modern Advertising)

The Market is the Most Important Factor in a Startup's Success or Failure

● Gary Halbert:

As you know, once in a while, I give a class on copywriting and/or selling by mail. One of the questions I like to ask my students is: "If you and I both owned a hamburger stand and we were in a contest to see who would sell the most hamburgers, what advantages would you most like to have on your side?"

The answers vary. Some people say they would like to have the advantage of having superior meat from which to make their hamburgers. Others say they want sesame seed buns. Others mention location. Someone usually wants to be able to offer the lowest prices.

And so on.

Anyway, after my students are finished telling what advantages they would most like to have, I say to them: "O.K., I'll give you every single advantage you asked for. I, myself, only want one advantage and, if you will give it to me, I will whip the pants off of all of you when it comes to selling burgers!"

"What advantage do you want?" they ask.

"The only advantage I want," I reply, "is A STARVING CROWD!"

What I am trying to teach you here is to constantly be on the lookout for groups of people (markets) who have demonstrated that they are starving (or at least hungry!) for some particular product or service.

(Book: [The Boron Letters](#))

● Marc Andreessen:

The only thing that matters for a new startup...

I'll assert that ***market*** is the most important factor in a startup's success or failure.

Why?

In a great market—a market with lots of real potential customers—the market pulls product out of the startup.

The market needs to be fulfilled and the market will be fulfilled, by the first viable product that comes along. The product doesn't need to be great; it just has to basically work. And, the

market doesn't care how good the team is, as long as the team can produce that viable product.

In short, customers are knocking down your door to get the product; the main goal is to actually answer the phone and respond to all the emails from people who want to buy.

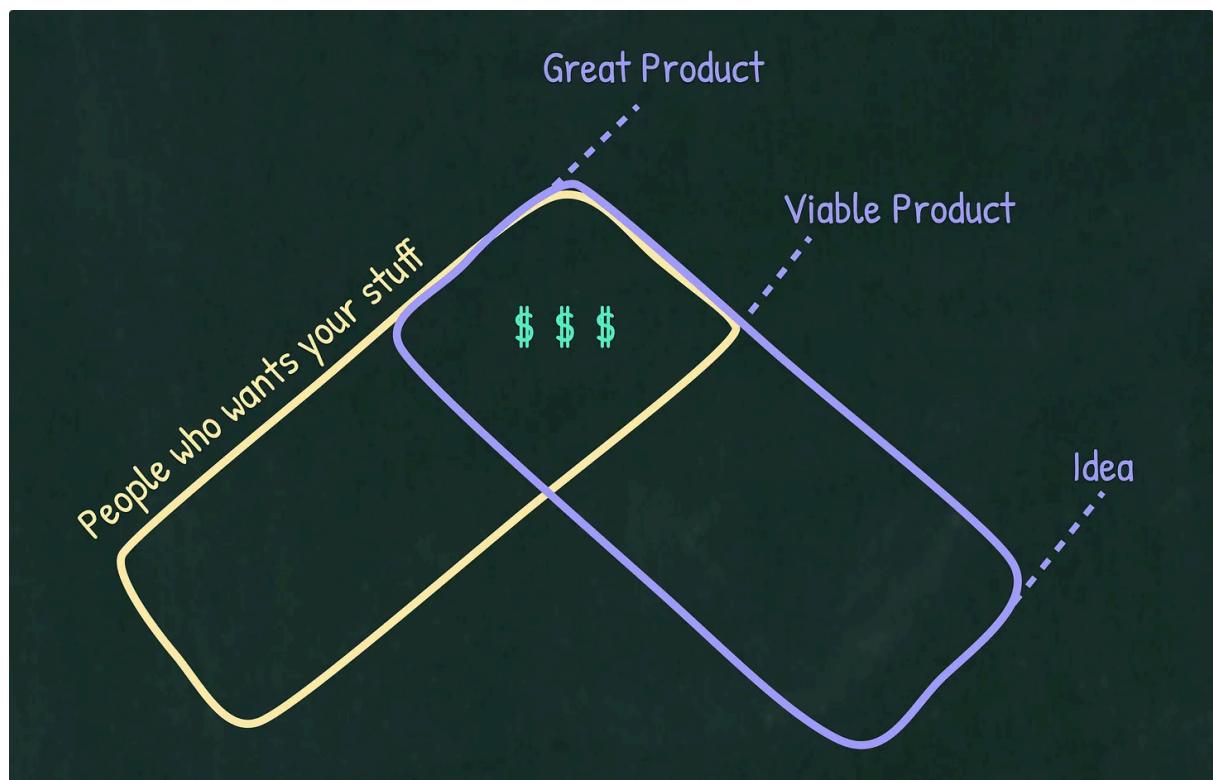
(Book: [The Pmarca Blog Archive](#))

[Personal Reflection]:

"Almost everyone I've ever met would be well-served by spending more time thinking about what to focus on. It is much more important to work on the right thing than it is to work many hours. Most people waste most of their time on stuff that doesn't matter."

- Sam Altman (from his blogpost "[How To Be Successful](#)")

I think this idea from Sam Altman can be applied here in the sense of spending more time on choosing the right market, work until you get a viable product and then test it against your targeted market. If there are sales or any kind of expressed interest, keep working on refining the product! If there is no market signal, try something new or ditch that specific project.



Become a “Student of Markets”

The passage below comes from The Boron Letters — arguably the single best book in Copywriting (an essential component of Marketing).

And ironically it was not even intended to be a book or get published! It's an archive of Gary's personal notes written to his 15-year-old son, Bond Halbert.

Gary Halbert:

Now, pay attention. The very first thing you must come to realize is that you must become a "student of markets". Not products. Not techniques. Not copywriting. Not how to buy space or whatever. Now, of course, all of these things are important and you must learn about them, but, the first and **the most important thing you must learn is what people want to buy.**

The only way to build wealth, is by creating something that people want!

"Wealth is what people want." - Paul Graham (Book: Hackers and Painters)

And it's easy. You see, the way to deduce what people want to buy is to simply observe what they DO buy!

It's as simple as that. But be careful. You want to know what people actually DO buy, not what they SAY they buy.

Here's a true story. Once upon a time, a beer company did a survey to find out which of their products customers preferred. You know what? To their astonishment, they found that 80% or so of the people they surveyed preferred their premium beer as opposed to their regular beer.

Why were they astonished? The answer is easy. You see, their sales figures were showing that most people bought their regular beer and NOT the premium.

What's going on here? Well, for one thing, it is very common. You see, the surveyed people were trying to give the "right" answer and so they put down as an answer the beer they felt they SHOULD DRINK.

It happens all the time. But pity any poor fool who decides to go into the brewery business based on this kind of erroneous marketing information.

Sorry. But that's the way it is. And, if you want to be a top notch marketing man, you have to know how it is. How it really is. Not how people (or you) wish it was or how they think it is. No. You must become a "student of reality."

(Book: [The Boron Letters](#))

● **Naval Ravikant:**

What we wish to be true clouds our perception of what is true.

Suffering is the moment when we can no longer deny reality.

The good news is, the moment of suffering—when you're in pain—is a moment of truth. It is a moment where you're forced to embrace reality the way it actually is. Then, you can make meaningful change and progress. You can only make progress when you're starting with the truth.

(Book: [The Almanack of Naval Ravikant](#))

● **Gary Halbert:**

Here's another little glimpse into one of the vagaries of human behavior: Once I asked at class at USC how many of them preferred to go to plays more than movies.

Lots of people raised their hands.

"Bull!" I said to them. "You are all fooling yourselves, and I'm going to prove it." I then asked for a show of hands of those people who had seen a play in the last week or so.

No hands.

I then asked to see the hands of people who had seen a movie in the last week or so.

Many hands.

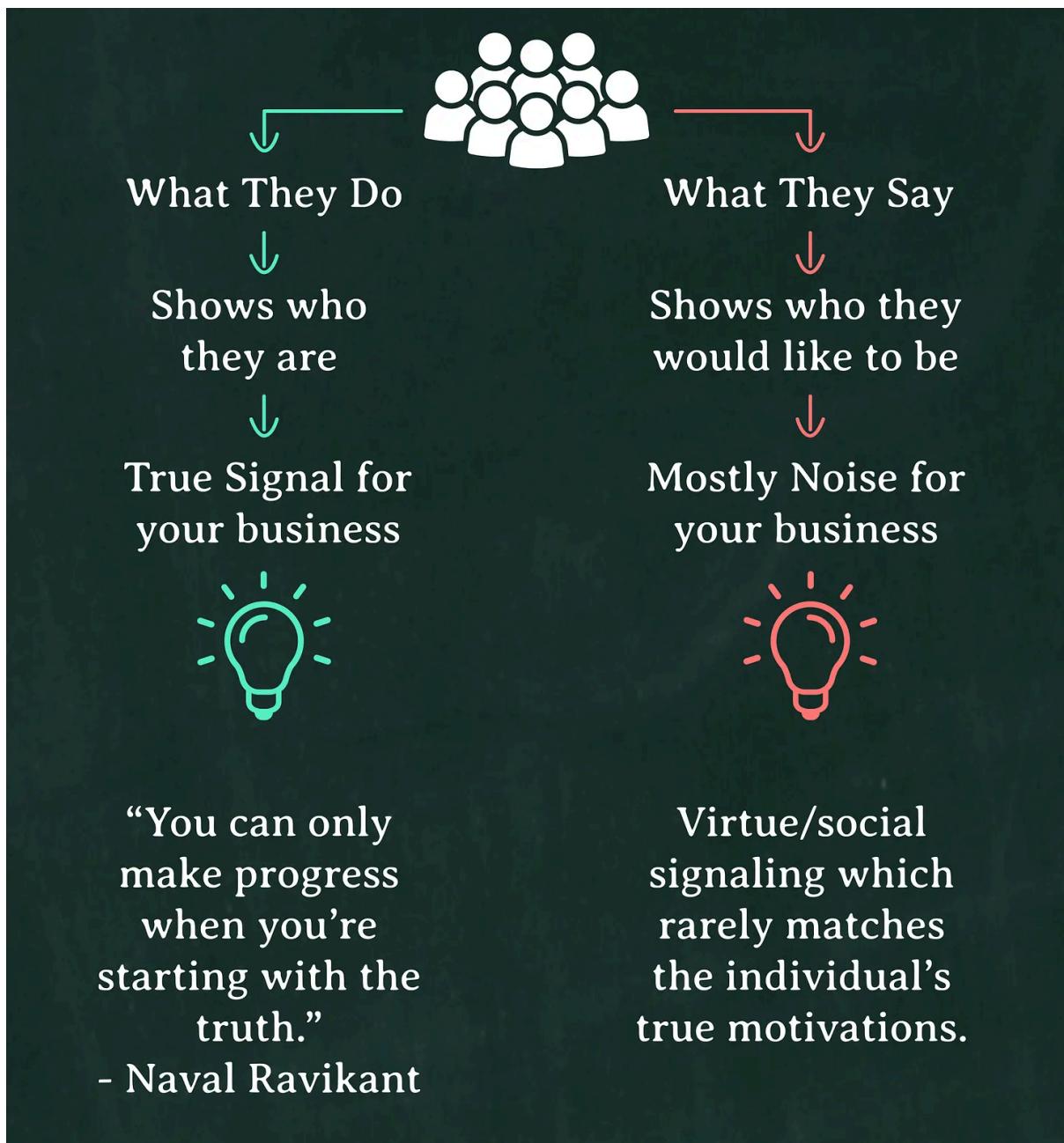
Bond [Gary's son], this phenomenon is common. All of us, including thee and me, have a slightly shrewd idea of ourselves. **We often try to convince others and ourselves that we are something we are not, something we have an idea we "should" be.**

Therefore, truth, my good son, can be determined NOT by how people use their mouths, but rather, how they use their wallets.

I want to burn this message into your mind. Be skeptical of what people say. Be skeptical of surveys. Of questionnaires. Instead, believe in numbers. For example, if everybody you talk with says they like plays more than movies, and yet the numbers say that 10,000 times more people buy movie tickets, then you believe the numbers!

(Book: [The Boron Letters](#))

"Never ask your client for advice." - Nassim Taleb



[Personal Reflection]:

This is not only a useful lesson for making money, but also for life in general. One simple way to see someone's real integrity is simply observing his actions, and how he treats others.

And that's precisely Naval Ravikant's shortcut for knowing whom to trust → "See how they treat other people."

(If you want to hear the clip where Naval shares this advice, [click here](#))

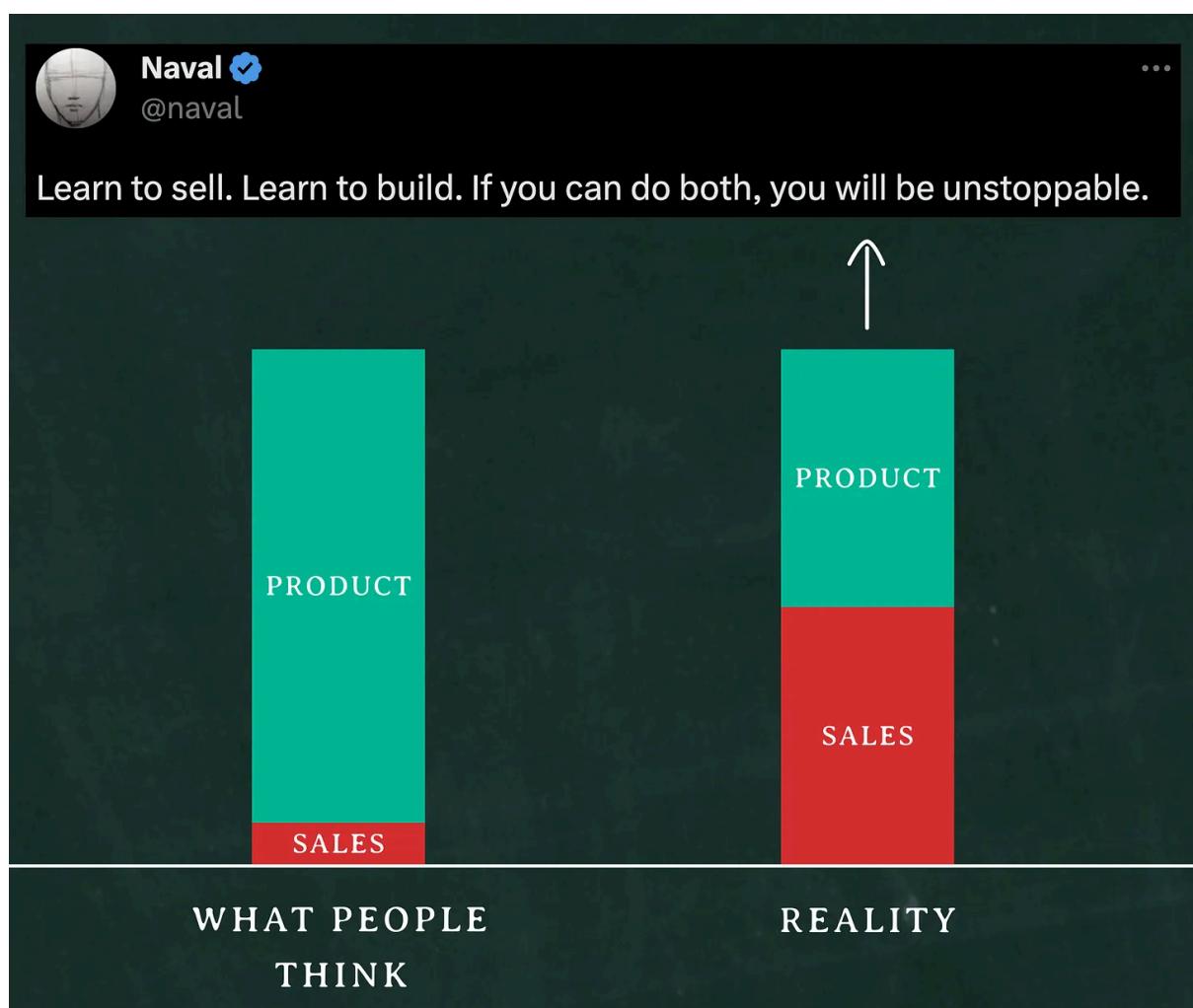
How To Think About "Sales" (And Why Most People Underestimate It)

● Peter Thiel:

Sales works best when hidden. This explains why almost everyone whose job involves distribution—whether they're in sales, marketing, or advertising—has a job title that has nothing to do with those things. People who sell advertising are called “account executives.” People who sell customers work in “business development.” People who sell companies are “investment bankers.” And people who sell themselves are called “politicians.” There’s a reason for these redescriptions: none of us wants to be reminded when we’re being sold.

The most fundamental reason that even businesspeople underestimate the importance of sales is the systematic effort to hide it at every level of every field in a world secretly driven by it.

...



...

It's better to think of distribution as something essential to the design of your product. If you've invented something new but you haven't invented an effective way to sell it, you have a bad business—no matter how good the product.

At PayPal, our initial user base was 24 people, all of whom worked at PayPal. Acquiring customers through banner advertising proved too expensive. However, by directly paying people to sign up and then paying them more to refer friends, we achieved extraordinary growth. This strategy cost us \$20 per customer, but it also led to 7% daily growth, which meant that our user base nearly doubled every 10 days. After four or five months, we had hundreds of thousands of users and a viable opportunity to build a great company by servicing money transfers for small fees that ended up greatly exceeding our customer acquisition cost.

...

Superior sales and distribution by itself can create a monopoly, even with no product differentiation. The converse is not true. No matter how strong your product—even if it easily fits into already established habits and anybody who tries it likes it immediately—you must still support it with a strong distribution plan.

...

Poor sales rather than bad product is the most common cause of failure. If you can get just one distribution channel to work, you have a great business. If you try for several but don't nail one, you're finished....

The Distribution Question: Do you have a way to not just create but deliver your product?

(Book: [Zero To One](#))

Good Business



WTF am I going to do
with so much \$\$\$??



The Business is doing well.
I'm so glad I took the shot!



This sucks! I built an
awesome product but I'm
not getting any traction...



Dropshipping with TikTok
Ads is a Scam!!

Bad Business

[Personal Reflection]:

I think this is the cool thing about being a Content Creator—the Content is simultaneously the Product AND the Distribution!

As Alex Hormozi said "*It is one of the unique things about the Media Business — How you market the product is also how you fulfill it.*" ([source](#))

So being a Content Creator would fit Peter Thiel's advice of having the *distribution to be something essential to the design of the product*.

How To Follow a Non-Random Route To Success (And “Insuccess”)

● **Nassim Nicholas Taleb:**

Our brain is not cut out for nonlinearities.

People think that if, say, two variables are causally linked, then a steady input in one variable should always yield a result in the other one. Our emotional apparatus is designed for linear causality.

For instance, you study every day and learn something in proportion to your studies. If you do not feel that you are going anywhere, your emotions will cause you to become demoralized.

But reality rarely gives us the privilege of a satisfying linear positive progression: You may study for a year and learn nothing, then, unless you are disheartened by the empty results and give up, something will come to you in a flash.

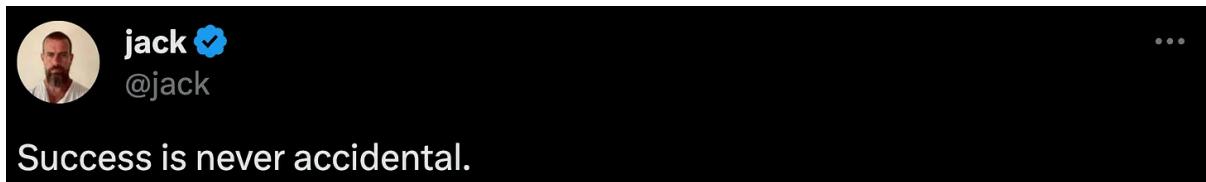
My partner Mark Spitznagel summarizes it as follows: Imagine yourself practicing the piano every day for a long time, barely being able to perform “Chopsticks,” then suddenly finding yourself capable of playing Rachmaninov.

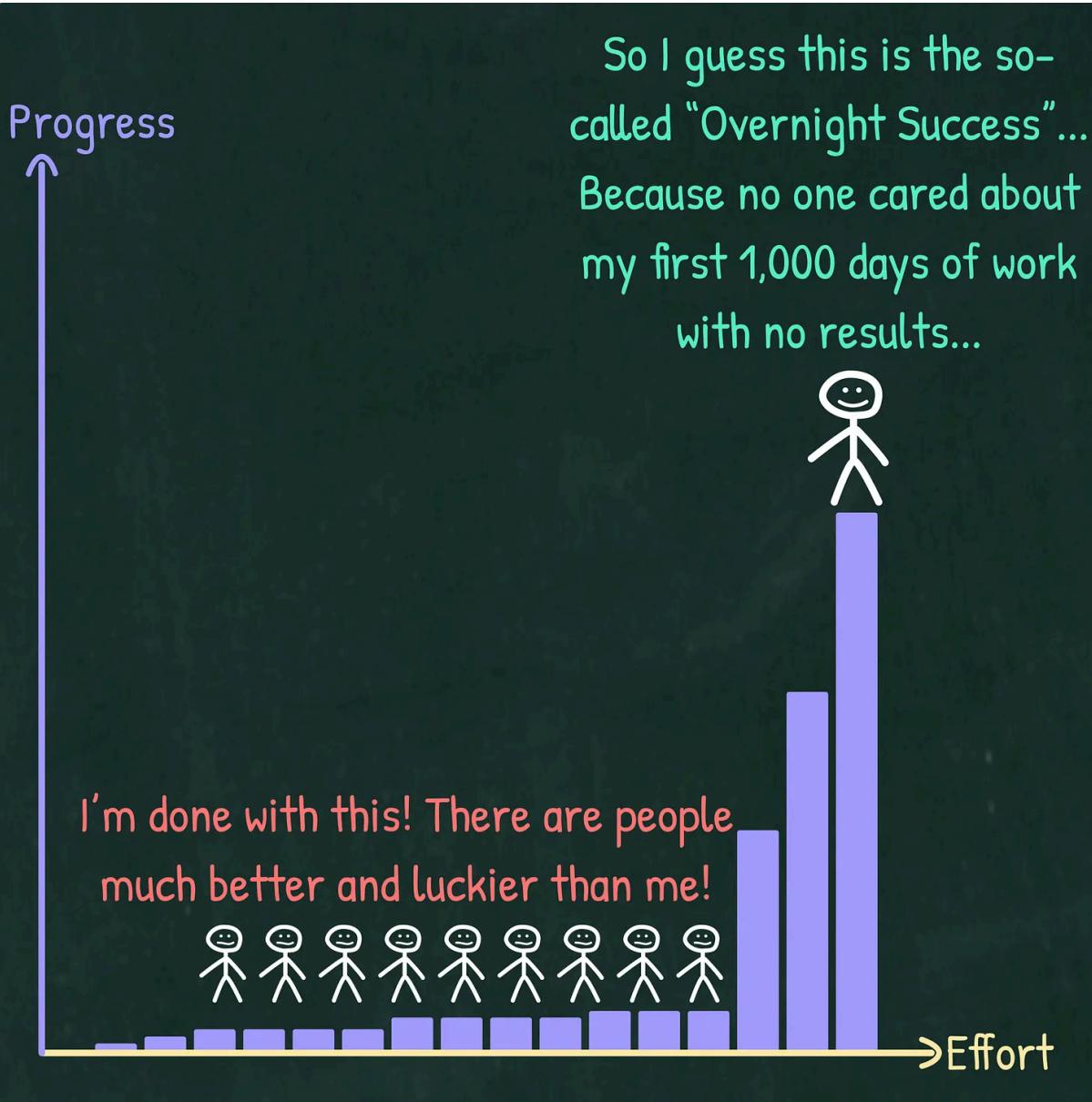
Owing to this nonlinearity, people cannot comprehend the nature of the rare event. This summarizes why there are routes to success that are nonrandom, but few, very few, people have the mental stamina to follow them.

"Success consists of going from failure to failure without loss of enthusiasm."
- Winston Churchill

Those who go the extra mile are rewarded. In my profession one may own a security that benefits from lower market prices, but may not react at all until some critical point. Most people give up before the rewards.

(Book: [Fooled by Randomness](#))





[Personal Reflection]:

The path to guaranteed "Insuccess" ...

From Charlie Munger and Nassim Taleb I learned the usefulness of the mental model "inversion" (Nassim calls it "Via Negativa") — which essentially consists in inverting the question.

"I don't believe I have the ability to say what is going to work. Rather, I try to eliminate what's not going to work. I think being successful is just about not making [consequential] mistakes. It's not about having correct judgment. It's about avoiding incorrect judgments."

- Naval Ravikant

So instead of asking: "How can I become successful?", let's ask ourselves: "How can I become unsuccessful?". So that we can then avoid that at all cost!

Nassim Taleb offers great advice on how to guarantee "insuccess"...



Nassim Nicholas Taleb

@nntaleb

...

I still don't know what lead to "success". But I know what leads to insuccess: a temperament of complaint, the mentality of permanent victimhood, and the collective and individual propensity for lamentation.

11:05 PM · Jul 8, 2023 · 1.2M Views

Interestingly, if we just follow the simple prescription from the Stoics — To Focus only on what you can control. We will (as a byproduct) avoid these traits that lead to "insuccess" (described in Nassim Taleb's tweet).

"Some things are in our control, while others are not. We control our opinion, choice, desire, aversion, and, in a word, everything of our own doing. We don't control our body, property, reputation, position, and, in a word, everything not of our own doing. Even more, the things in our control are by nature free, unhindered, and unobstructed, while those not in our control are weak, slavish, can be hindered, and are not our own."

- Epictetus (Book: Enchiridion)

Business Lesson from The Telephone And The Mac

Steve Jobs:

One of the things I love is that with Macintosh, you can write memos that are Times Roman or Helvetica, or you can throw in an Old English if you want to have a little fun for a party, you know, for a volleyball announcement. Or you can use a very serious font for something very serious. And you can express yourself.

It's sort of like in 1844, the telegraph was invented, and it was an amazing breakthrough in communications. And you actually could send messages from New York to San Francisco in an afternoon. And some people talked about putting a telegraph on every desk in America to improve productivity.

But it wouldn't have worked. It wouldn't have worked. And the reason it wouldn't have worked was because you would have had to learn this whole sequence of strange incantations—Morse code in this case, dots and dashes in this case—to use the telegraph. And it took about forty hours to learn how to use Morse code. And a majority of people would never have learned how to use Morse code.

So fortunately, in the 1870s, Alexander Graham Bell filed the patents for the telephone—another radical breakthrough in communications that performed basically the same function, but people already knew how to use it. The neatest thing about it was that, in addition to allowing you to communicate with just words, it allowed you to sing. It allowed you to intone your words with meaning beyond the simple linguistics.

We're in the same exact parallel situation today. Some people are saying we need to put an IBM PC on every desk in America to improve productivity. But it won't work. The special incantations you have to learn this time are slash-qz's and things like that. Most people are not going to learn slash-qz's any more than they're going to learn Morse code.

And that's what Macintosh is all about. It's the first "telephone" of our industry. But the neatest thing about it to me is, the same as the telephone to the telegraph, Macintosh lets you sing. It lets you use special fonts. It lets you make drawings and pictures or incorporate other people's drawings or pictures into your documents.

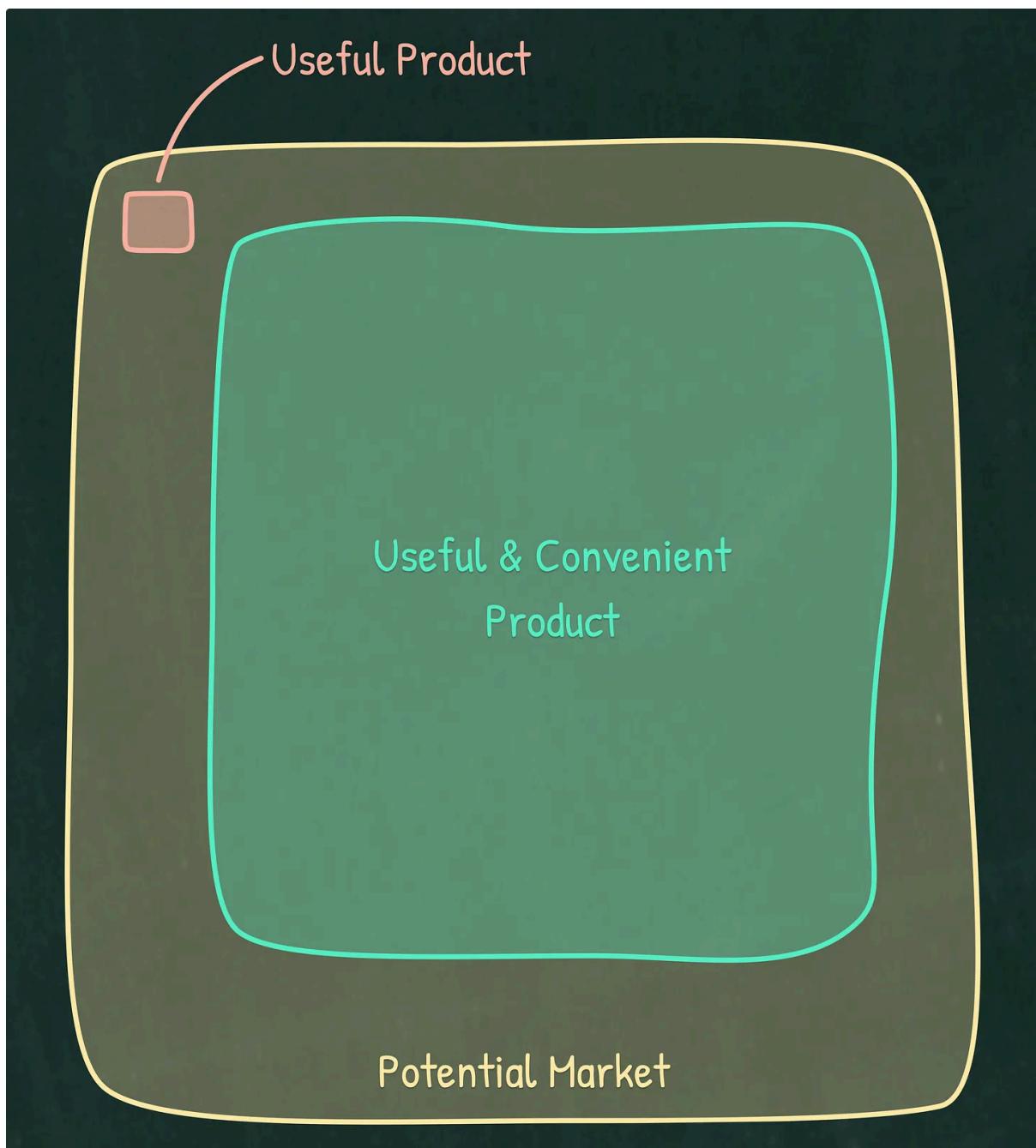
(Book: [Make Something Wonderful](#))

[Personal Reflection]:

There is a really valuable lesson here: if you can take something that is fundamentally useful but it's inconvenient, and you can make it super convenient, you can unlock a big market that didn't exist before! (That is, people for whom the pain of the

inconvenience was bigger than the gain of the utility, but now without that pain point they all become customers).

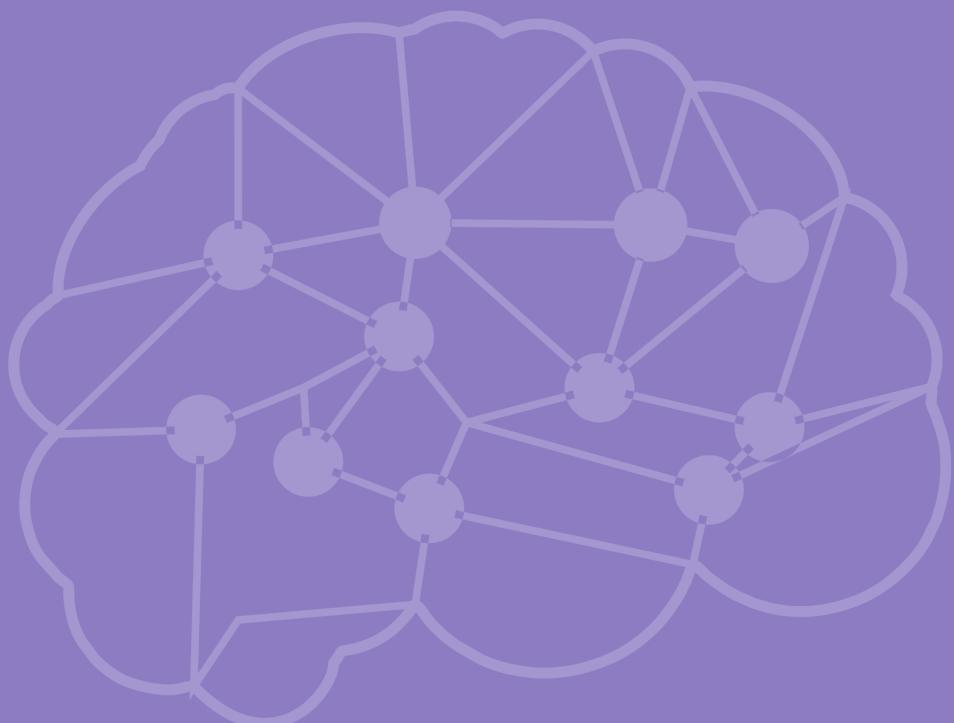
Short takeaway I noted to myself: Unless the inconvenience itself is part of the intrinsic experience (e.g./ Ikea furniture), always try to make your product as convenient as you can. At best it can unlock a new market, at worst it won't change anything — So it's an asymmetric risk/reward dynamic... As Mohnish Pabrai says: "Tails I win, Heads I don't lose much".



PART III

WORLDLY

WISDOM



The Source of All Knowledge

 **Robert Greene:**

One day it came to the attention of the ancient Greek philosopher Socrates that the oracle at Delphi had pronounced him the wisest man in the world.

This baffled the philosopher—he did not think himself worthy of such a decree. It made him uncomfortable.

He decided to simply go around Athens and find a person who was wiser than he—that should be easy and it would disprove the oracle.

He engaged in many discussions with politicians, poets, craftsmen, and fellow philosophers.

He began to realize that the oracle was right.

All the people he talked to had such a certainty about things, venturing solid opinions about matters of which they had no experience; they were full of so much air. If you questioned them at all, they could not really defend their opinions, which seemed based on something they had decided years earlier.

His superiority, he realized, was that he knew that he knew nothing. This left his mind open to experiencing things as they are, the source of all knowledge.

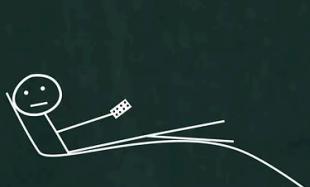
(Book: [The 50th Law](#))

Rigorous Thinking



Certainty <

> Uncertainty



Lazy Thinking

This same reflection is probably what drove Charles Bukowski to utter the famous line:

"The problem with the world is that the intelligent people are full of doubts, while the stupid ones are full of confidence."

Here's a collection of quotes from remarkable individuals that helps me become more enthusiastic on finding the most accurate ideas / mental models — through this process of rigorous thinking and uncertainty:

"Certainty is the place where questions go to die."

— Dee Hock (Founder of Visa)

"I was born not knowing and have had only a little time to change that here and there."

- Richard Feynman

"To myself I am only a child playing on the beach, while vast oceans of truth lie undiscovered before me."

- Isaac Newton

"Every sentence I utter must be understood not as an affirmation, but as a question."

- Niels Bohr

"You should take the approach that you're wrong. Your goal is to be less wrong."

- Elon Musk

"Any year that passes in which you don't destroy one of your best-loved ideas is a wasted year."

- Charlie Munger

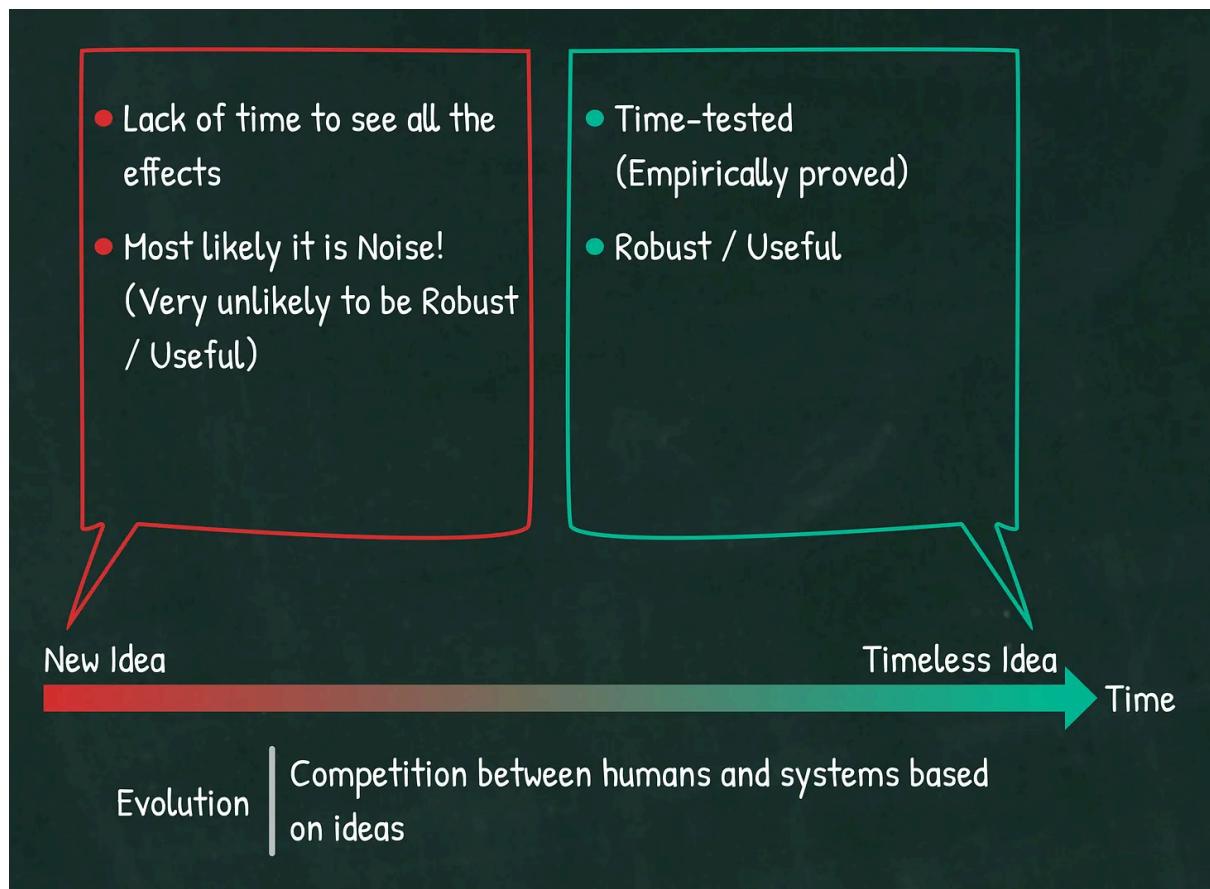
How To Tell If an Idea is Good or Bad?

● Nassim Taleb:

Consider the role of heuristic (rule-of-thumb) knowledge embedded in traditions. Simply, just as evolution operates on individuals, so does it act on these tacit, unexplainable rules of thumb transmitted through generations—what Karl Popper has called evolutionary epistemology. But let me change Popper's idea ever so slightly (actually quite a bit): my take is that this evolution is not a competition between ideas, but between humans and systems based on such ideas. **An idea does not survive because it is better than the competition, but rather because the person who holds it has survived!**

Accordingly, wisdom you learn from your grandmother should be vastly superior (empirically, hence scientifically) to what you get from a class in business school (and, of course, considerably cheaper). My sadness is that we have been moving farther and farther away from grandmothers.

(Book: [Antifragile](#))



How To Know If Someone is a Real Expert or Not

Across all domains, we have:

- People who are truly experts.
- People who think they are experts, but in reality they are not. They have, what Nassim calls, an "Expert Problem".

● **Nassim Taleb:**

Let us ask the following questions: Would you rather have your upcoming brain surgery performed by a newspaper's science reporter or by a certified brain surgeon? On the other hand, would you prefer to listen to an economic forecast by someone with a PhD in finance from some "prominent" institution such as the Wharton School, or by a newspaper's business writer? While the answer to the first question is empirically obvious, the answer to the second one isn't at all. We can already see the difference between "know-how" and "know-what".

...

Simply, things that move, and therefore require knowledge, do not usually have experts, while things that don't move seem to have some experts. In other words, professions that deal with the future and base their studies on the non-repeatable past have an expert problem.

...

Expert problems (in which the expert knows a lot but less than he thinks he does) often bring fragilities, and acceptance of ignorance the reverse. Expert problems put you on the wrong side of asymmetry [Downside > Upside].

(Book: [Antifragile](#))



So the best way to be Antifragile in "things that move" (such as building a business, investing in stocks/businesses...) is to accept that you don't know many (or most) things, and proceed with caution!

"What we know is a drop, what we don't know is an ocean." - Isaac Newton

"Anybody who doesn't change their mind a lot is dramatically underestimating the complexity of the world we live in." - Jeff Bezos

The Best Way To Learn Things (Learning Beyond Facts)

This insight addresses our tendency to just learn facts, instead of rules (the deep lessons behind the facts). This tendency is particularly dangerous in today's complex world.

Charlie Munger:

What is elementary, worldly wisdom? Well, the first rule is that you can't really know anything if you just remember isolated facts and try bang 'em back. If the facts don't hang together on a latticework of theory, you don't have them in a usable form.

You've got to have models in your head. And you've got to array your experience—both vicarious [indirect → learning from books, interviews, courses...] and direct [your own experience]—on this latticework of models. You may have noticed students who just try to remember and pound back what is remembered. Well, they fail in school and in life. You've got to hang experience on a latticework of models in your head.

(Speech: [Charlie Munger at USC Business School in 1994](#))

Nassim Taleb:

The problem lies in the structure of our minds: we don't learn rules, just facts, and only facts. Metarules (such as the rule that we have a tendency to not learn rules) we don't seem to be good at getting. We scorn the abstract; we scorn it with passion.

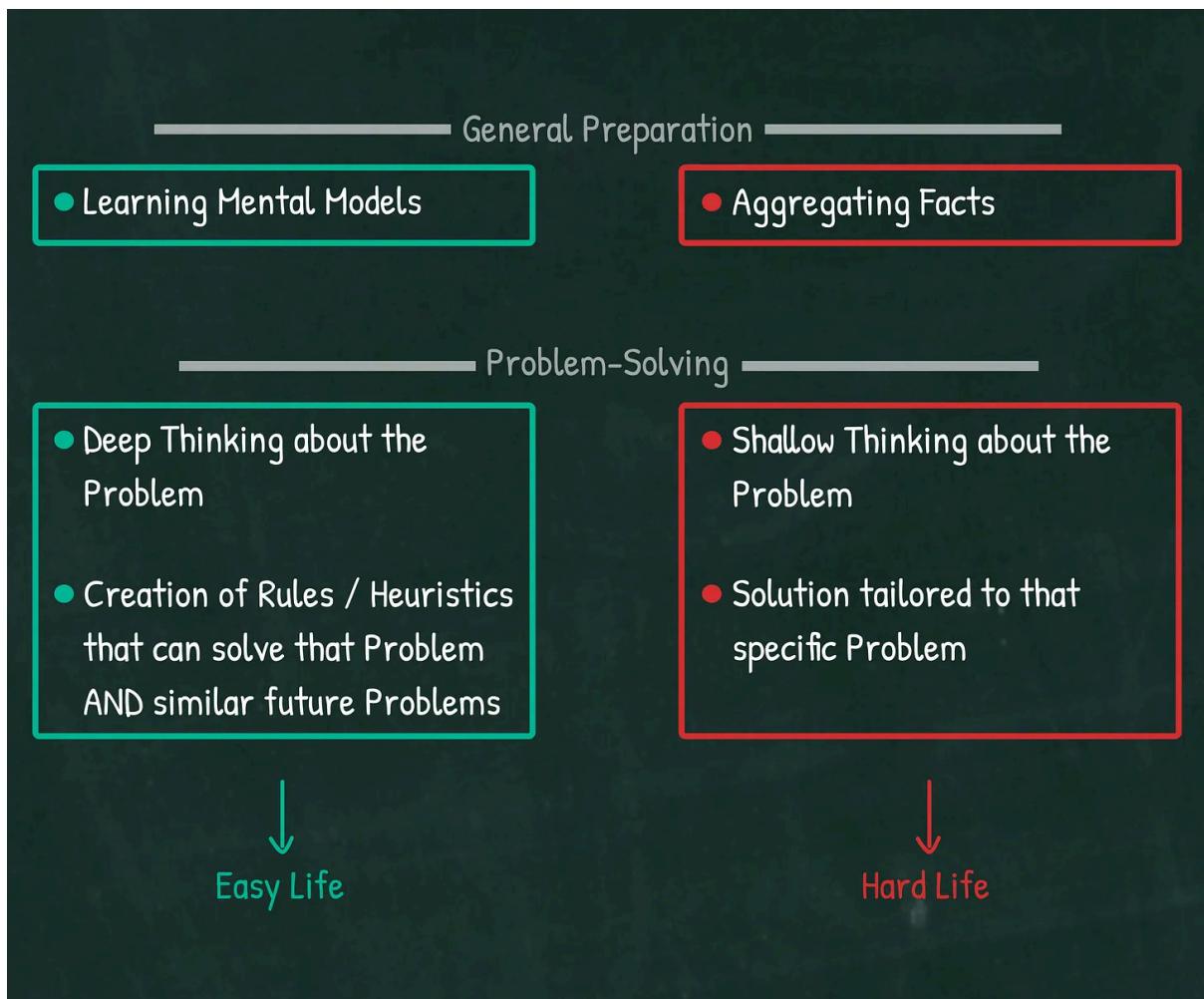
But there is a deeper question: What are our minds made for? It looks as if we have the wrong user's manual. Our minds do not seem made to think and introspect; if they were, things would be easier for us today, but then we would not be here today and I would not have been here to talk about it—my counterfactual, introspective, and hard-thinking ancestor would have been eaten by a lion while his nonthinking but faster-reacting cousin would have run for cover. Consider that thinking is time-consuming and generally a great waste of energy, that our predecessors spent more than a hundred million years as nonthinking mammals and that in the blip in our history during which we have used our brain we have used it on subjects too peripheral to matter. Evidence shows that we do much less thinking than we believe we do—except, of course, when we think about it.

...

The story of the Maginot Line shows how we are conditioned to be specific. The French, after the Great War, built a wall along the previous German invasion route to prevent reinvasion—Hitler just (almost) effortlessly went around it. The French had been excellent

students of history; they just learned with too much precision. They were too practical and exceedingly focused for their own safety.

(Book: [The Black Swan](#))



Some quotes that come to mind after reflecting on this:

"Most people would rather die than think and many of them do!"
- Bertrand Russell

"If I had an hour to solve a problem I'd spend 55 minutes thinking about the problem and five minutes thinking about solutions."
- Albert Einstein

Besides Charlie Munger's advice on creating a latticework of models in your head, I think Elon Musk's thinking process is also an insightful way to see problems more clearly and build better solutions.

Elon calls it "**First Principles Analysis**", and he says it can be applied to any problem.

The idea is to boil everything down to its most fundamental principles (things we are most confident to be true) and then—from this solid base—you reason up. Finally, conclusions are checked against this base. [\[source\]](#)

I think that by thinking more deeply about problems/things, boiling them down to smaller units of truth and developing mental models in our heads, we can become clearer thinkers and build better solutions.

Thinking in Limits

Elon's most popular thinking framework is the "First Principles Thinking" approach. But he has another thinking framework (which he borrowed from the Physics field) for solving problems → "**Thinking in Limits**"—He argues it can be applied to anything, not only engineering problems. This is the framework I'm bringing you here (in Elon's own words).

Elon Musk:

... Another good physics tool is thinking about things in the limit.

If you take a particular thing and you scale it to a very large number or to a very small number... How do things change?

From this point on, Elon illustrates this framework by applying it to a common problem in Manufacturing: Mistakenly attribute to a specific variable/component (e.g./ Volume, Design...) as the main reason for the state of a dependent variable (e.g./ the unit cost of the product).

Take the example of Manufacturing—which I think is a very underrated problem.

So let's say you are trying to figure out **why is this product expensive?**

[1] Is it because of something fundamentally foolish that we're doing?

[2] Or is it because our volume is too low?

So then you say: What if our volume was a million units / year? Is it still expensive? That's what I mean by thinking about things to the limit.

If it's still expensive at a million units / year... then volume is not the reason why your thing is expensive. There's something fundamental [a fundamental issue] about the design.

Picking Nuggets Note:

Because of Economies of Scale, the more volume/quantity you produce the lower should be the unit cost of the product. But, this might not always be the case (such as in this example) when there are other variables/components that have a much bigger impact on the unit cost of the product.

In Elon's example, the design of the product has a much bigger impact than the volume, thus making Economies of Scale irrelevant (at least until the design issue is solved).

So [then] you change the design/part to be something that is not fundamentally expensive.

That's a common thing in Rocketry. Because the unit volume is relatively low and so a common excuse would be:

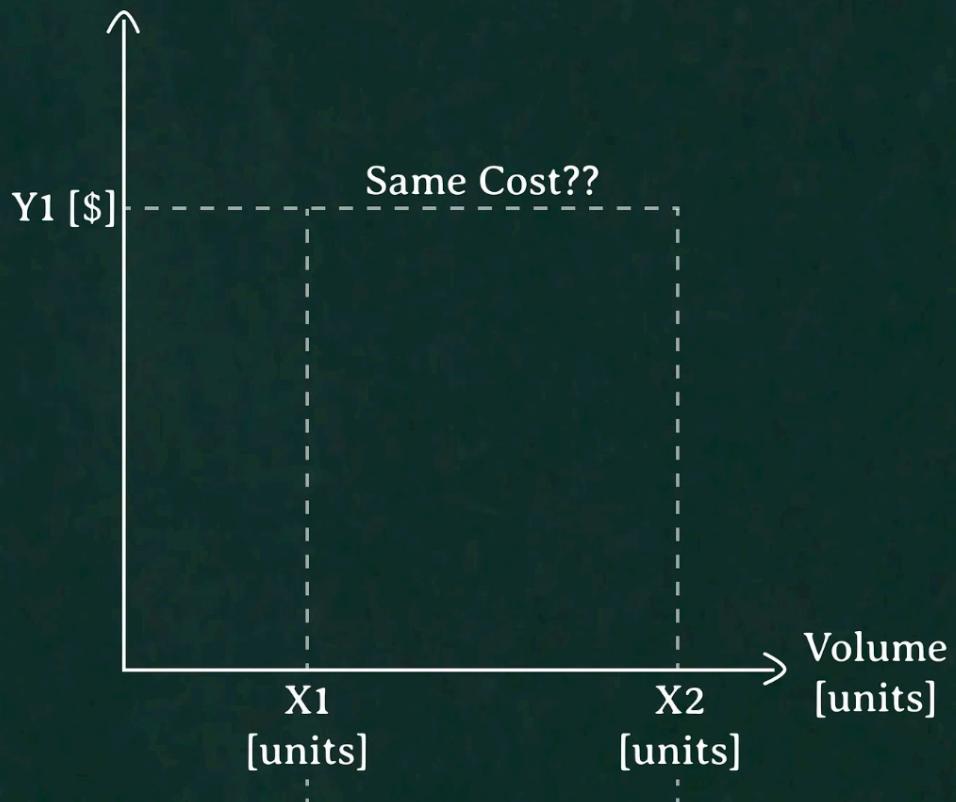
"Well it's expensive because our unit volume is low. And if we were in the Automotive [industry] or Consumer Electronics then our costs would be lower."

And I'm like...

"Okay. So let's say that now we are making a million units / year. Is it still expensive? If the answer is yes, then Economies of Scale are not the issue."

(Video: [Elon Musk and Lex Fridman](#))

Unit Cost of
the Product [\$]



Real
Production
Volume

High Limit
Testing

Not Elon: “Clearly the
problem is Economies
of...”



Elon: “We can make a
million and it costs the
same”

[Personal Reflection]:

I made a thought experiment in which I applied this framework to gain more clarity about the relationship between Happiness and Wealth (you can absolutely skip this part).

Let's say that Happiness/Satisfaction is the "variable" that we want to optimize, and we want to see how it changes in function of different levels of Wealth. What I can see is that on a range of \$0 to \$5 million (high number, but also not absurdly high), Wealth would approximately correlate with my levels of Happiness—as it offers me safety and also the opportunity of being financially independent for likely all of my life (a sense of control and independence has been shown by scientific research to correlate with satisfaction).

But let's say I start at the level of \$5M. How does my Happiness change if I go from \$5M to \$10M? Probably it wouldn't increase very much (at least for me), but my "dependence on wealth" might increase—which would decrease my Happiness, because it would make me emotionally fragile to losing it.

The stoic philosopher Seneca even simulated being in a shipwreck (once in a while) to not feel dependent on his wealth—as he was the wealthiest man in the world. Taking "only" one or two slaves with him.

On top of that, with a fortune of \$10M I would not be particularly loved by a significant portion of my country's population (or almost any country) who believe in equality of outcomes (the foundation of any Communist System) as opposed to equality of opportunities (what I believe in).

Thus, if I had \$5M, I would be conscious that Wealth stops being a relevant variable for significant increases in my Happiness. And thus, I would instead allocate more of my time to other variables (that also contributes to Happiness) such as my physical health, nurturing good relationships, finding new sources of personal meaning (such as volunteering in projects), or just keep doing business as usual or start new entrepreneurial ventures if that's what I intrinsically enjoy doing (and keep making money but only as a natural byproduct of the value I create for others).

Right now I feel very lucky because, even though I'm not financially independent, I'm making money from things I intrinsically love doing—for the most part—and I would still

do even if I had \$5M. I think that's truly the ultimate hack. And thank you for reading this far :)

The Power of Visual Thinking

[Question from Lex Fridman]: "Are there [thinking] parallels you see between Elon Musk, Steve Jobs, Albert Einstein and Leonardo Da Vinci?"

● Walter Isaacson (biographer):

I think they were all visual thinkers.

...

I think visualizing helps a lot.

And with [Elon] Musk, I see it all the time when I'm walking the factory lines with him. Or in Product Development where he'll look at say... the heat shield under the raptor engine of a Starship booster and he'll say:

"Why does it have to be this way? Couldn't we trim it this way? Or even get rid of this part of it?"

And he can visualize the material science.

At one point he's on the Tesla line and they're trying to get 5,000 cars a week in 2018. It's a life or death situation. And he's looking at the machines that are bolting something to the chassis and he insists that Lars Moravy—one of his great lieutenants—come [to see]. And he [Elon] says: "Why are there six bolts here?"

And Lars [Moravy] and others explained: "Well, for the crash tests or anything else, the pressure would be in this way, so you have to..."

And he [Elon] said: "No. If you visualize it, you'll see if there's a crash the force would go this way and that way, and it could be done with four bolts."

Now that sounds risky—and they go test it and they engineer it—but it turns out to be right!

I know that seems minor, but I could give you 500 of those—where in any given day he's visualizing the physics of an engineering or manufacturing problem.

That sounds pretty mundane.

But for me, if you say what makes him [Elon] special, is [that] he cares not just about the design of the product, but visualizing the manufacturing of the product—the machine that makes the machine.

I don't think you can be a good innovator if you don't know how to make the stuff you're designing. And that's why Musk puts his designer's desk right next to the assembly lines in

the factories... So that they have to visualize what they drew as it becomes the physical object.

(Source: [Lex Fridman in conversation with Walter Isaacson](#))

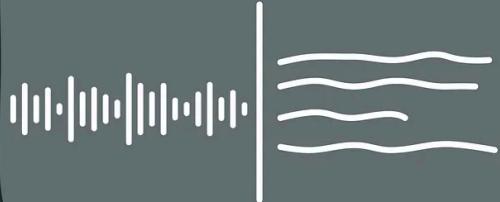
"The design is not just what it looks like and feels like. The design is how it works."

- Steve Jobs

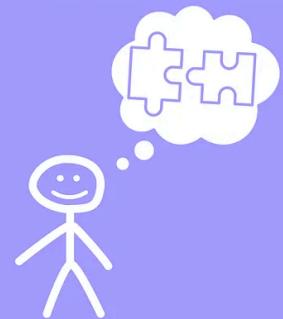
"Among the masters of Parisian fashion, Balenciaga was the greatest. Indeed, many would rate him the most original and creative couturier. And he was a true couturier, not just a fashion designer. That is, he could design, sew, cut, fit and finish. And some of his finest dresses were entirely his own work".

- Paul Johnson (from his book - *Creators: From Chaucer and Durer to Picasso and Disney*)

Information



Visual Thinking



✓ Deep Understanding

✓ Creative Solution

✓ Holistic Solution

Decision Trees + Multi-Order Thinking

Charlie Munger:

At Harvard Business School, the great quantitative thing that bonds the first year class together is what they call decision tree theory. All they do is take high school algebra and apply it to real life problems. And the students love it. They're amazed to find that high school algebra works in life. By and large, as it works out, people can't naturally and automatically do this. If you understand elementary psychology, the reason they can't is really quite simple: The basic neural network of the brain is there through broad genetic and cultural evolution. And it's not Fermat/ Pascal.

...

The Fermat/ Pascal system is dramatically consonant with the way the world works. And it's a fundamental truth. So you simply have to have the technique.

...

[The brain] It uses a very crude, shortcut type of approximation. It's got elements of Fermat/ Pascal in it. However, it's not good. So you have to learn in a very usable way this very elementary math and use it routinely in life—just the way that if you want to become a golfer, you can't use the natural swing that broad evolution gave you. You have to learn to have a certain grip and swing in a different way to realize your full potential as a golfer.

If you don't get this elementary, but mildly unnatural, mathematics of elementary probability into your repertoire, then you go through a long life like a one legged man in an ass kicking contest. You're giving a huge advantage to everybody else. One of the advantages of a fellow like [Warren] Buffett, whom I've worked with all these years, is that he automatically thinks in terms of decision trees and the elementary math of permutations and combinations.

(Book: [Poor Charlie's Almanack](#))

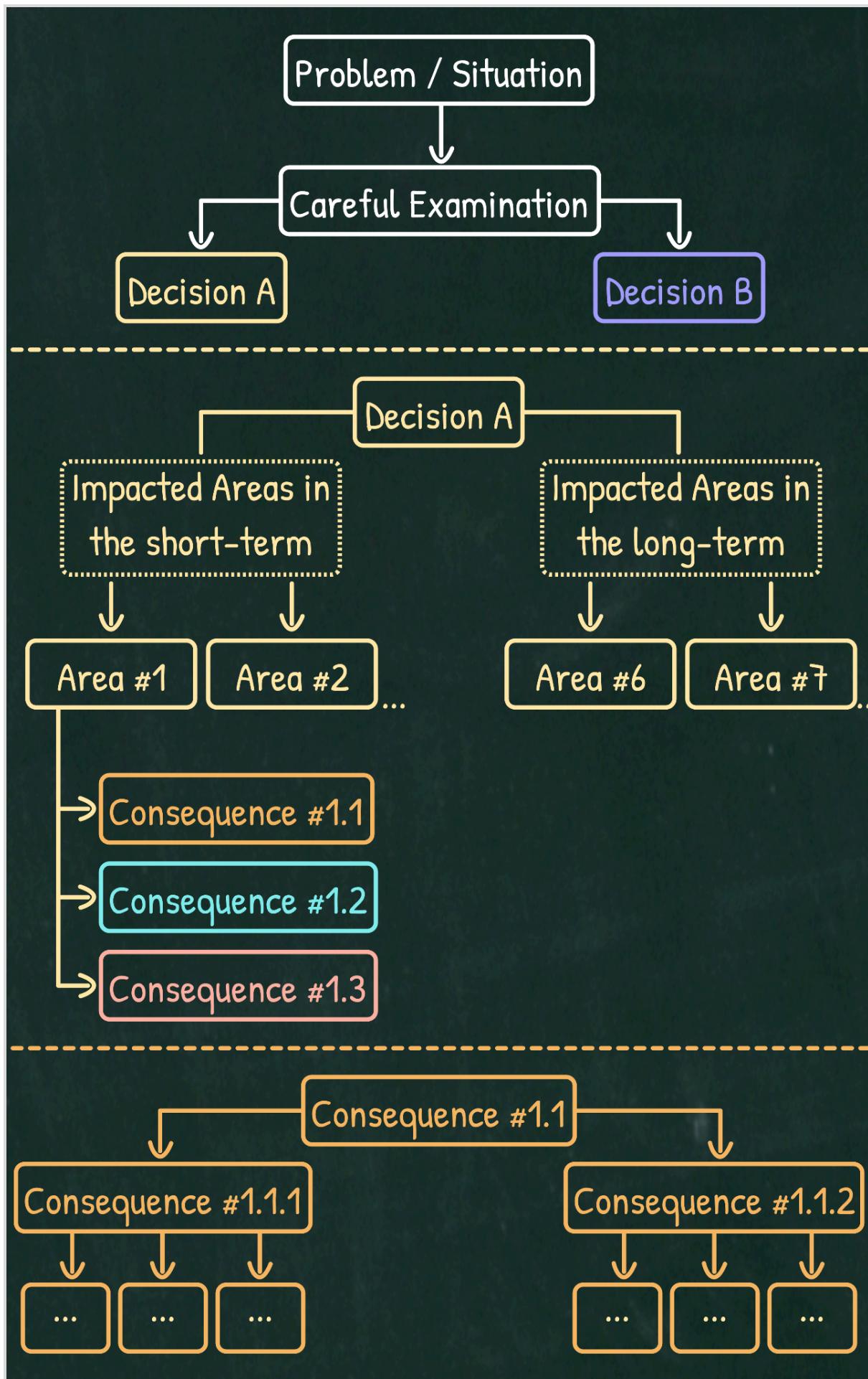
[Personal Reflections]:

What I love about Decision Trees is that it helps me see clearly (in one snapshot) all the options / paths available with all their implications, and I can expand it to a Multi-order thinking to get to the ultimate consequences for each option / path taken. And the best way to do this is, for each path, to ask yourself "And then what?". This question will reveal the next order set of actions and/or consequences, and you can go on like that until it naturally stops.

"Failing to consider second- and third-order consequences is the cause of a lot of painfully bad decisions, and it is especially deadly when the first inferior option

confirms your own biases. Never seize on the first available option, no matter how good it seems, before you've asked questions and explored."

- Ray Dalio



My favorite example on Multi-order thinking is the story of the [Mexican Fisherman](#),
[narrated by Mohnish Pabrai](#).

Develop an Anti-Education + Find Your Specific Knowledge

Why is it important to develop an Anti-Education (proposed by Nassim Taleb) and find your Specific Knowledge (proposed by Naval Ravikant)?

As Nassim Taleb and Naval Ravikant argue, if you only focus on formal education (from the Education System—Schools, University...) you will only learn things that are already "priced-in" (purely competitive) and you will be completely replaceable.

Instead, if you follow an Anti-Education you will develop Specific Knowledge. And having Specific Knowledge will naturally differentiate you from other people (which is imperative in business).

Nassim Taleb:

[Formal] Education is not very good because—in high doses—selects for those who don't know how to handle uncertainty.

And this is why great scientists—like Darwin, Einstein...—are people who were not into the traditional Education System.

Simply because it kills creativity and all that stuff...

— — —

So when I was about 14 I decided to become a writer.

And I realized that if you stick to school... it narrows what you're going to know. And to be a writer you have to read a lot of books [you need a broad knowledge].

So I started reading wholesale and it saved me [from] the bad part of Education—where you have to read a certain number of books [which] narrows your education.

And then I developed very quickly an Anti-education.

I think the only way you can learn things is if you are autodidact.

"What I learn on my own I still remember."

- Nassim Taleb (Book: The Bed of Procrustes)

It allows you not just to have a breadth of things, but to focus on things that are really important to you—not to some second-rate person who teaches [at] High School.

"I have never let my schooling interfere with my education." - Mark Twain

"Specific knowledge is found by pursuing your genuine curiosity and passion."
- Naval Ravikant

[Question from the interviewer, Bruce Oreck]: "But obviously in an engineered world, in a world that is so technically complicated... you've got to have some [formal] education?"

[Nassim Taleb]:

It's good to have a minimal [formal] education, but not to focus on school.

Because anything people teach you at school is useless already...

[That's] one thing you learn as a trader: anything you're going to read on the newspaper—say the first 15 pages of the newspaper—is of absolutely no relevance to anything... It's already "priced in". It's the same way to view [formal] education.

Apprenticeship—which is more tinkering, trial and error...—it's vastly more important than [formal] education.

(Video: [Nassim Taleb on developing an Anti-education](#))

Nassim argues that anything you learn at school or read in the newspapers, is already "priced in" (so the potential profit is competed away).

The only way to generate superior returns is by developing your specific knowledge (by pursuing your genuine interests) or gain experience from apprenticeship.

"Extreme people get extreme results"

- Sam Altman

Let's now hear Naval Ravikant on the concept of "Specific Knowledge", which is the direct outcome of developing an Anti-education...

● **Naval Ravikant:**

Specific knowledge is found by pursuing your curiosity.

— — —

Specific knowledge can't be trained...

If you can be trained for it, if you can go to a class and learn specific knowledge, then somebody else can be trained for it too, and then we [Society] can mass-produce and mass-train people. Heck, we can even program computers to do it and eventually we can program robots to walk around doing it.

So, if that's the case, then you're extremely replaceable and all we [Society] have to pay you is the minimum wage that we have to pay you to get you to do it—when there are lots of other takers who can be trained to do it.

So really, your returns just devolve into your cost of training plus the return on investment on that training.

— — —

So, you really want to pick up specific knowledge.

You need your schooling, you need your training—to be able to capitalize on the best specific knowledge—but the part of it that you're going to get paid for is the specific knowledge.

— — —

For example, someone who goes and gets a degree in psychology and then becomes a salesperson...

Well, if they were already a formidable salesperson, a high-grade salesmanship to begin with, then the psychology degree is leverage, it arms them and they do much better at sales.

But if they were always an introvert never very good at sales and they're trying to use psychology to learn sales, they're just not going to get that great at it.

— — —

So, specific knowledge is found much more by pursuing your innate talents, your genuine curiosity, and your passion. It's not by going to school for whatever is the hottest job, it's not for going into whatever field investors say is the hottest.

(Video: [Naval Ravikant on Specific Knowledge](#))



Paul Graham @paulg · Sep 26

...

One of the most consistent mistakes I made when I was younger was to spend my time learning about things that other people thought were interesting — things that were cool or prestigious — instead of trusting my own curiosity.

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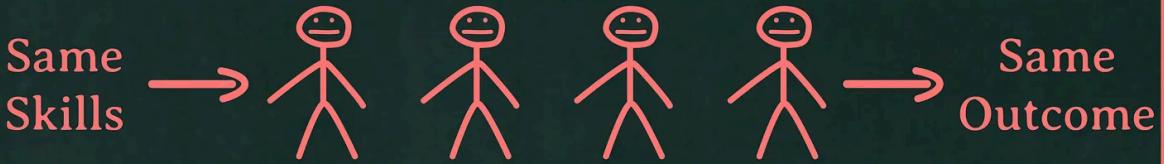
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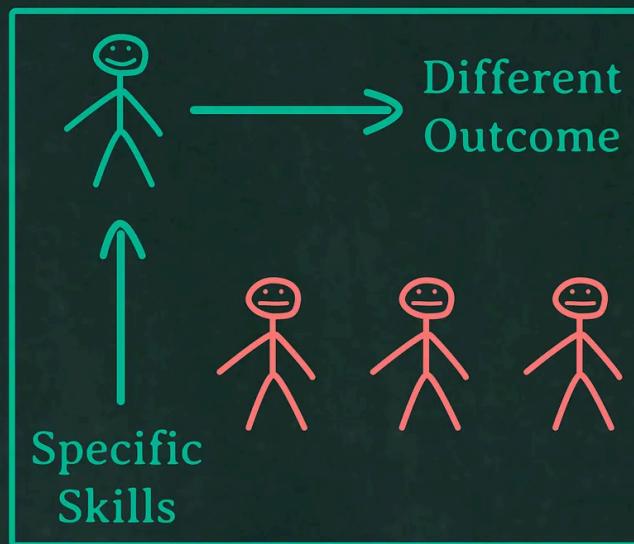
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People who focus purely on formal Education



Autodidacts (with only the *necessary* formal Education)



"The future belongs to those
who learn more skills and
combine them in creative ways"

- Robert Greene

Journey VS Destination

This insight, from Naval Ravikant, was sourced from Naval's own Social Media app: Airchat.

[Question from Ayden Lum (user of Airchat)]:

"I'm curious to know what your opinion is on whether the journey is more worth it or if the destination is more valuable. Because when you work towards a goal, for example building a successful business... Is the work more valuable than the end result? Or [is it] the other way around?"

 **Naval Ravikant**

I think of this as one of those chicken-versus-egg-style questions.

The answer is, of course, both.

Without the destination, you'd never start the journey. And if you don't get to the destination... Then what was the point in the first place? And you'll be disappointed.

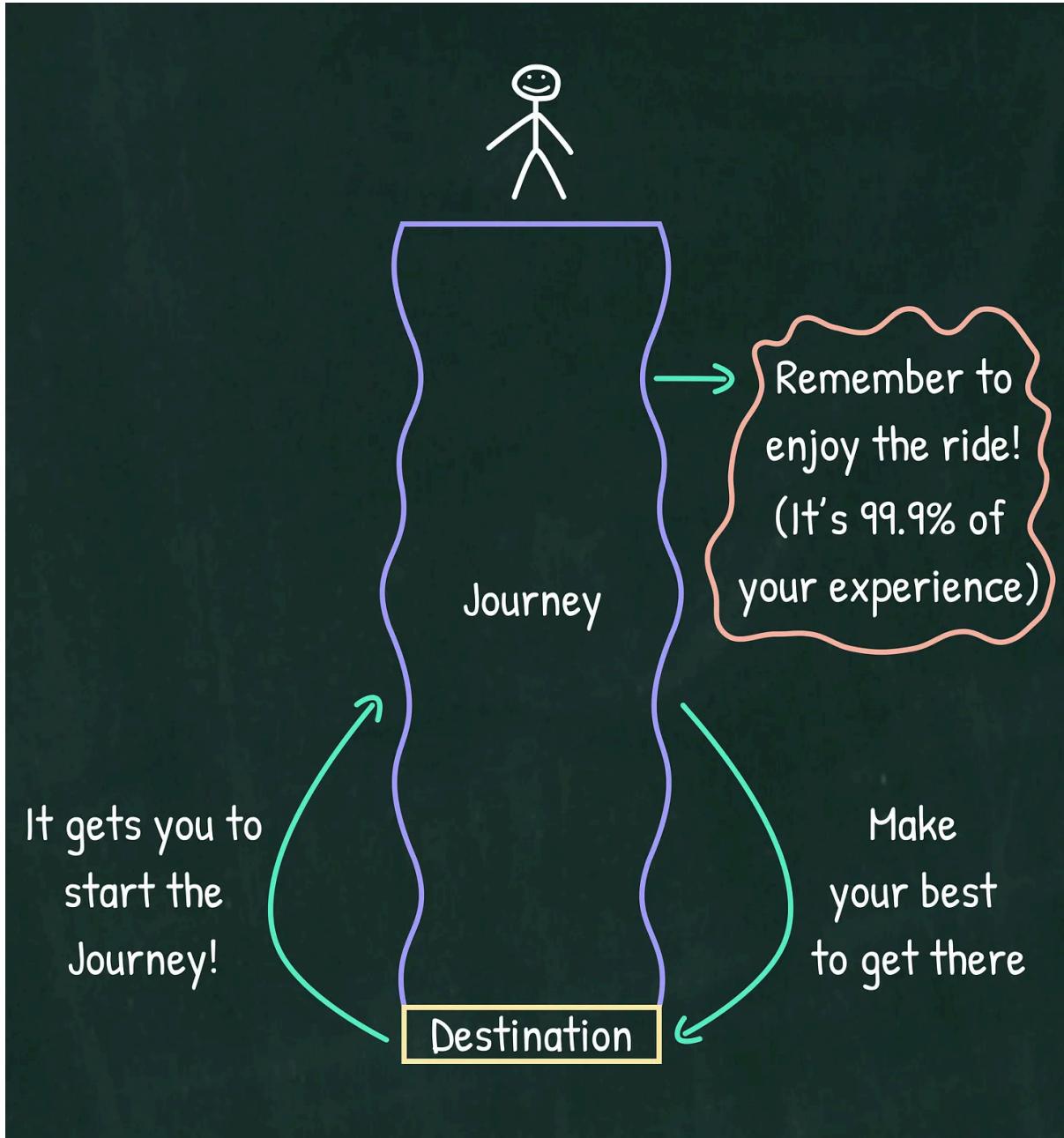
That said, the journey is the reward because it's the real thing. It's what you actually live for 99.9% of the experience, and it's what transforms you and makes you.

So, I hate to say it, but the answer is both.

You have to undertake the journey, and you have to enjoy it and appreciate it, and suck the marrow out of it, live in it for every moment.

But if you don't get [to] the destination, of course you'll be disappointed. That's just human nature, and that's why you started in the first place.

(Source: [Airchat Room - Journey vs. Destination](#))



The Dark Side Of Optimization

For this insight, I picked a few parts from different interviews of Nassim Taleb, on the topic of Optimization, and more specifically what he calls "pseudo-optimization".

Nassim illustrates how an increase in apparent "optimization" can actually make the system (the thing you are trying to optimize) much more risky in the long run...

● **Nassim Nicholas Taleb:**

[A] lot of firms concentrated everything on one supplier, instead of being diversified. Where did that lead to? Better bottom-line [revenue], but—what I call—"pseudo-efficiency". Because if their supplier is in Wuhan... Guess what. You got a problem!

It doesn't show in the numbers. It shows after it happens.

[Scott Patterson]: "It's the dark side of optimization".

[Nassim Nicholas Taleb]:

Exactly, what I call "Pseudo-optimization"...

If you drive a 🚗 Ferrari at 500 Km/h... You are not gonna get there faster than if you ride a 🚴 bicycle. A lot of times [driving the Ferrari] you are not gonna get there!

(Video: [Tim Ferriss w/ Nassim Taleb and Scott Patterson](#))

Listening to 🌱 Mother Nature...

Mother Nature does not like debt.

The use of Debt is generally considered "optimal" in an Economy.

The opposite of debt is redundancy. I have two lungs, one spare kidney... It's the opposite of debt!

So if we let economists manage Mother Nature they would give one lung to everyone—it would be the "optimal".

Mother Nature does not like the Ricardo concept: of one country specializes on 🍷 Wine, [while] another country specializes on 👕 Cloth. Because all these concepts that we have inherited from classical economics don't make sense when you inject some randomness...

- What if the price of wine changes?
- What if people decide not to drink wine anymore?

Well... it's not a good idea to specialize in wine.

So, Mother Nature does something that's the opposite of specialization—we call it “functional redundancy” or “degeneracy”. Is doing things that are not efficient, not optimal... But they help evolution. For example, our lips are used for a lot of purposes. Mother Nature amuse your lips to eat, to talk, to taste, etc.

Mother Nature can show us how to build a robust system. A system that can withstand huge deviations and stay standing.

(Video: [David Cameron in conversation with Nassim Taleb](#))

Robustness requires some kind of redundancy—to have inventory...

People think it's silly to have cash in the bank. [But] you are more robust if you have cash in the bank! And actually even antifragile because you can capture opportunities that way.

What most people think...

If you have excess inventory people think it is a cost. If you have excess hummus in your basement—the kind of inventory I have in my basement being Lebanese—people think it's a cost...

In reality...

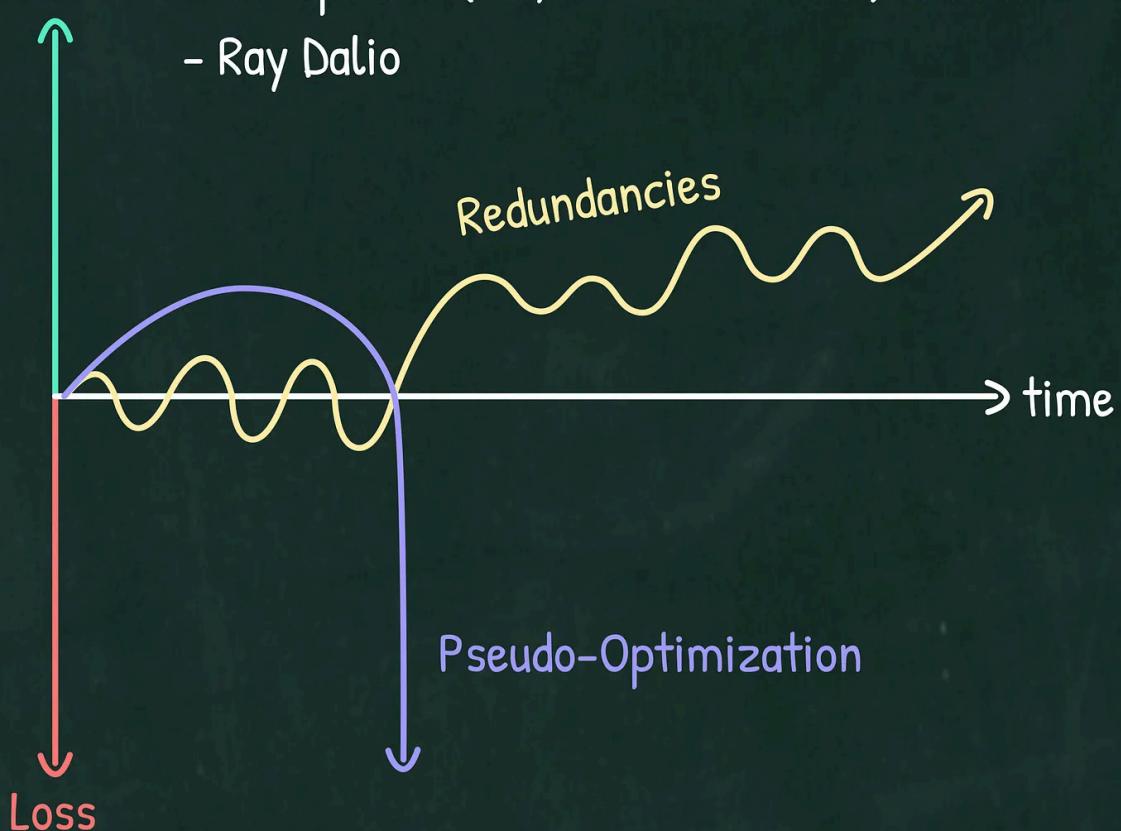
It's not a cost to have extra stockpile for companies because if there's a crisis, there's a squeeze [when you are forced to take an action at any cost/price] and the other people don't have what you need [then] the price of the commodity shoots up massively and you can sell it [or use it for yourself].

So having inventory is antifragile.

(Video: [Nassim Taleb in conversation w/ Daniel Kahneman](#))

"Make sure that the probability of the unacceptable (i.e., the risk of ruin) is nil."

- Ray Dalio



Reflections...

Personally, to not fall into the trap of "pseudo-optimization" for any activity I'm doing, I always remind myself of 2 things:

1. Make the daily actions in function of the total period of the activity/project. If it's something that I'm planning to do for a few decades, I will make decisions that optimize it over that full period of time, instead of just next quarter or next year.

For instance, I could probably double the production of YouTube videos which could potentially make me more money, but the videos would have less work of research and animation, which would lead to a lower qualification for Fair Use (exception from the Copyright Act Law)—which ultimately leads to the YouTube Channel having more risk of getting copyright strikes and being taken down.

2. Use Common Sense and Independent Thinking. One of the big negatives of school and college is that it tends to substitute your common sense with theories that only work by neglecting outlier events. But in the real world, we need to consider the outlier events—and actually, most of history (as Nassim points out) is driven by these outliers!

How To Be Rational & Objective

"There is hardly anything more important than being rational and objective."

- Charlie Munger

[Question from the Crowd]:

I was hoping you might share with us some examples of how you have used disconfirming evidence to change some of your important held beliefs?

Charlie Munger (reply):

Well, of course being able to recognize when you are wrong is a godsend [aka "blessing"].

[A] good bit of the Munger's fortune came from liquidating things we purchased because we were wrong.

Of course you have to learn to change your mind when you're wrong...

And I actually work at trying to discard beliefs.

[But] Most people strand cherish whatever idiotic notion they already have because they think it's their notion [so] it must be good.

I think... Of course you want to be re-examining what you previously thought.

Particularly when disconfirming evidence comes through.

"The unexamined life is not worth living." - Socrates

There's hardly anything more important than being rational and objective.

Just think of all the dumb things you can do in life.

Think of the brilliant people—who are just utterly brilliant—who do some of the dumbest things.

(Video: [2020 Daily Journal Annual Meeting](#))

Now let's hear Warren Buffet on this issue, from his speech at the 1998 Berkshire Hathaway Annual Meeting.

Warren Buffet:

The word “anomaly” I have always found interesting—what it means is something that the academicians could not explain.

One theory that Warren and Charlie criticize is the "Efficient Market Theory". Charlie Munger even called it "bonkers".

And rather than re-examine their theories they simply just discarded any evidence of that sort as “anomalous”.

I mean... Columbus was an “anomaly”.

I think when you find information that contradicts previously cherished beliefs... You've got a special obligation to look at it and look at it quickly.

I think Charlie [Munger] told me that one of the things [Charles] Darwin did was that whenever he found out anything that contradicted some previous belief, he knew he had to write it down almost immediately because he felt that the human mind was conditioned—so conditioned—to reject contradictory evidence that unless he got it down in black and white very quickly his mind would simply push it out of existence.

(Video: [1998 Berkshire Hathaway Annual Meeting](#))

● Robert Greene (on Niccolò Machiavelli):

In Western culture, we tend to associate strength of character with consistency.

[But] The great Florentine writer Niccolò Machiavelli saw these values of consistency and order as products of a fearful culture and something that should be reversed.

In his view, it is precisely our fixed nature, our tendency to hold to one line of action or thought, that is the source of human misery and incompetence.

Those who remain true to some idea or value without self-examination often prove to be the worst tyrants in life.

“People wish to be settled; only as far as they are unsettled is there any hope for them.” - Ralph Waldo Emerson

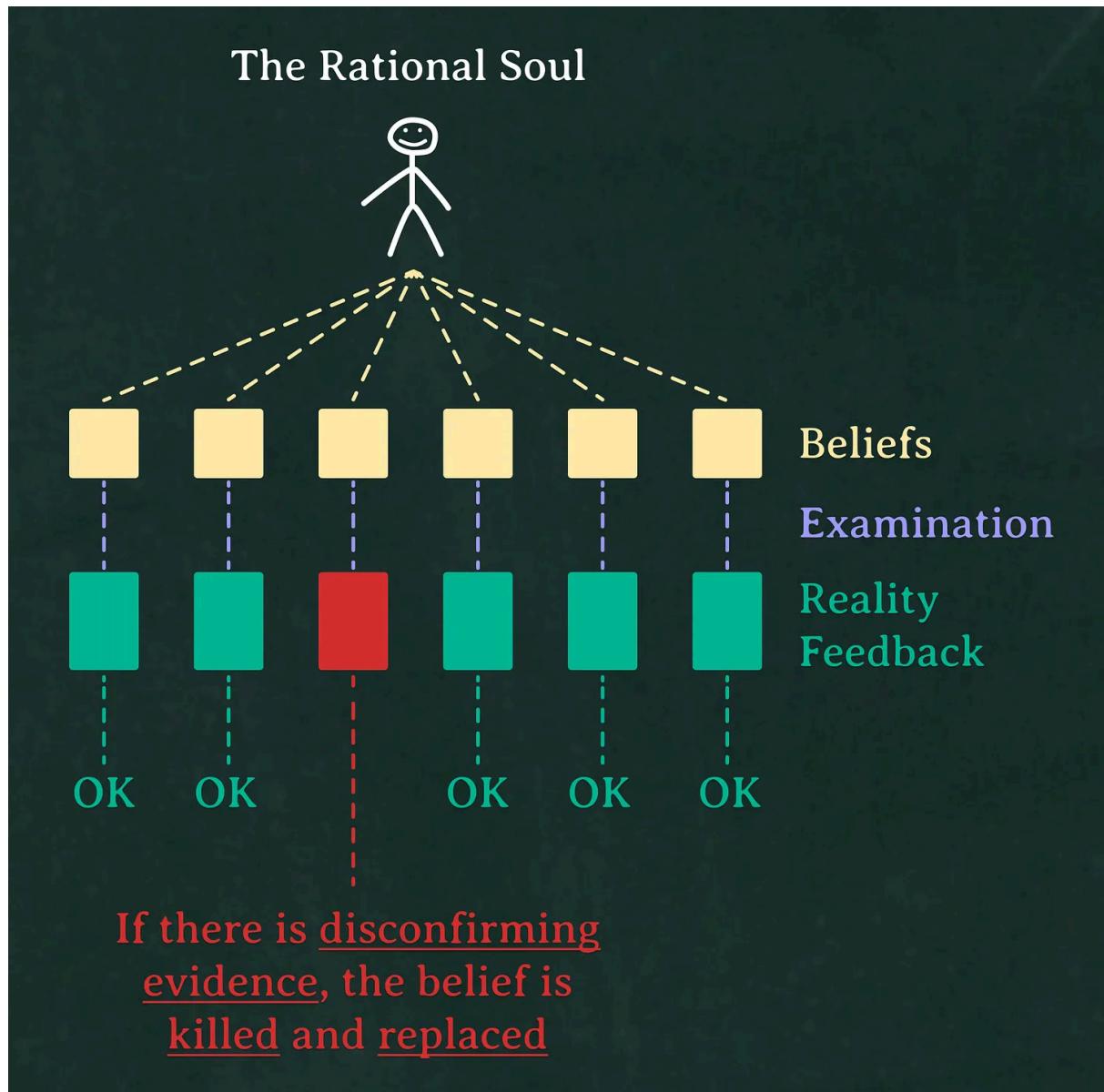
(Book: [The 50th Law](#))

“Characteristics of the rational soul: Self-perception, self-examination, and the power to make of itself whatever it wants...

Also characteristic of the rational soul:

Affection for its neighbors. Truthfulness. Humility. Not to place anything above itself - which is characteristic of law as well. No difference here between the logos of rationality and that of justice."

- Marcus Aurelius (Meditations, page 147 / Gregory Hays's translation)



"Freethinkers are those who are willing to use their minds without prejudice and without fearing to understand things that clash with their own customs or beliefs."

- Leo Tolstoy

How To Build an Antilibrary

This is an insightful passage from the book *Antifragile*, written by Nassim Nicholas Taleb.

Nassim Taleb:

The writer Umberto Eco belongs to that small class of scholars who are encyclopedic, insightful, and nondull. He is the owner of a large personal library (containing thirty thousand books), and separates visitors into two categories:

- Those who react with “Wow! Signore professore dottore Eco, what a library you have! How many of these books have you read?”
- And the others—a very small minority—who get the point that a private library is not an ego-boosting appendage but a research tool.

Read books are far less valuable than unread ones. The library should contain as much of what you do not know as your financial means, mortgage rates, and the currently tight real-estate market allow you to put there. You will accumulate more knowledge and more books as you grow older, and the growing number of unread books on the shelves will look at you menacingly. Indeed, the more you know, the larger the rows of unread books. Let us call this collection of unread books an antilibrary.

We tend to treat our knowledge as personal property to be protected and defended. It is an ornament that allows us to rise in the pecking order. So this tendency to offend Eco’s library sensibility by focusing on the known is a human bias that extends to our mental operations.

People don’t walk around with anti-résumés telling you what they have not studied or experienced (it’s the job of their competitors to do that), but it would be nice if they did. Just as we need to stand library logic on its head, we will work on standing knowledge itself on its head. Note that the Black Swan comes from our misunderstanding of the likelihood of surprises, those unread books, because we take what we know a little too seriously.

Some quotes that came to mind:

“What is not intelligible to me is not necessarily unintelligent.”

- Nietzsche

“Any year that passes in which you don’t destroy one of your best-loved ideas is a wasted year.”

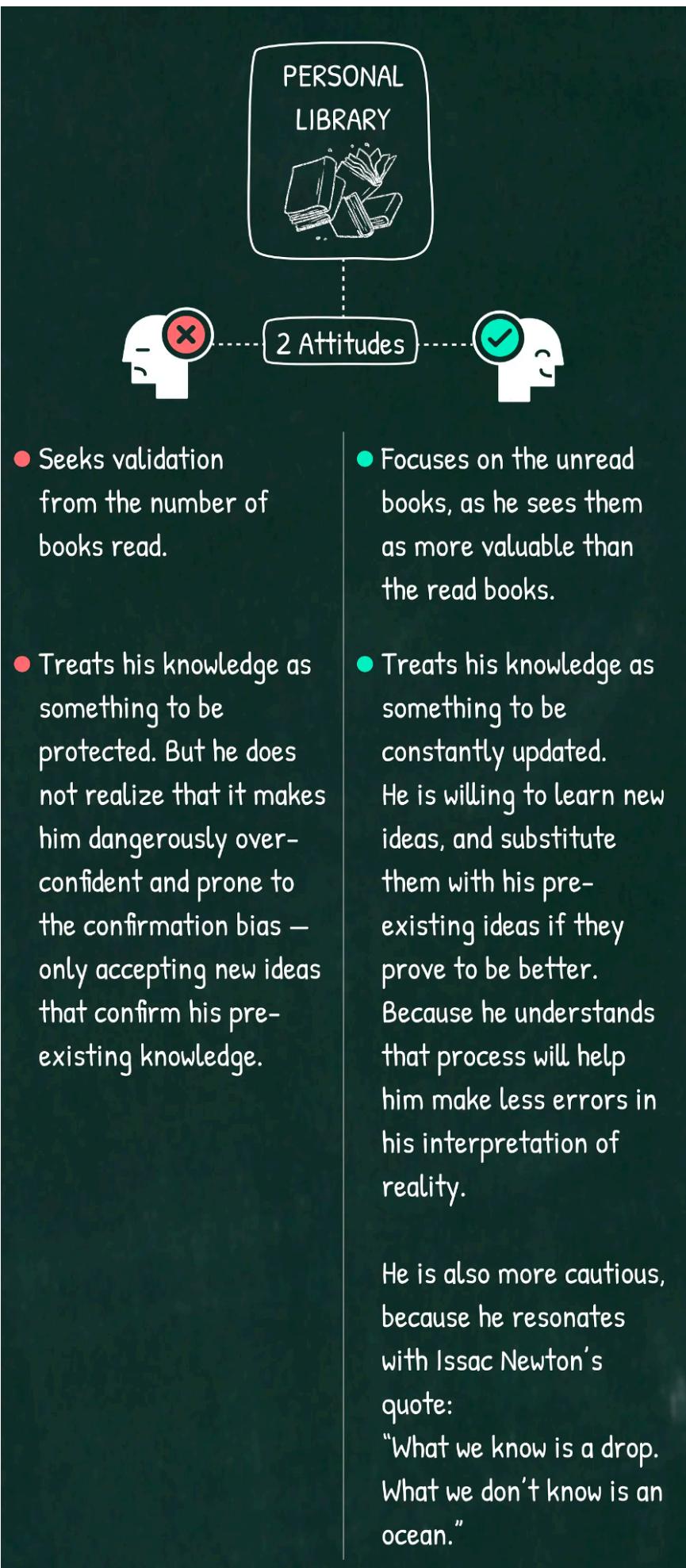
- Charlie Munger

"Don't take yourself so seriously. You're just a monkey with a plan."

- Naval Ravikant

Let us call an antischolar—someone who focuses on the unread books, and makes an attempt not to treat his knowledge as a treasure, or even a possession, or even a self-esteem enhancement device—a skeptical empiricist.

(Book: [Antifragile](#))



How To Adopt a Real Stoic Life-Philosophy

● Nassim Taleb:

Most people don't understand what [a] stoic is.

They think that a stoic wants to sort of be robust—no positive nor negative emotions (complete detachment from the world). So, in other words, become a vegetable.

And that's the impression that for a long time—for about 2, 000 years—we had of the Stoics. Mostly because nobody really read them—people [just] kept commenting on comments.

But when I read the best expositors of Stoicism—the best two expositors actually—Marcus Aurelius and Seneca. And probably also, to some extent, Cicero. I realize these are not that type of people. Very different.

And now recently I saw some papers confirming my idea that what Seneca was, is about being long options [to have optionality].

He [Seneca] wanted to keep the upside and not be hurt by the downside. That's it.

Nassim illustrates this idea by explaining Seneca's attitude towards his wealth.

Seneca was the wealthiest man in the world. He had 500 desks—on which he wrote his letters talking about how good it was to be poor. And people found inconsistency, but they didn't realize what Seneca said. He was not against wealth—and he proved that a philosopher can have wealth and can be a philosopher. What he was about is *dependence on wealth*: he wanted the upside of wealth without its downside.

How Seneca trained himself to not be dependent on wealth...

(1) What he would do is he would fake like he's in a  shipwreck and travel like a shipwreck once in a while. And then he would go back to his  Villas and feel rich.

(2) He would write off every night, before going to bed, his entire wealth. As a mental exercise. And then he would wake up rich. So he kept the upside [of wealth].

Definition of the Stoics..

My [definition](#) is: The Stoic sage is someone who transforms...

- Fear into prudence.
- Pain into information.
- Mistakes into initiation.
- Desire into undertaking.

So it's very different from the Buddhist idea of someone who is completely separated [detached] from worldly sentiments, possessions and thrills. It was very different. It's someone who wanted the upside without downside, and Seneca proved it.

[Russ Roberts]:

And the way you get there—Seneca is suggesting—is through mental exertion. Some of it is action obviously, but some of it is:

- 1) The way you look at your life.
- 2) What you prepare yourself for.
- 3) And how you affect your expectations.

"The enemy of peace of mind is expectations drilled into you by society and other people."

- Naval Ravikant (from the book: The Almanack of Naval Ravikant)

[Nassim Taleb]:

Exactly. He [Seneca] understood the *hedonic treadmill*. He understood it very well, and he understood that you are in debt when you have wealth—whether you are in debt from others or from fortune, you see. And he wanted to write off that fortune. He wanted to remove his dependence on fate, on randomness. He wanted to have the last word with randomness. And he did.

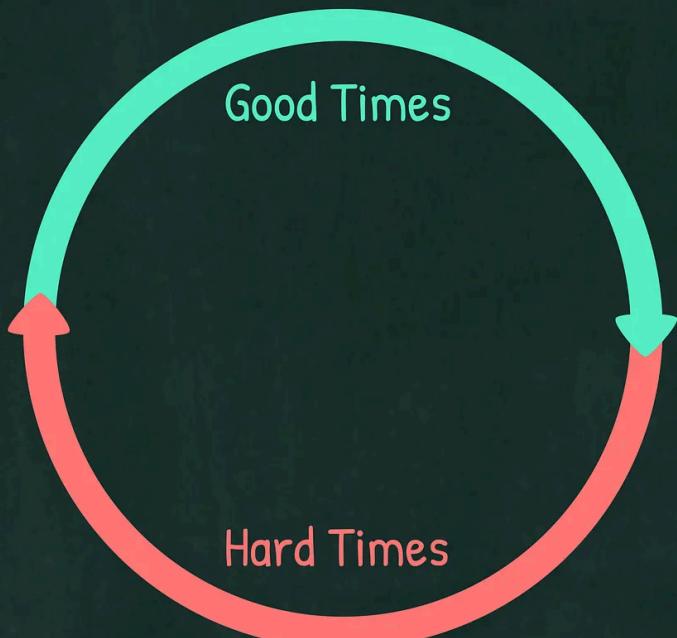
"Receive wealth or prosperity without arrogance; and be ready to let it go."

- Marcus Aurelius

(Source: [EconTalk w/ Russ Roberts](#))



This is awesome!
So grateful to have all this!



Oh you again Lady Fortuna!
Thank you for giving me the chance
to strengthen my Character and
rejoice in the simple things.

The Best Way To Take Feedback

● Nassim Taleb:

WITTGENSTEIN'S RULER

What is the mechanism that should convince authors to avoid reading comments on their work, except for those they solicit from specified persons for whom they have intellectual respect? The mechanism is a probabilistic method called conditional information: ***Unless the source of the statement has extremely high qualifications, the statement will be more revealing of the author than the information intended by him.***

This applies, of course, to matters of judgment. A book review, good or bad, can be far more descriptive of the reviewer than informational about the book itself.

This mechanism I also call Wittgenstein's ruler: Unless you have confidence in the ruler's reliability, if you use a ruler to measure a table you may also be using the table to measure the ruler. ***The less you trust the ruler's reliability (in probability called the prior), the more information you are getting about the ruler and the less about the table.***

The point extends way beyond information and probability. This conditionality of information is central in epistemology, probability, even in studies of consciousness.

The point carries practical implications: ***The information from an anonymous reader on Amazon.com is all about the person, while that of a qualified person, is going to be all about the book.*** This plays equally in court: Take the O. J. Simpson trial once again. One of the jurors said, "There was not enough blood," meaning to assess the statistical evidence of what was offered: Such statement reveals very little about the statistical evidence as compared with what it shows about the author of the statement's ability to make a valid inference. Had the juror been a forensic expert, the ratio of information would have tilted the other way.



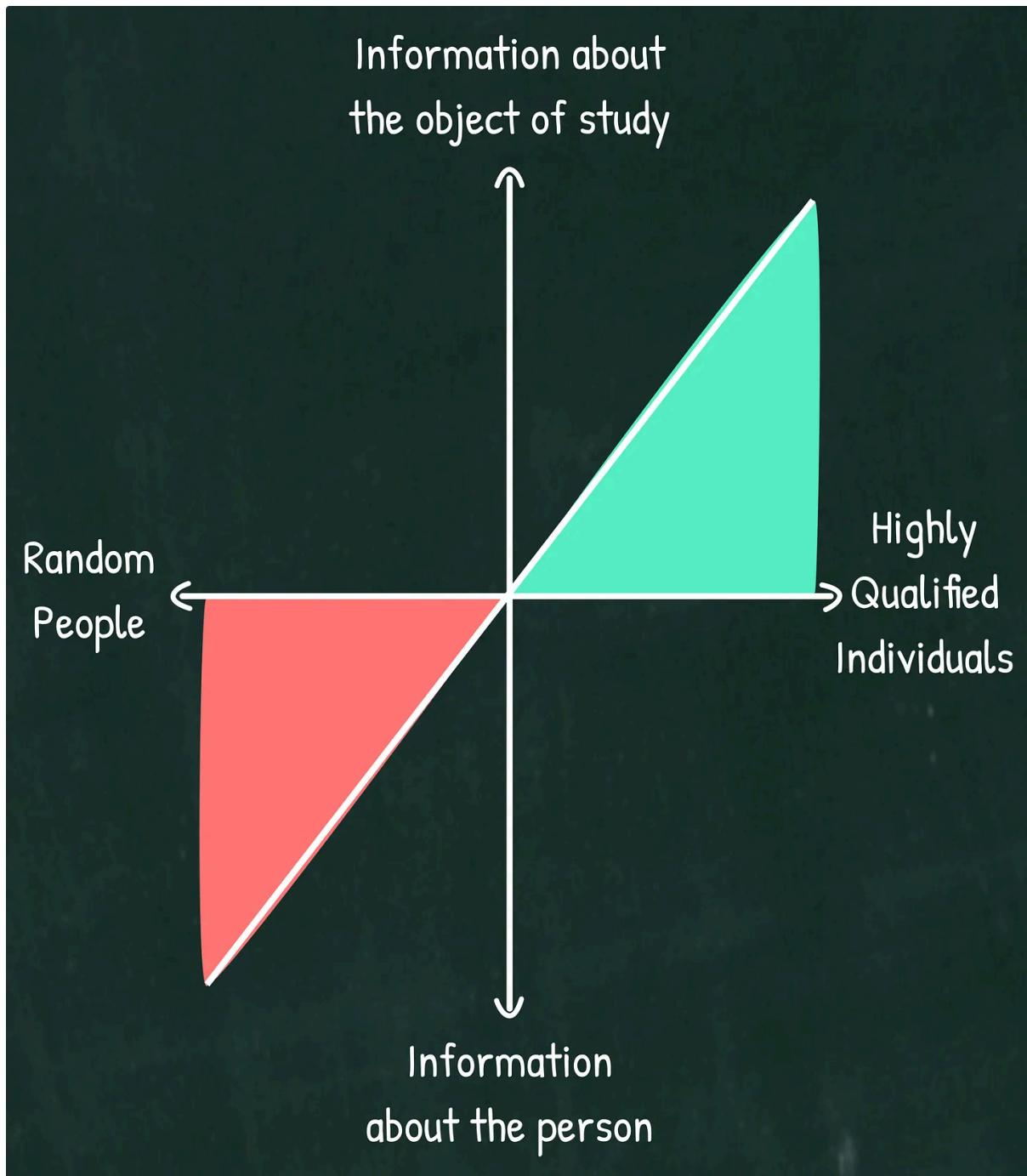
Nassim Nicholas Taleb ✅
@nntaleb

To become a philosopher king, start with being a king, not being a philosopher.

8:39 PM · Mar 30, 2019

The problem is that while such reasoning is central to my thinking, my brain knows it though not my heart: My emotional system does not understand Wittgenstein's ruler. I can offer the following evidence: A compliment is always pleasant, regardless of its authorship—something manipulators know rather well. Likewise with book reviews or comments on my risk-management strategy.

(Book: [Fooled by Randomness](#))



Picking Nuggets Note:

This idea of only caring about arguments that come from a qualified / experienced person aligns with Socrate's view that one should not care about what the majority thinks, instead one should only care about statements from people with a thorough reasoning.

And of course, in a complex and highly specialized world, only qualified and experienced people (in whatever the domain) will have that thorough reasoning which is worth paying attention to.



Kamal Ravikant ✅
@kamalravikant

...

Only take advice from those who know from experience. Everyone else is noise.

Bet on the Timeless

Jeff Bezos:

I very frequently get the question: "What's gonna change in the next 10 years?" And that's an interesting question, it's a very common one.

[But] I almost never get the question: "**What's not going to change in the next 10 years?**"

And I submit to you that that second question it's actually the more important of the two... Because you can build a business strategy around the things that are stable in time.

In our retail business we know the customers want:

1. Low prices.
2. Fast delivery.
3. Vast selection.

It's impossible to imagine a future 10 years from now where a customer comes up to me and says:

- "Jeff I love Amazon I just wish the prices were a little higher"
- "I love Amazon I just wish you'd delivered a little more slowly"

Impossible!

And so the effort that we put into those things—spinning those things up—we know ***the energy we put into it today will still be paying dividends for our customers 10 years from now.***

Picking Nuggets Note:

This is also the way that I see Content Creation. If I can create timeless content, then it will still be valuable for people 10 years from now! And if it's monetized, it creates a stream of passive income.

Whereas if I were to create timely content (e.g./ News about any specific industry) I would essentially be trading my time for money, because there is no content longevity.

"A [Social Media] account that's talking about politics has to continue putting out political content because it goes stale almost the instant that it's out you know. All the

news journalists who think they're building followings... they're not! They're building fans as long as they continue to work -- so basically if you're building a following based on politics or journalism or timely things: you're renting out your time. You're getting a higher and higher hourly rate but you're still renting out your time. But if you're creating timeless content then you have compounding principles -- you're no longer renting your time, it's all leveraged."

- Naval Ravikant (Interview with Akira The Don)

"If you're creating content that is easily consumed but no longer relevant in a week, a month, even a year, then that content can't work for you when you're not working. But a lot of the stuff that you [Tim Ferriss] do on your blog, and definitely the stuff that we do on FS Blog is... it's always relevant. It's evergreen. We just re-aired that interview with Naval Ravikant, we recorded it six years ago... People thought it was recorded yesterday!"

- Shane Parrish ([Source: The Tim Ferriss Podcast](#))

And so when you have something that you know is true... even over the long term, you can afford to put a lot of energy into it.

On AWS, the big ideas are also pretty straightforward. It's impossible for me to imagine that 10 years from now somebody is going to say:

- "I love AWS. I just wish it were a little less reliable."
- "I love AWS. I just wish you would raise prices... it should be a little more expensive."
- "I love AWS and I wish you would innovate and improve the API at a slightly slower rate."

None of those things you can imagine!

And so the big ideas in business are often very obvious but it's very hard to maintain a firm grasp of the obvious at all times.

"Take a simple idea, and take it seriously." - Charlie Munger

But if you can do that and continue to spin up those flywheels and put energy into those things—as we're doing with AWS—over time you build a better and better service for your customers on the things that genuinely matter to them.

"The Corporation has to follow the service.
The service does not follow the Corporation."

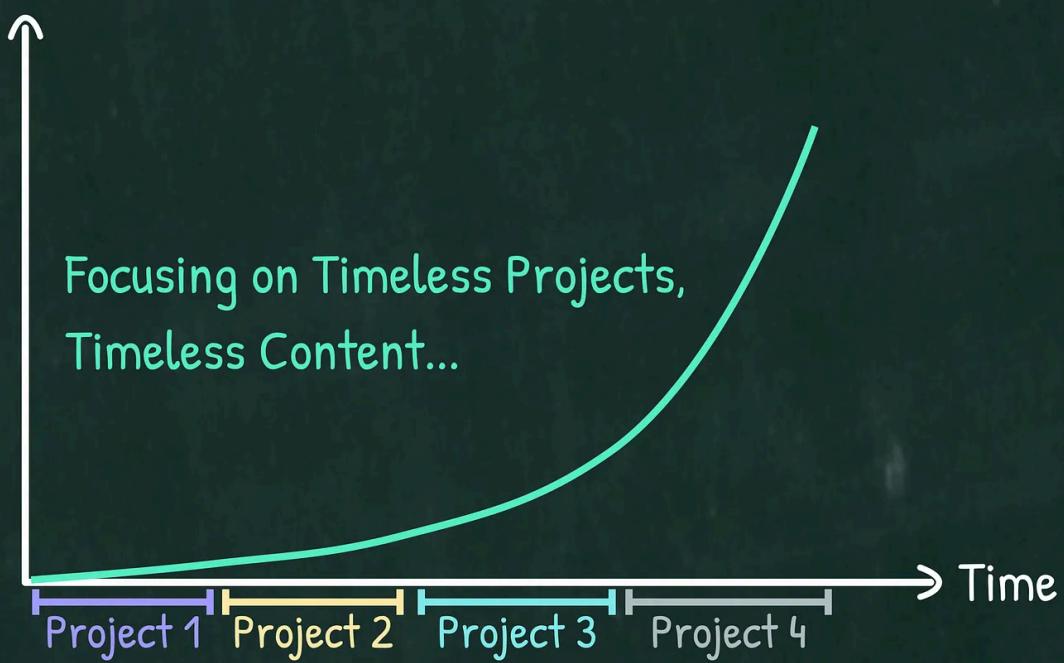
- Henry Ford

(Video: [Fireside Chat with Jeff Bezos and Werner Vogels](#))

Outcome



Outcome



The Framework To Eliminate Stress

Jeff Bezos:

One of the things that's very important to note about stress... Is that stress primarily comes from not taking action over something that you can have some control over...

Picking Nuggets Note:

I find the Stoic philosophy to be particularly helpful here, as it teaches us to not only focus and act on the things that we have control over, but also to not worry on things that we don't have control over!

"Happiness and freedom begin with a clear understanding of one principle: Some things are within our control, and some things are not. It is only after you have faced up to this fundamental rule and learned to distinguish between what you can and can't control that inner tranquility and outer effectiveness become possible."

— Epictetus

So, if I find that some particular thing is causing me to have stress... that's a warning flag for me! What it means is: There's something—that I haven't completely identified (perhaps in my conscious mind)—that is bothering me, and I haven't yet taken any action on.

I find [that] as soon as I identify it and make the first phone call, or send off the first email message, or whatever it is that we're gonna do to start to address that situation... Even if it's not solved... The mere fact that we're addressing it, dramatically reduces any stress that might come from it.

So, stress comes from ignoring things that you shouldn't be ignoring—I think, in large part.

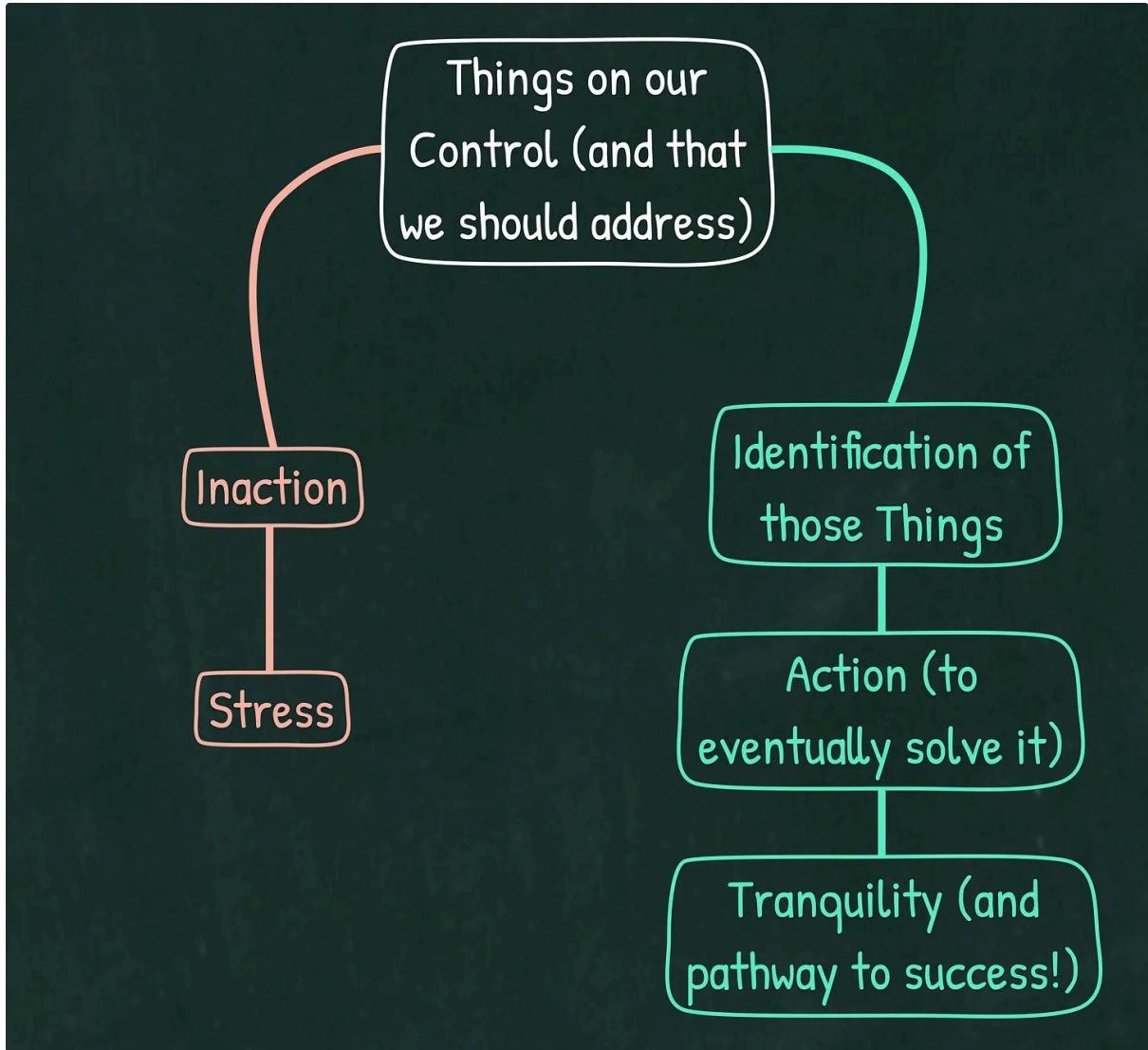
People get [the definition of] stress wrong all the time in my opinion... Stress doesn't come from hard work, for example.

You can be working incredibly hard and loving it!

And likewise, you can be out of work and incredibly stressed over that!

And likewise, if you kind of use that as an analogy for what I was just talking about... If you're out of work but you're going through a disciplined approach of a series of job interviews and so on and working to remedy that situation... you're going to be a lot less stressed than if you're just worrying about it and doing nothing!

(Source: [Jeff Bezos Interview on Starting Amazon \(2001\)](#))



Always Choose Substance over Prestige

Peter Thiel:

We (sort of) are taught that competition is valuable. And there's sort of this "safety in crowds"—that if a lot of people are trying to get something, it must be a good thing to do. It's like if there's a long line of people waiting to get in somewhere, you just get in line. You don't even ask why (why people are standing in line).

And there is sort of this psychology... Where already in the time of Shakespeare, the word *ape* meant both primate and to imitate. And there is something about human nature that's *ape like, sheep like, lemming like, herd like*. We're attracted to these things where a lot of other people are doing them.

I think this is always a challenge (with a lot of the ways we're taught in school and we're educated) where you're taught to compete for all the same credentials. If you're on an Athletic team in high school or college, you're competing on things there.

The competition has the effect of making you better at that at which you're competing. So, if you spend years prepping for an S.A.T. Test, you will get better at taking the S.A.T. Test. Or if you're on a swim team in high school, you'll get better at swimming because you're focused on beating the people around you. **But it always sort of comes at this price of possibly losing sight of broader questions, of questions of what's really valuable or what's really important.**

There's a crazy line from Henry Kissinger talking about this sort of fellow faculty members at Harvard, where he said:

"The battles in Academia are so ferocious because the stakes are so small."

And, it always seems like "well, this is (sort of) like a formula for insanity." Why would the battles be so ferocious? If the stakes are small, there's no real need to fight... And so it's just sort of like describing some sort of mass insanity. But on another level, it's also describing the inner logic of a situation where if the stakes are small, if the differences are small, you have to fight much harder to differentiate yourself. And the competition gets more and more intense. And so we end up with these dynamics where everyone tries to go through the same tiny door when maybe there's a huge gate just around the corner that nobody wants to explore. And I think that's sort of the dynamic we're always up against.

There's a version of this phenomenon in Silicon Valley... where it's sort of a strange way... in which there are a lot of people who seem to have Asperger's (or something like that) seem to do really, really well in all these companies. And I always think this should be turned around as a critique of our society where... What does it say about our society where anyone—who's well adapted socially—is talked out of all of their original ideas before they're even fully formed. Because they sort of pick up all these social cues from people...

"Oh that's a little bit too weird... That's strange... Nobody's done that before... Maybe you should not do this..."

And so that the people who are not able to understand what people around them are doing are somehow able to explore some of these original ideas much further.

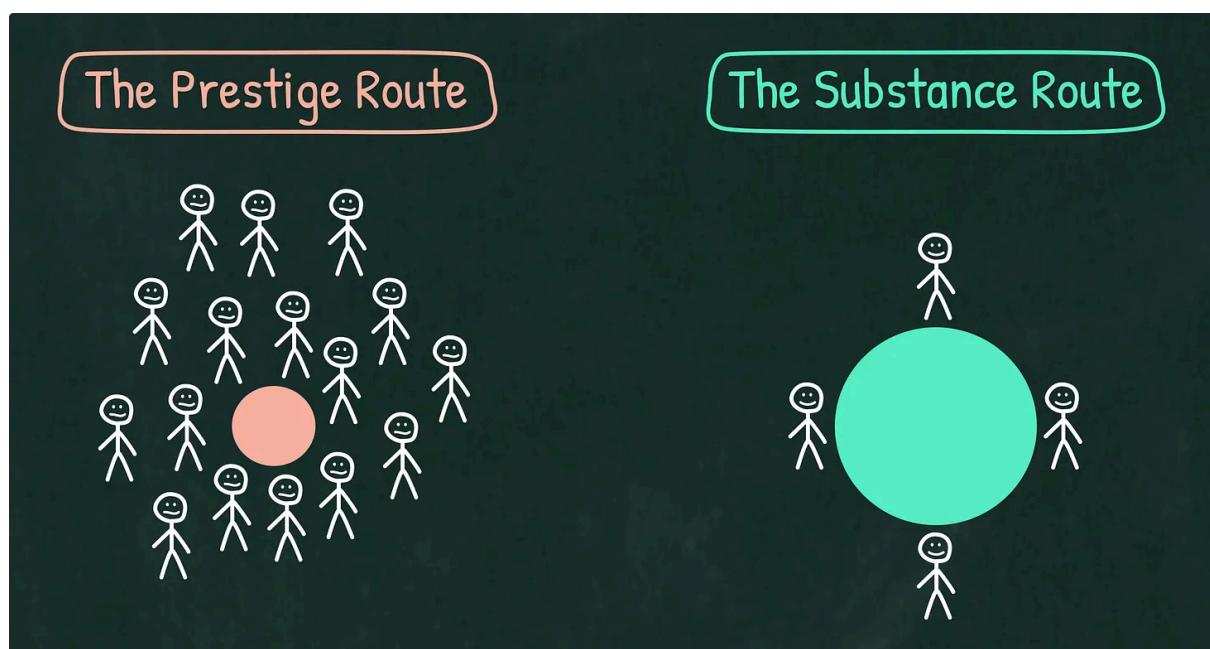
There's this very strange set of studies that's been done around Harvard, at Harvard Business School, and you can think of sort of business schools as consisting of the anti-Asperger profile of people. So it's people who are extremely extroverted, sort of hyper social, [and] often don't have any really strong convictions (but I won't make this too sweeping a generalization). And you sort of have a hothouse environment where you put all these people in one place for 2 years, and they sort of say: "Well, what do they do at the end? And it turns out (at Harvard they've done these studies over 30 years now) the largest number [of them] always goes into the wrong field—all trying to ride the last wave..."

So, [in] 1989 everybody wanted to work for Michael Milken—this was one or two years before he went to jail. No one was ever really interested in the internet or tech (technology businesses) except in 1999/2000—just as the Dotcom bubble was about to blow up. In the last decade, it was all sort of housing and private equity.

And so there is this really deep dynamic where, even though rationally we should avoid competition and we should aim for monopoly, psychologically we seem to always find it much more comfortable to go with the large crowds of people. But **there is no wisdom in crowds**. This is an anti-Malcolm Gladwell thing. There's no wisdom of crowds. There's only really ferocious competition.

So, think about this really hard.

(Source: [Peter Thiel Speech at Stanford \(2014\)](#))



"So, concerning the things we pursue, and for which we vigorously exert ourselves, we owe this consideration — either there is nothing useful in them, or most aren't useful. Some of them are superfluous, while others aren't worth that much. But we don't discern this and see them as free, when they cost us dearly."

— SENECA, MORAL LETTERS, 42.6 (from the book *The Daily Stoic*, by Ryan Holiday)

Naval Ravikant also poses the question:

"The only true test of intelligence is if you get what you want out of life."

So, you want to be able to get it, but also you want to make sure that that's actually what you wanted in the first place! (many people fall into the trap of pursuing unworthy things just because they were blinded by competition and were driven by a status-seeking mindset, where it's more about winning - and the status that that gives them - than actually the substance of what it's won).

Live Your Life as a Movie

● Naval Ravikant:

I recently read a book which I think a lot of people have read as a child called *Illusions* by Richard Bach.

It's a beautiful book.

[Just as the book] *Siddhartha* is about a character becoming Buddha-ish and his journey to do that... *Illusions* is about a character becoming Jesus and his journey to do that.

And it's very messianic.

It's kind of got a Midwestern twist to it.

But it has a lot of really great little mental hacks for living your life.

One of them, was to treat your life as a movie.

So if you pick up a film reel, that's a finished movie. That's kind of your life. It's a finished life. Because so much of it is out of your control that for all practical purposes, it's finished. And then you sort of have to watch it one frame at a time to experience it.

So the purpose of your life is to live it.

But now, if you start living your life as if it's a movie and you're the star of your own movie... [Why the star?] → Because everyone's trapped in their own heads. The things you care about are so different than the things I care about that for all practical purposes, we're living in two different worlds that intersect only briefly. So we're each living the movie of our lives.

Now, if you start treating real life as that, you're walking around and you're like:

"Well, this is the movie of my life."

[Then] You take a very positive view towards everything. Because you're like:

"Well, I'm sitting here on a train and I'm acting all bored... When really in the movie of my life something interesting would be going on! In the movie of my life, I'd be talking to the person next to me. So why don't I just talk to the person next to me?"

[Tim Ferriss]: I like that.

[Naval Ravikant]:

Yeah, so it sort of helps you just keep your life moving along in a positive way.

Because it's your movie.

You want it to turn out well.

And even when you get pissed off at people, you say:

"Oh yeah, that's the villain. Awesome! The villain has entered the scene. This is the foil who now I am going to counterbalance against and I'm going to learn something in the process. Let's see if this is the chapter where I win or I lose—and then maybe I'll win later on down the road."

Another way to think about it is that it also gets you to be more moral or more ethical because if it's a movie, that means there are hundreds of thousands or millions of people watching your movie...

So what would the hero of the movie do?

Would the hero behave badly or would the hero behave well?

Well, hopefully the hero would behave well.

There's no such thing as a part of the movie where the hero does something terrible and the audience kind of overlooks it.

So, if you treat the world as a movie of your life, and you treat yourself as the hero of that movie, it makes the world look like a much more pleasant place to deal with.

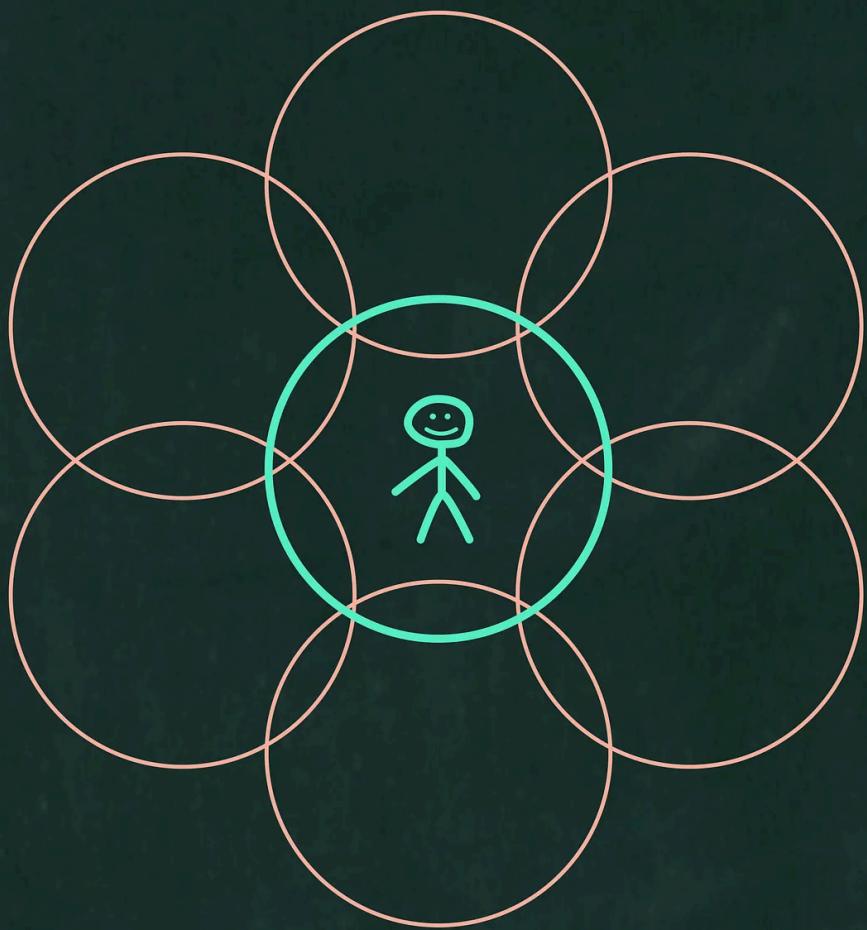
(Source: [Naval Ravikant on the Tim Ferriss Show](#))

"Enthusiastically build an extraordinary reality day after day."

- Brunello Cucinelli

■ My Life

■ Other People's Lives



I will build my life as if I were producing
the most thriller movie I'll ever watch!

Freedom is Never Free

● Nassim Taleb:

In the famous tale by Ahiqar, later picked up by Aesop (then again by La Fontaine), the dog boasts to the wolf all the contraptions of comfort and luxury he has, almost prompting the wolf to enlist. Until the wolf asks the dog about his collar and is terrified when he understands its use. “Of all your meals, I want nothing.” He ran away and is still running.

The question is: what would you like to be, a dog or a wolf?

The original Aramaic version had a wild ass, instead of a wolf, showing off his freedom. But the wild ass ends up eaten by the lion. Freedom entails risks—real skin in the game. Freedom is never free.

Whatever you do, just don't be a dog claiming to be a wolf. In Harris's sparrows, males develop secondary traits that correlate with their fighting ability. Darker color is associated with dominance. However, experimental darkening of lighter males does not raise their status, because their behavior is not altered. In fact these darker birds get killed—as the researcher Terry Burnham once told me: “birds know that you need to walk the walk.”

Another aspect of the dog vs. wolf dilemma: the feeling of false stability. A dog's life may appear smooth and secure, but in the absence of an owner, a dog does not survive. Most people prefer to adopt puppies, not grown-up dogs; in many countries, unwanted dogs are euthanized. A wolf is trained to survive. Employees abandoned by their employers, as we saw in the IBM story, cannot bounce back.

“There is no feeling in this world to be compared with self-reliance – do not sacrifice that to anything else.”

- John D. Rockefeller

...

Freedom is always associated with risk taking, whether it leads to it or comes from it. You take risks, you feel part of history. And risk takers take risks because it is in their nature to be wild animals.

...

In my day, nobody cursed in public except for gang members and those who wanted to signal that they were not slaves: traders cursed like sailors, and I have kept the habit of strategic foul language, used only outside of my writings and family life.

Those who use foul language on social networks (such as Twitter) are sending an expensive signal that they are free—and, ironically, competent. You don't signal competence if you

don't take risks for it—there are few such low-risk strategies. So cursing today is a status symbol, just as oligarchs in Moscow wear blue jeans at special events to signal their power.

So while cursing and bad language can be a sign of doglike status and total ignorance—the “canaille,” which etymologically relates these people to dogs.

Ironically the highest status, that of a free man, is usually indicated by voluntarily adopting the mores of the lowest class. It is no different from Diogenes (the one with the barrel) insulting Alexander the Great by asking him to stand out of his sun, just for signaling (legend, of course).

Consider that English “manners” were imposed on the middle class as a way of domesticating them, along with instilling in them the fear of breaking rules and violating social norms.

(Book: [The Incerto, by Nassim Nicholas Taleb](#))



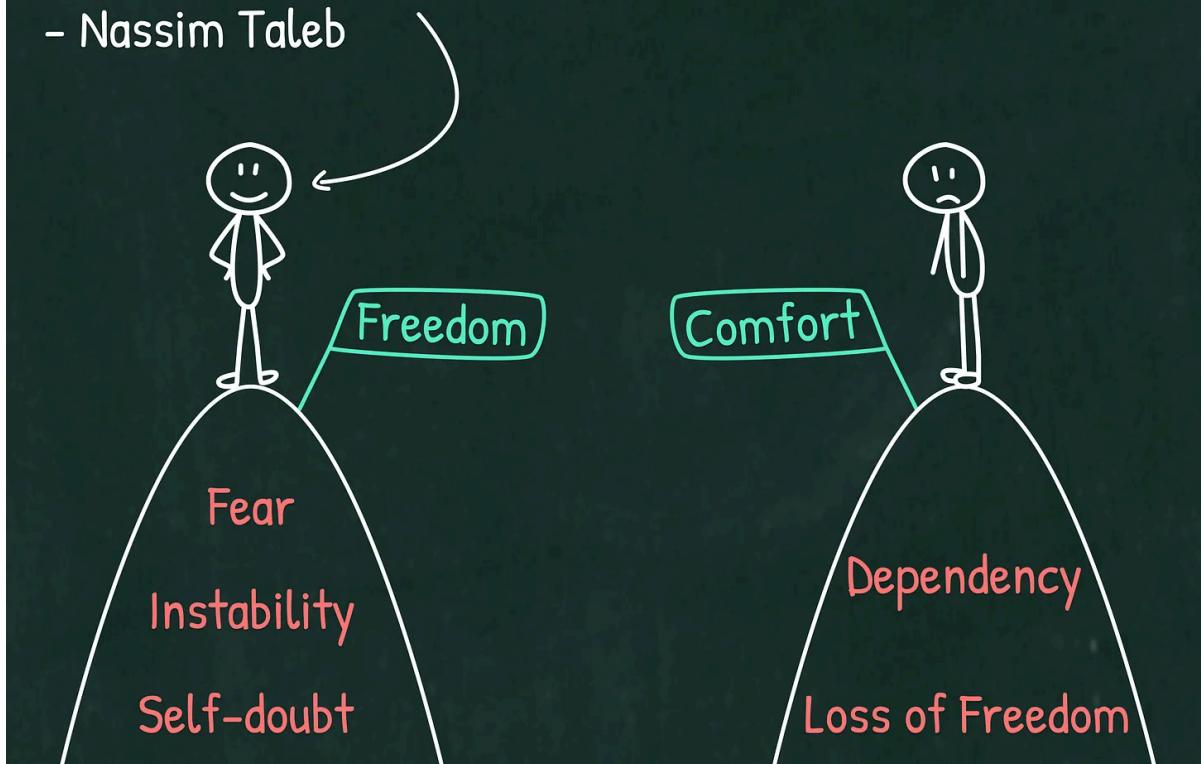
...

The more neatly you fit into society, the less free you actually are.

1:13 AM · Oct 22, 2020

"You have a calibrated life when most of what you fear has the titillating prospect of adventure."

- Nassim Taleb



How To Become The Best At What You Do

● Paul Graham:

This sounds like a paradox, but a great painting has to be better than it has to be. For example, when Leonardo painted the portrait of Ginevra de' Benci in the National Gallery, he put a juniper bush behind her head. In it he carefully painted each individual leaf. Many painters might have thought, this is just something to put in the background to frame her head. No one will look that closely at it.

Not Leonardo. How hard he worked on part of a painting didn't depend at all on how closely he expected anyone to look at it. He was like Michael Jordan. Relentless.

Relentlessness wins because, in the aggregate, unseen details become visible. When people walk by the portrait of Ginevra de' Benci, their attention is often immediately arrested by it, even before they look at the label and notice that it says Leonardo da Vinci. All those unseen details combine to produce something that's just stunning, like a thousand barely audible voices all singing in tune.

Great software, likewise, requires a fanatical devotion to beauty. If you look inside good software, you find that parts no one is ever supposed to see are beautiful too. I'm not claiming I write great software, but I know that when it comes to code I behave in a way that would make me eligible for prescription drugs if I approached everyday life the same way. It drives me crazy to see code that's badly indented, or that uses ugly variable names.

(Essay: “[Hackers and Painters](#)”)

Related to this insight, legendary music producer Rick Rubin inserted a quote from renowned basketball coach John Wooden on his book *The Creative Act...*

● John Wooden:

The first thing I would show players at our initial day of training was how to take a little extra time putting on their shoes and socks properly.

The most important part of your equipment is your shoes and socks. You play on a hard floor. So you must have shoes that fit right. And you must not permit your socks to have wrinkles around the little toe—where you generally get blisters—or around the heels. I showed my players how I wanted them to do it. Hold up the sock, work it around the little toe area and the heel area so that there are no wrinkles. Smooth it out good. Then hold the sock up while you put the shoe on. And the shoe must be spread apart—not just pulled on the top laces. You tighten it up snugly by each eyelet. Then you tie it. And then you double-tie it so it won't come undone—because I don't want shoes coming untied during practice, or during the game. I don't want that to happen.

That's just a little detail that coaches must take advantage of, because it's the little details that make the big things come about.

(Book: [The Creative Act](#))

Here's Rick Rubin's reflection on Wooden's words...

Rick Rubin:

It must have been frustrating for these elite athletes, who wanted to get on the court and show what they could do, to arrive at practice for the first time with this legendary coach only to hear him say, Today we will learn to tie our shoes. The point Wooden was making was that creating effective habits, down to the smallest detail, is what makes the difference between winning and losing games. Each habit might seem small, but added together, they have an exponential effect on performance.

Just one habit, at the top of any field, can be enough to give an edge over the competition. Wooden considered every aspect of the game where an issue might arise, and trained his players for each one. Repeatedly. Until they became habits.

The goal was immaculate performance.

Wooden often said the only person you're ever competing against is yourself. The rest is out of your control.

(Book: [The Creative Act](#))

All these insights suggest a very different approach from the one that leverages on the so-called Pareto principle or 80/20 rule.

But my point of view here is exactly the same as Mark Zuckerberg, so I'm just gonna quote him below :)

Mark Zuckerberg:

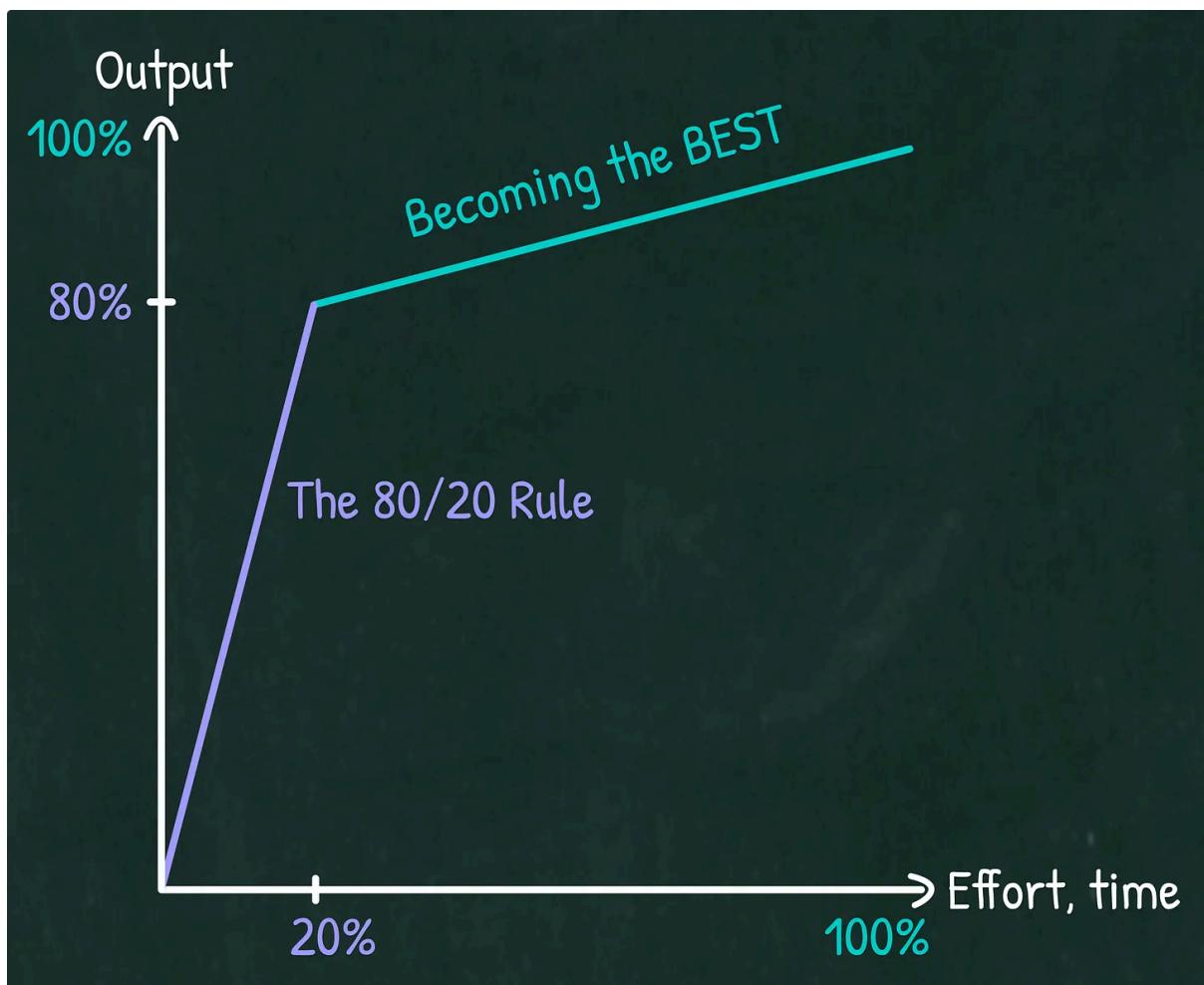
There's the famous 80/20 rule where you get 80% of the benefit by doing 20% of the work.

But you can't just 80/20 everything. There have to be certain things that you are just the best at and that you go way further than anyone else on to establish this quality bar and have your product be the best thing that's out there.

(Source: [Startup Archive](#))

"Be the best in the world at what you do. Keep redefining what you do until this is true."

- Naval Ravikant



How To Think “Outside The Box”

● Nassim Nicholas Taleb:

I found the perfect non-Brooklyn in someone I will call Dr. John. He is a former engineer currently working as an actuary for an insurance company. He is thin, wiry, and wears glasses and a dark suit. He lives in New Jersey not far from Fat Tony but certainly they rarely run into each other. Tony never takes the train, and, actually, never commutes (he drives a Cadillac, and sometimes his wife's Italian convertible, and jokes that he is more visible than the rest of the car).

Dr. John is a master of the schedule; he is as predictable as a clock. He quietly and efficiently reads the newspaper on the train to Manhattan, then neatly folds it for the lunchtime continuation. While Tony makes restaurant owners rich (they beam when they see him coming and exchange noisy hugs with him), John meticulously packs his sandwich every morning, fruit salad in a plastic container. As for his clothing, he also wears a suit that looks like it came from a Web catalog, except that it is quite likely that it actually did. Dr. John is a painstaking, reasoned, and gentle fellow. He takes his work seriously, so seriously that, unlike Tony, you can see a line in the sand between his working time and his leisure activities. He has a PhD in electrical engineering from the University of Texas at Austin. Since he knows both computers and statistics, he was hired by an insurance company to do computer simulations; he enjoys the business. Much of what he does consists of running computer programs for “risk management.”

I know that it is rare for Fat Tony and Dr. John to breathe the same air, let alone find themselves at the same bar, so consider this a pure thought exercise. I will ask each of them a question and compare their answers.

NNT (that is, me): Assume that a coin is fair, i.e., has an equal probability of coming up heads or tails when flipped. I flip it ninety-nine times and get heads each time. What are the odds of my getting tails on my next throw?

Dr. John: Trivial question. One half, of course, since you are assuming 50 percent odds for each and independence between draws.

NNT: What do you say, Tony?

Fat Tony: I'd say no more than 1 percent, of course.

NNT: Why so? I gave you the initial assumption of a fair coin, meaning that it was 50 percent either way.

Fat Tony: You are either full of crap or a pure sucker to buy that “50 pehcent” business. The coin gotta be loaded. It can't be a fair game. (Translation: It is far more likely that your assumptions about the fairness are wrong than the coin delivering ninety-nine heads in ninety-nine throws.)

NNT: But Dr. John said 50 percent.

Fat Tony (whispering in my ear): I know these guys with the nerd examples from the bank days. They think way too slow. And they are too commoditized. You can take them for a ride.

Now, of the two of them, which would you favor for the position of mayor of New York City (or Ulan Bator, Mongolia)? Dr. John thinks entirely within the box, the box that was given to him; Fat Tony, almost entirely outside the box.

To set the terminology straight, what I call "a nerd" here doesn't have to look sloppy, unaesthetic, and sallow, and wear glasses and a portable computer on his belt as if it were an ostensible weapon. A nerd is simply someone who thinks exceedingly inside the box.

Have you ever wondered why so many of these straight-A students end up going nowhere in life while someone who lagged behind is now getting the shekels, buying the diamonds, and getting his phone calls returned? Or even getting the Nobel Prize in a real discipline (say, medicine)? Some of this may have something to do with luck in outcomes, but there is this sterile and obscurantist quality that is often associated with classroom knowledge that may get in the way of understanding what's going on in real life. In an IQ test, as well as in any academic setting (including sports), Dr. John would vastly outperform Fat Tony. But Fat Tony would outperform Dr. John in any other possible ecological, real-life situation. In fact, Tony, in spite of his lack of culture, has an enormous curiosity about the texture of reality, and his own erudition—to me, he is more scientific in the literal, though not in the social, sense than Dr. John.

(Book: [The Black Swan](#))

"People believe thinking outside the box takes intelligence and creativity, but it's mostly about independence. When you simply ignore the box and build your reasoning from scratch, whether you're brilliant or not, you end up with a unique conclusion — one that may or may not fall within the box."

- Tim Urban (Book - [The Elon Musk Blog Series: Wait But Why](#))

● Reid Hoffman:

One of the things I wrote my thesis on, in Oxford, was "the uses and abuses of thought experiments":

The most classic one is "trolley problems".

[The problem with Trolley Problems]

The fundamental problem is... they try to frame it to derive an intuition, a principle, etc... They try to frame an artificially different environment.

[They say]: No, no, it's a trolley. And the trolley will either hit the five criminals or the one human baby. And it's default set to hit the human baby. Do you throw the switch or not?

And then when you start attacking the problem, you say: Well, how do I know that I can't break the trolley....

[They say]: Well, but you know that.

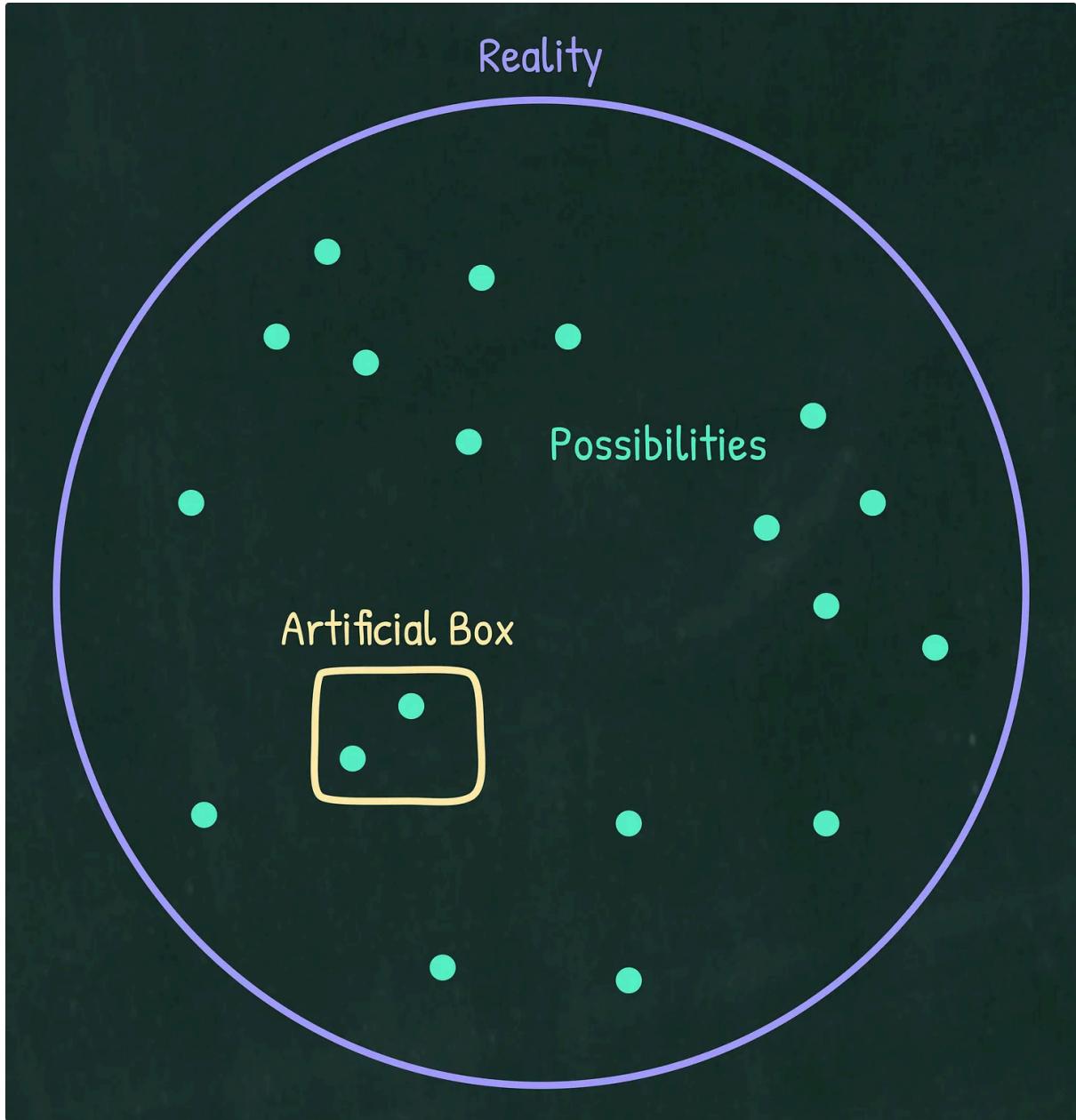
[You say]: Oh, so you're positing in your thought experiment that I have perfect knowledge that breaking the trolley is impossible. So, in your posit to make your thought experiment work, you're positing something [that] when we encounter [in real life], we generally think people are crazy, right? Like... you have perfect knowledge that you can't break the trolley?

What is the right human response to this trolley problem? [The answer] is, I'm going to try to break the trolley, so it doesn't hit either of them.

You're trying to get me to say: "Do I do nothing and run over the baby? Or do I do something and run over the five criminals?" Like, those are my only two options.

Well, no. Even if I think I can't break the trolley, that's what I'm going to try to do because that's the moral thing to do...

(Source: [Reid Hoffman Interview](#))





About the Author of this Book

(you can definitely ignore this part 🙏)

👋 Hi, I'm Julio. I'm 28 (born in 1996) and I live in Barcelona, Spain.

I love

I love picking insights. I get a high when I discover an idea that either I didn't know before, or contradicts an idea that I currently hold—because the gap between my worldview and the actual world gets narrower!

I love taking long walks while I listen to my favorite Podcasts, which then makes me obsessively type on my Google Keep (a note-taking app) anything that I find interesting.

I love reading on my Kindle with a microwaved yet tasty coffee right after waking up, usually for 30 mins - 1 hour. But lately I've been switching to physical books — It feels nicer, there are no distractions and I can give my eyes a break from the screen.

I love gray clouds with noisy rain—which is funny since I live in Spain. Maybe I should move to the UK?

I love the philosophy of life being a game: in the same way that hardships and challenges make a game attractive and fun, so it's in life that it makes it more beautiful and meaningful—not talking here about basic needs or safety problems, since I haven't experienced those types of issues luckily.

Now some stuff I hate because *why not*

I hate driving—don't know why I got a driving license (probably dumb mimetic thinking).

I'm scared as f**k of planes—and YouTube knows this far too well as it feeds me with the worst plane crashes on my homepage, which then makes me click to solve the negative tension built on the title and thumbnail of the video. But I still fly anyway.

I hate that one day I'm gonna die, but I accept it and it actually makes me more appreciative of life.

More about me, again.

I'm a native Spanish speaker, and my English used to suck probably until I was 20 years old. The english level at my high-school was already pretty low (Spanish people are well-known for their bad english—barely able to have a quick weather talk) and I was one of the worst in my classroom. But after finishing high-school, in the break summer before university, I realized—or rather, became conscious—I was wasting my time binging on Netflix, so to feel better about myself I decided to only watch series and movies in English. At first it was hard, but after 2 years I could understand almost everything. As a side-note, it also helped that I

lived in Barcelona where English is the official nightlife language, given the sheer amount of party-tourists in the city—Barcelona is kind of Europe's party capital.

It's been 10 years (as of 2024) since I made that decision and I have never seen any series or movies in my native language ever since. Although to be fair, for the last 3 years I haven't watched any series or movies in general—except for the typical date plan every now and then—I substituted it with YouTube videos and Spotify podcasts.

I'm grateful I made that decision and stuck to it, because that led me to discover (and understand) interviews of great practitioner-thinkers such as Charlie Munger, Nassim Taleb, Mohnish Pabrai and Naval Ravikant (which then led me to so many other remarkable individuals).

Sports?

I played tennis most of my life—from my first childhood memories until I was 18. Currently I lift weights at home (with a barbell) and go for runs while listening to some music and podcasts.



P.S. If for some strange reason you still want to know more about me (and interesting nuggets), you can listen to [this conversation I did with my friend Eric Ramos!](#)

Get Access To My Searchable Database of Nuggets!

All the ideas in this Ebook are saved and classified in a searchable Database, which (as of August 2024) contains 2,000+ timeless ideas (sourced directly from the most influential doers and entrepreneurs — captured on books, interviews/podcasts and articles).

I call this Database the *Doers Notebook*, and I've recently opened it for anyone who wants it.

 Why did I build this?

Well, as the Latin motto goes, "[A chief part of learning is simply knowing where you can find a thing.](#)" And since it's all  searchable, we only need to type a keyword to immediately get a list of insights related to it!

For instance, if I'm unsure about how to get more sales in my business, I can simply type the word "sales" and immediately get 93 search results! In this case from Jim Edwards, Peter Thiel, Naval Ravikant, Paul Graham, Sam Altman, Balaji Srinivasan, Nassim Taleb, and many other remarkable individuals.

It's like having a  second brain from which we can pull wisdom on demand.

And this is super valuable because it can significantly decrease the error rate in our judgment.

"In an age of infinite leverage [code and media], judgment is the most important skill."
- Naval Ravikant

I actually made a video where I went through the list of insights I got for the keywords "sales" and "creative".

So, if you wanna get better at sales and learn to be more creative (and also see all the features of the database and how you can get access) then definitely check out the video 
[Click here to go to the video!](#)