

Picking
Nuggets

23 Nuggets

To Get

Better

Richer

Wiser

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Introduction

After going through hundreds of hours of reading books and watching interviews of influential doers (such as Naval Ravikant, Nassim Taleb, Charlie Munger...) I captured 23 insights that I think are extremely useful, transformational, and timeless.

I consciously focused on timeless principles only, 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, timeless principles are high-leverage principles!

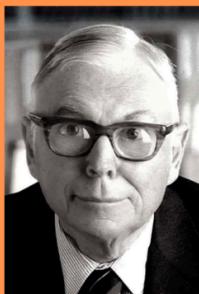
But... Why only from doers? I think Steve Jobs said it best: *“It’s very easy to take credit from the Thinking. The Doing is more concrete. Usually when you dig a little deeper you find that the people that really ‘did it’ were also the people that really worked through the hard intellectual problems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

These 23 insights are segmented in 3 areas:

- Character (6 insights). How to get better.
- Wealth (6 insights). How to get richer.
- Wisdom (11 insights). How to improve our judgment. This is the bedrock that can sustain the previous areas, and more broadly, a life well lived.

Influential Doers

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



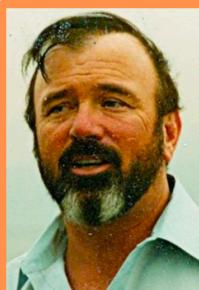
Charlie Munger was the Vice Chairman of Berkshire Hathaway, Chairman of The Daily Journal Corporation and Director of Costco Wholesale Corporation. His wisdom and exemplary character has influenced millions of people.



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.



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.



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.



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.



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.

About this writer

👋 Hi, I'm Julio. I'm 27 (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 to 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—my role models for the last 2 years.

Sports?

I played tennis most of my life—from my first childhood memories until I was 18. Currently I practice Brazilian-JiuJitsu, I like running (not on treadmills though) and lift weights (I do it only with a barbell, to keep it simple).



I hope these nuggets will be as helpful to you as they were for my own life 😊

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 waggy [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.

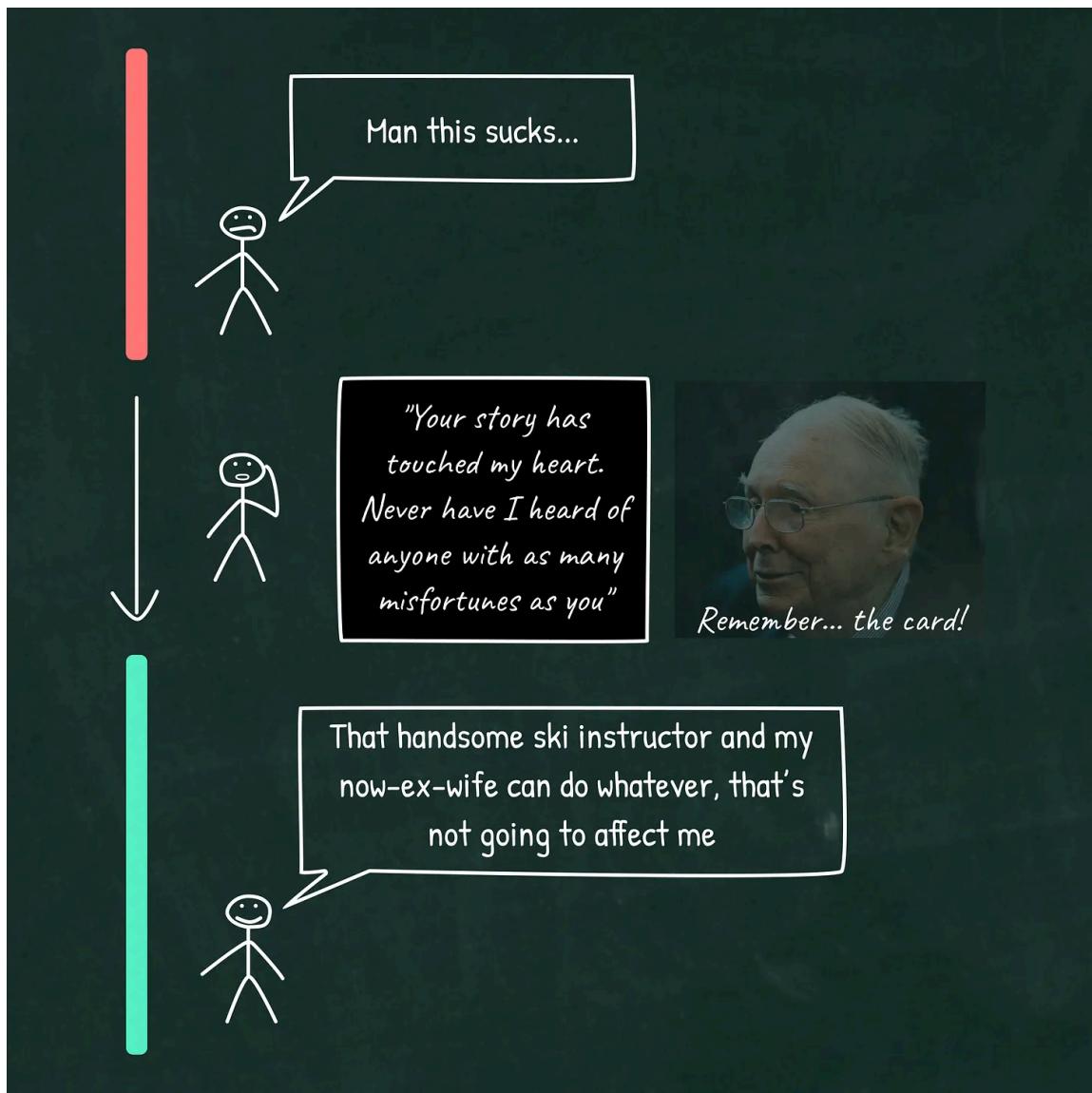
...

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.

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."

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"

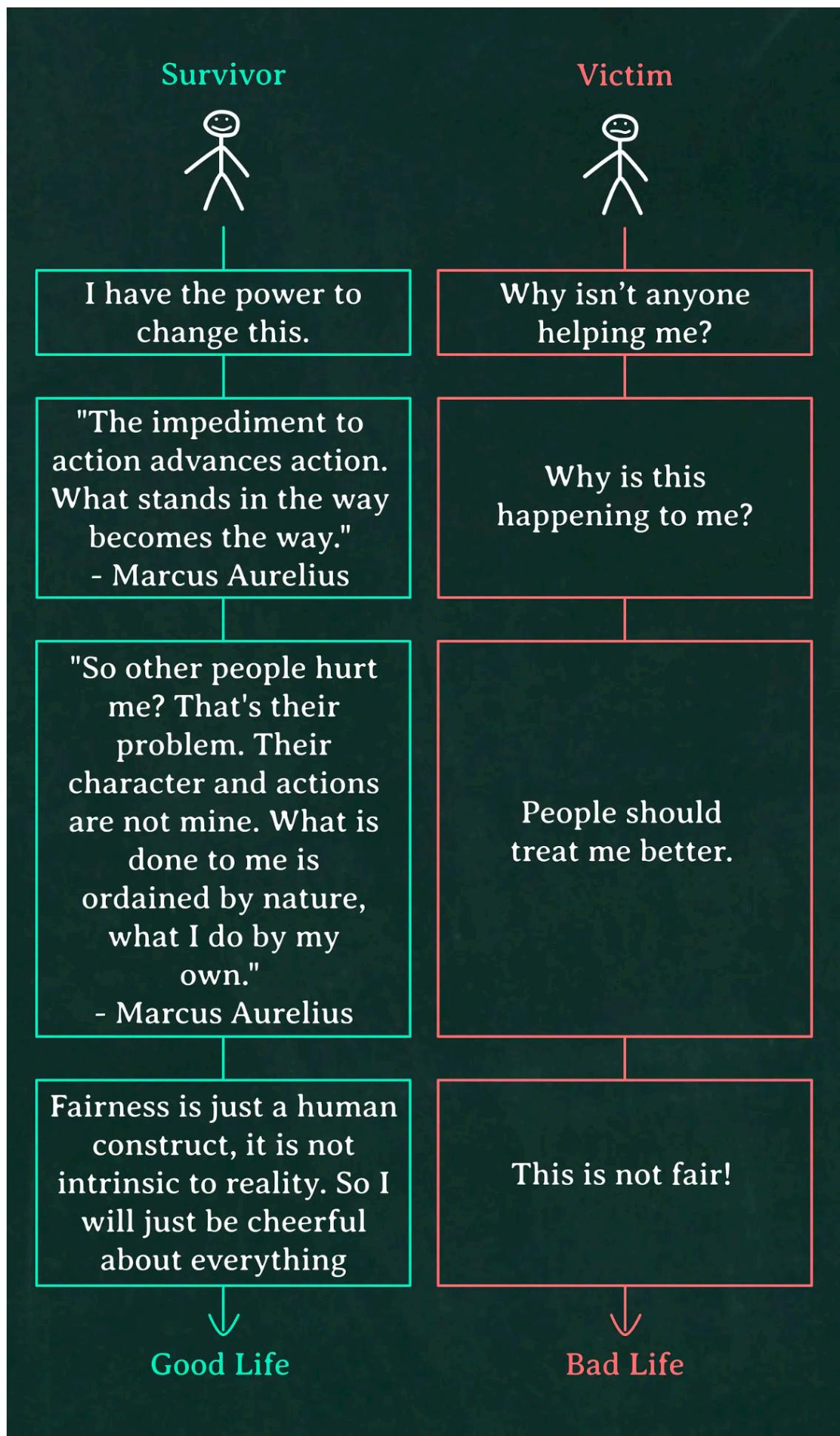
- Buddha

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



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

● Charlie Munger (transcript):

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.

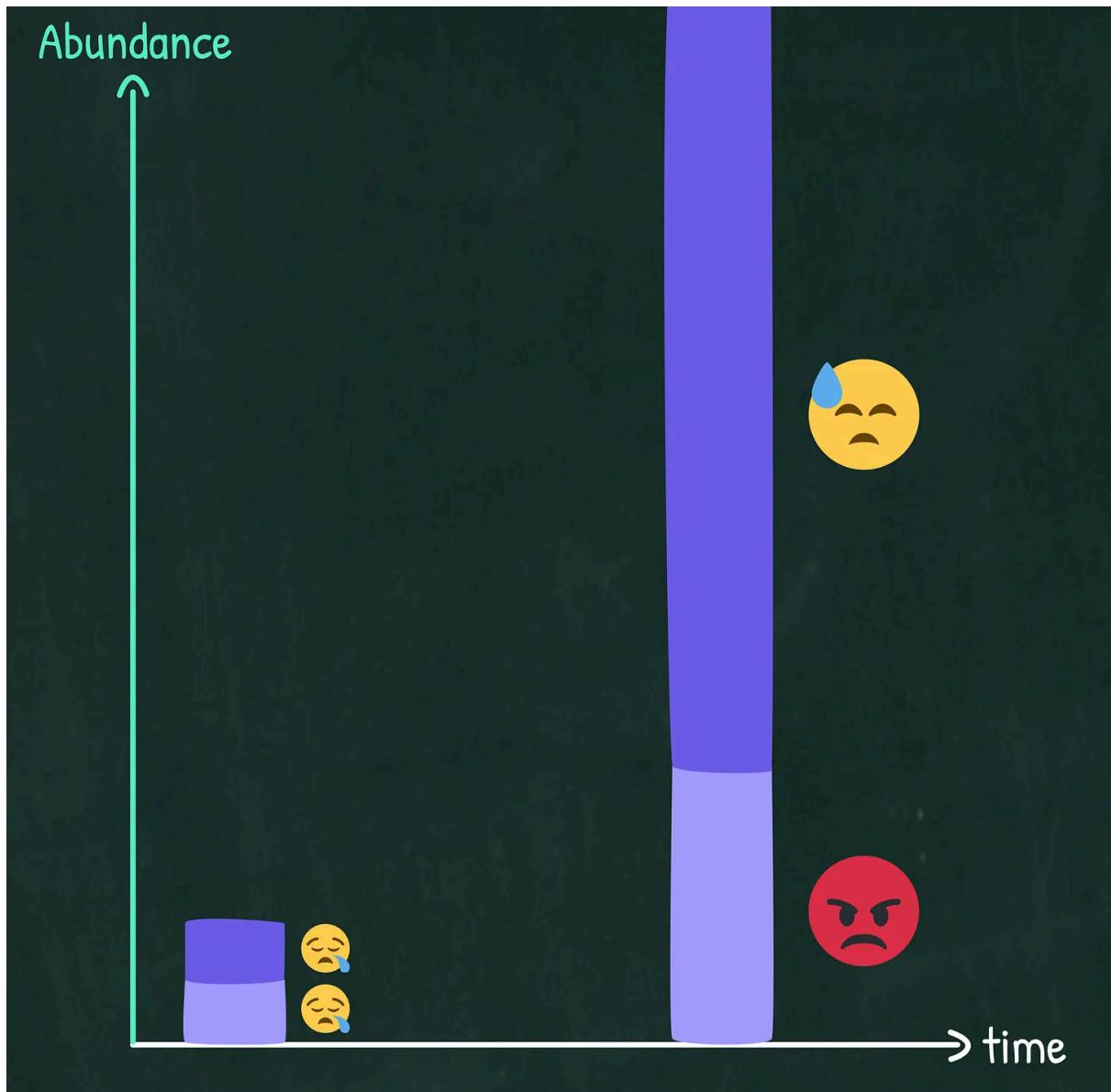
Think of the pretentious expenditures of the rich. Who in the hell needs a Rolex watch so you can get mugged for it? Yet, everybody wants to have a pretentious expenditure. That helps drive demand in our modern capitalist society. My advice to the young people is: don't go there. To hell with the pretentious 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](#))



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](#))

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>Fantastist</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:

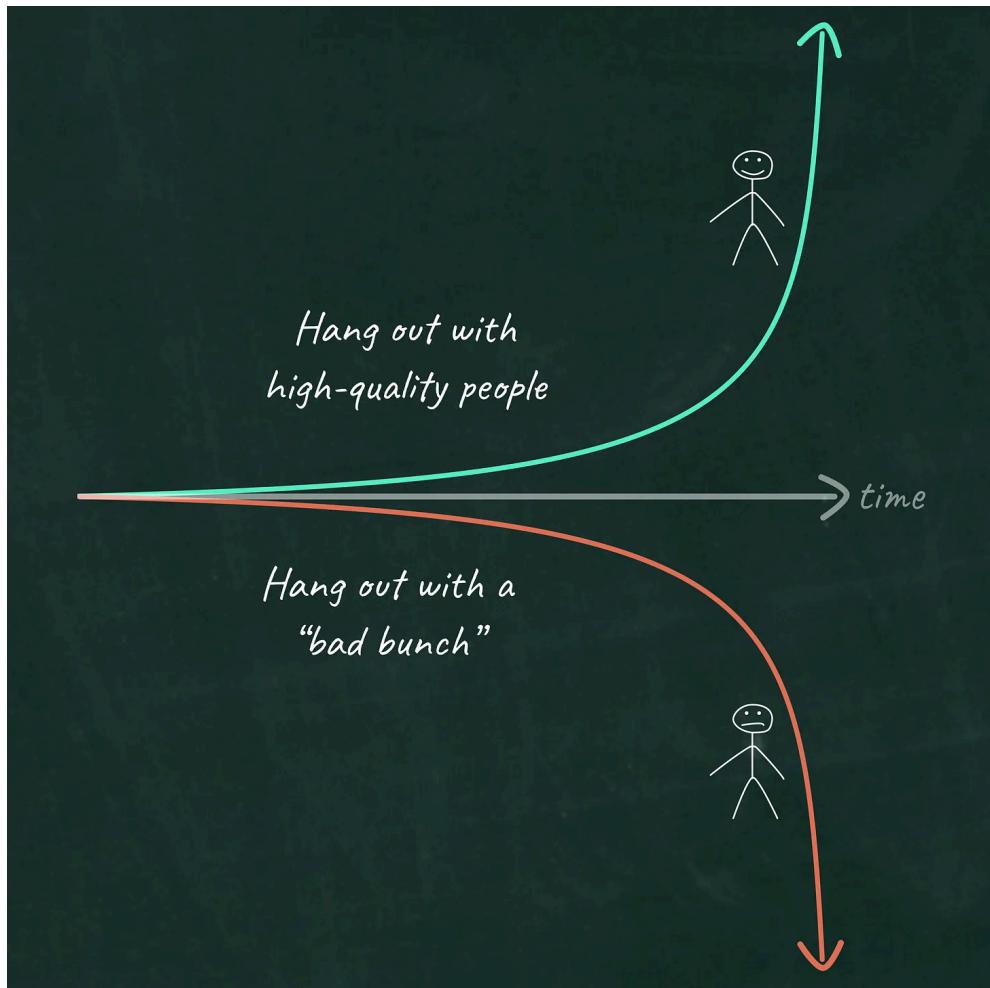
"There's the 'five chimps theory' where you can predict a chimp's behavior by the five chimps it hangs out with the most. I think that applies to humans as well. Maybe it's politically incorrect to say you should choose your friends very wisely. But you shouldn't choose them haphazardly based on who 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."

(Source: [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 (The Bed Of Procrustes)

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.

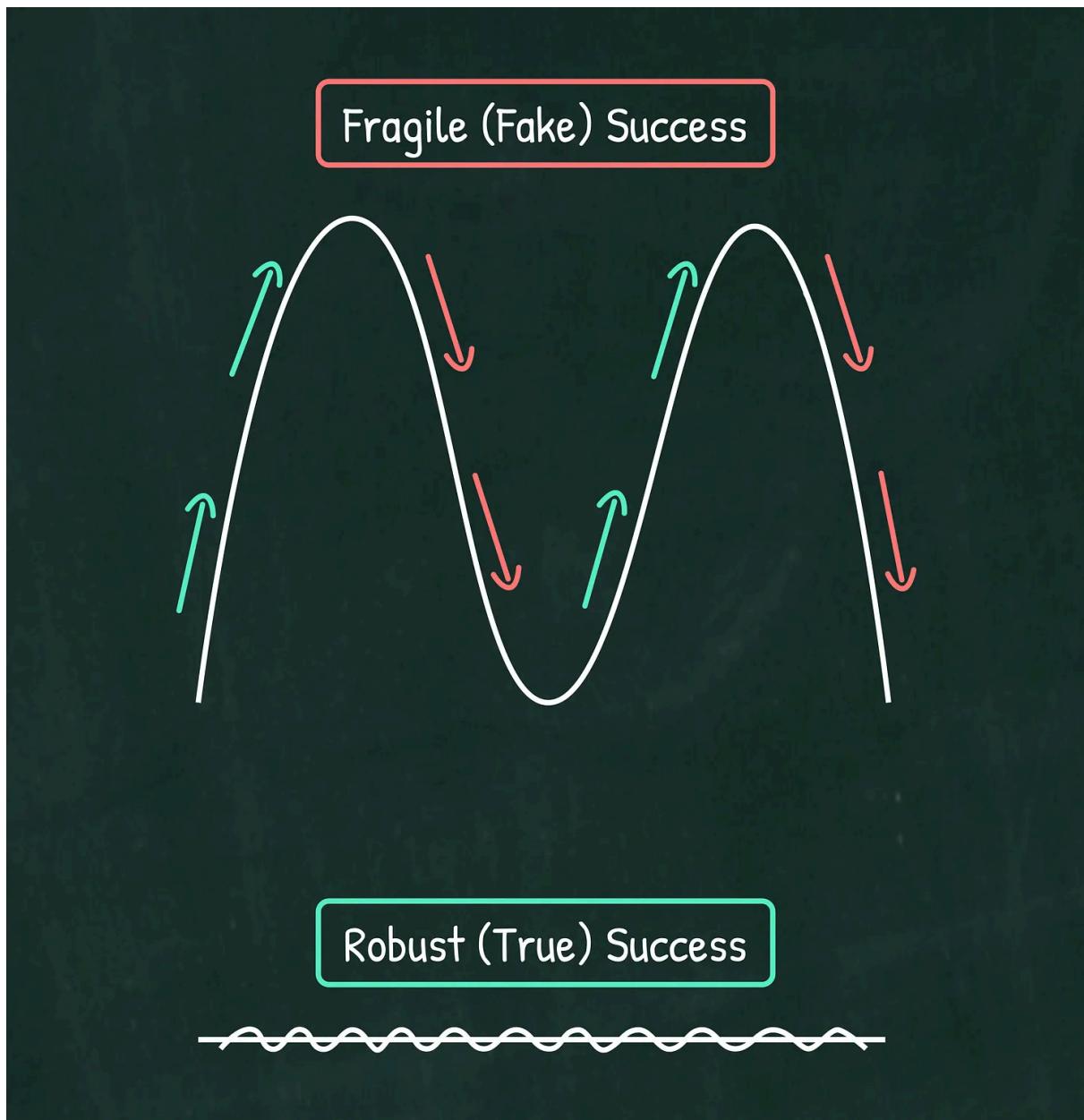
(Source: [Commencement Speech at the American University of Beirut](#))

"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?"



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.

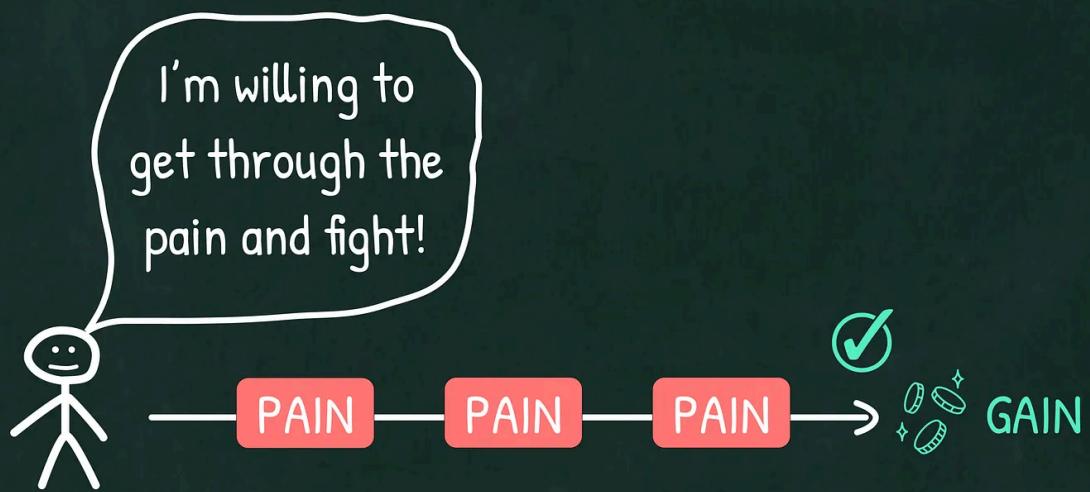
There's a lot of crappy advice out there that says, "You've just gotta want it enough!"

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."

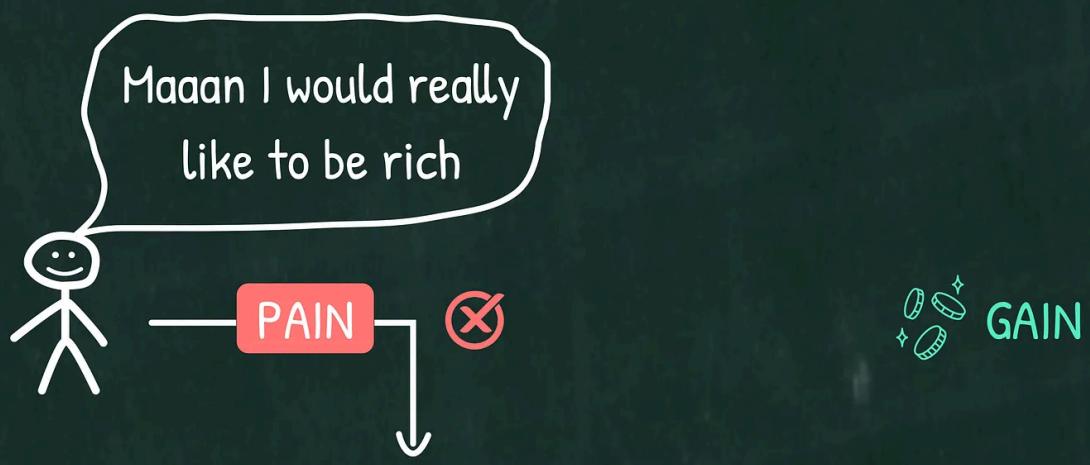
Because if you want the benefits of something in life, you have to also want the costs. If you want the beach body, you have to want the sweat, the soreness, the early mornings, and the hunger pangs. If you want the yacht, you have to also want the late nights, the risky business moves, and the possibility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

The Most Important Principle for Wealth Creation

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.

(Video: [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...

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.

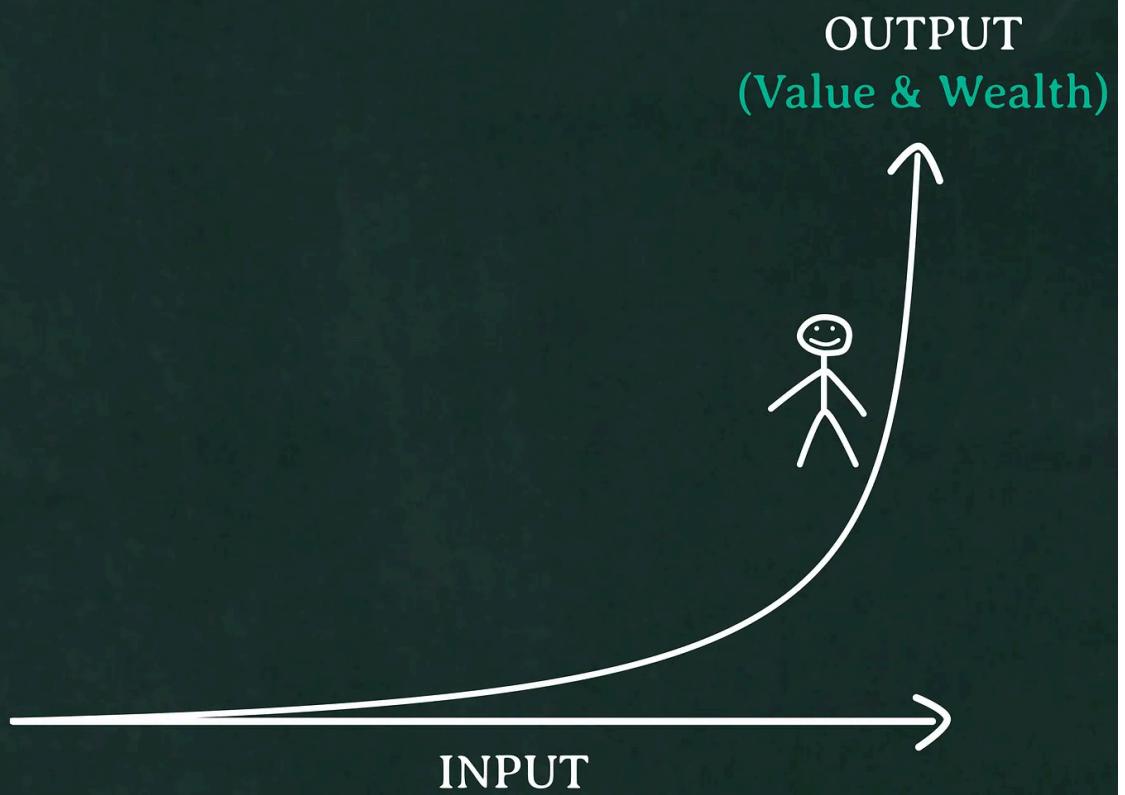
You can create software and media that works for you while you sleep.

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](#))

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.

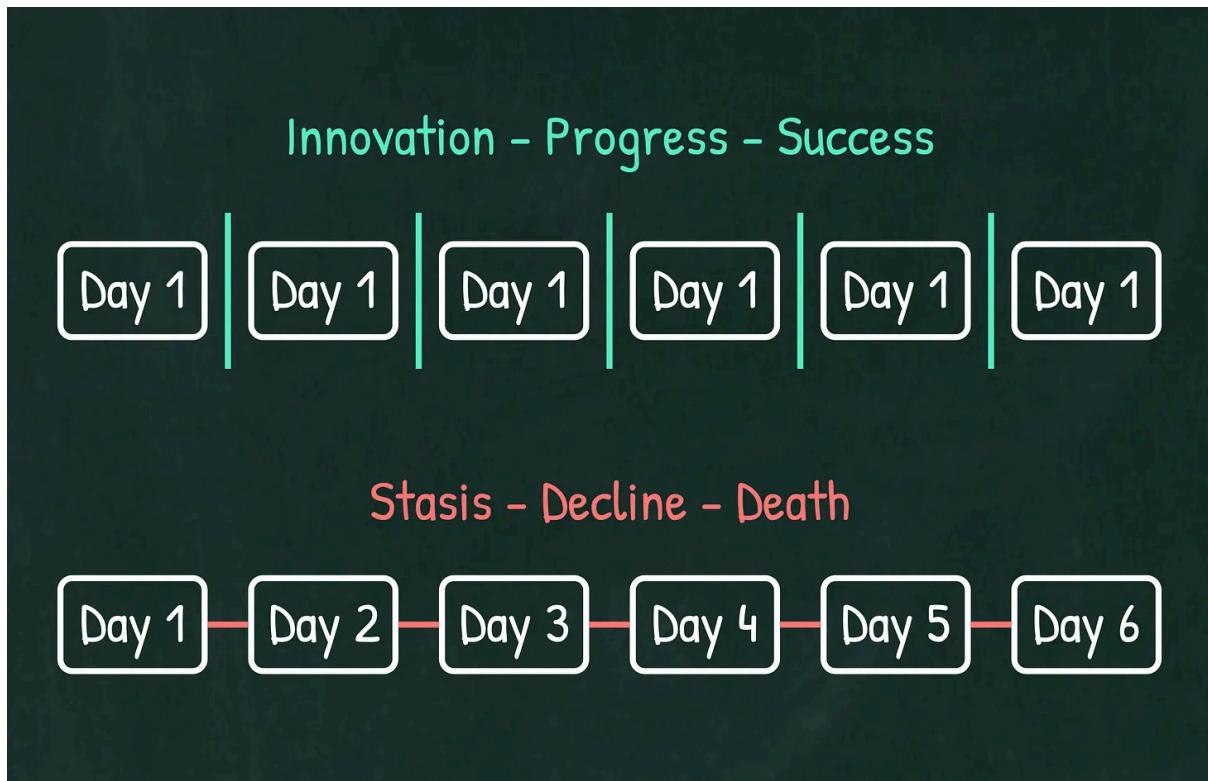
(Source: [Lex Fridman Podcast](#))

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



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

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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)

Becoming 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.

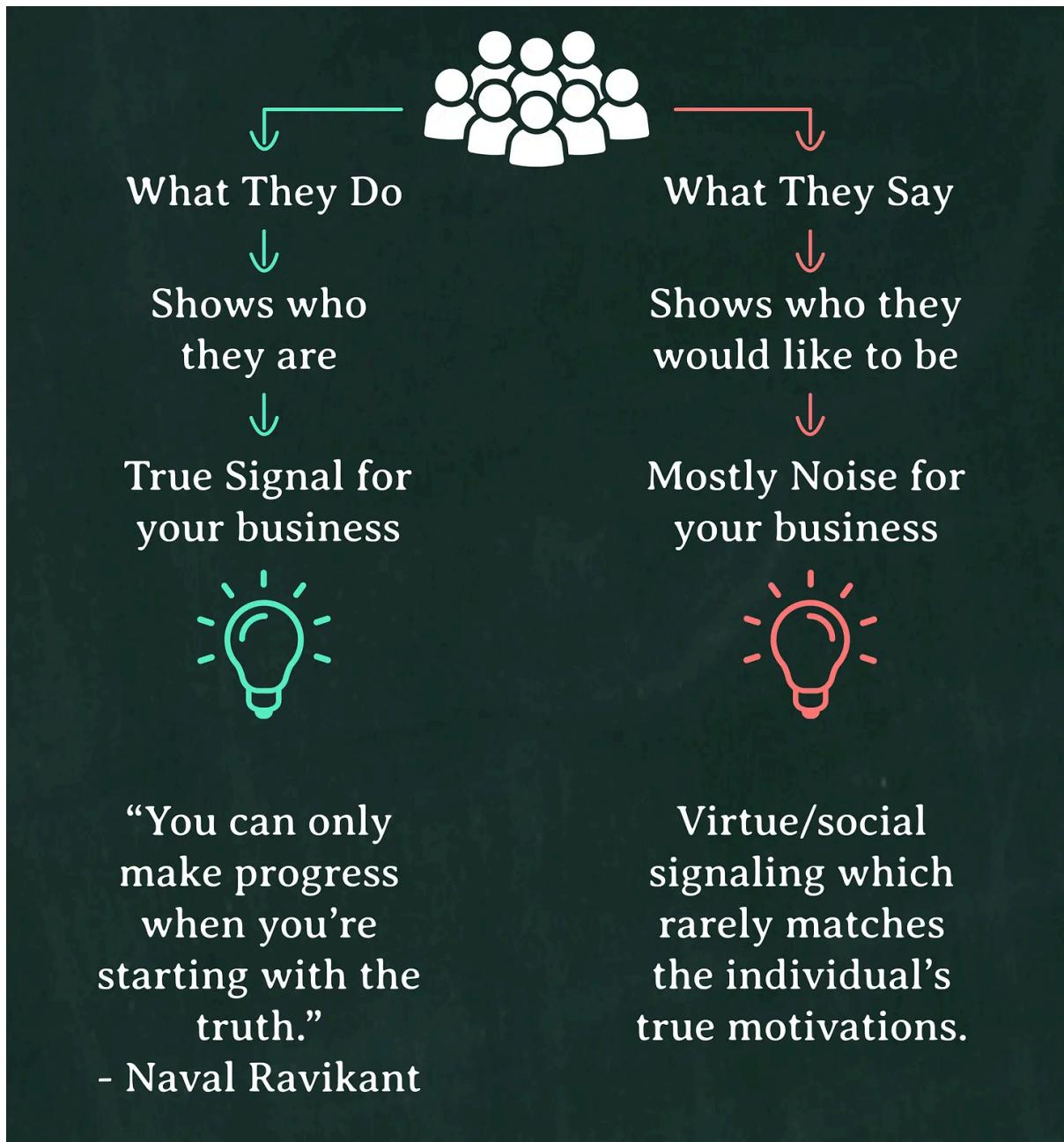
Bond [Gary's son], this phenomenon is common. All of us, including thee and me, have a slightly shrewd idea of ourselves. **We often try to convince others and ourselves that we are something we are not, something we have an idea we "should" be.**

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



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](#))

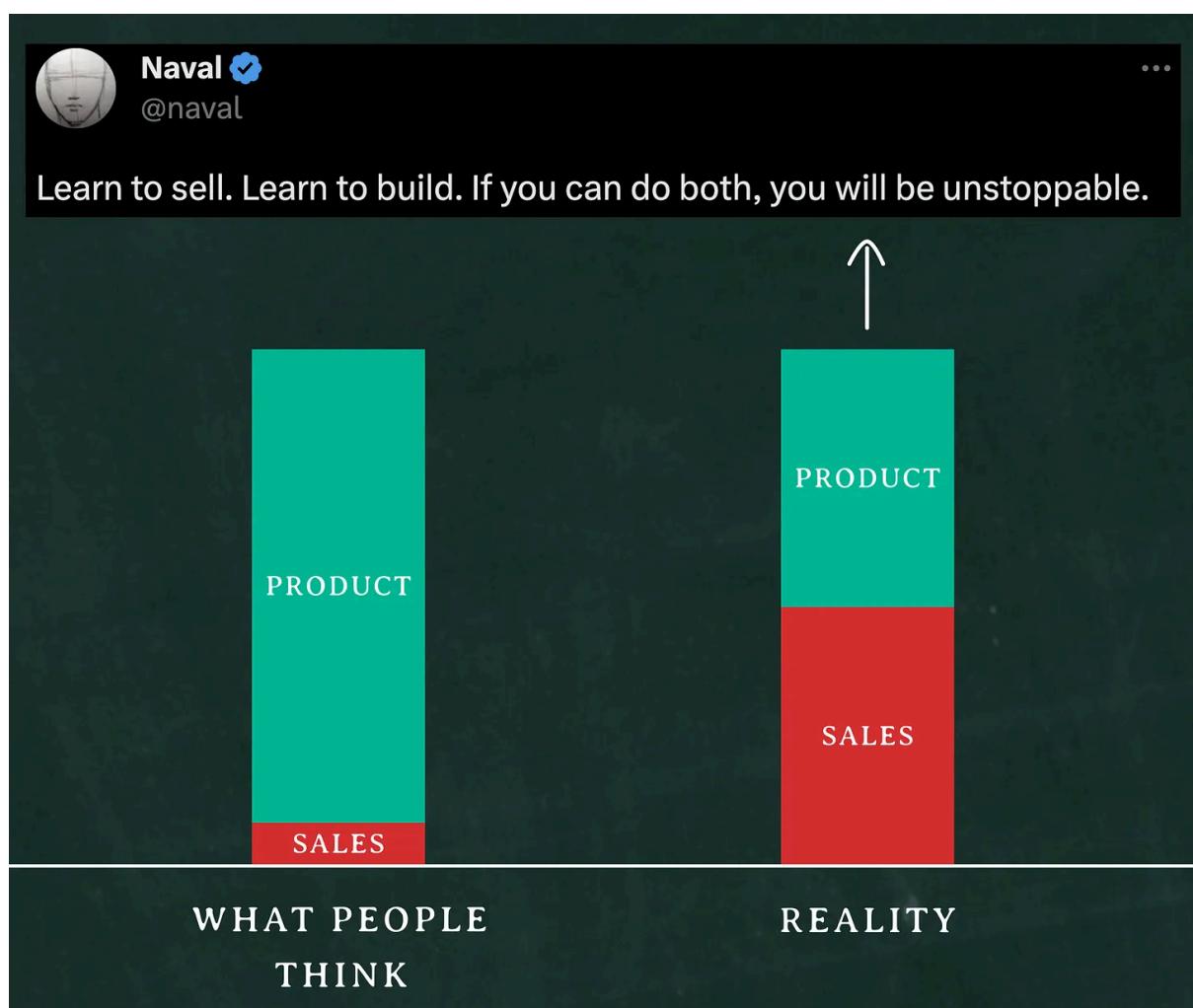
How To Think About "Sales" (And Why Most People Underestimate It)

● 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

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

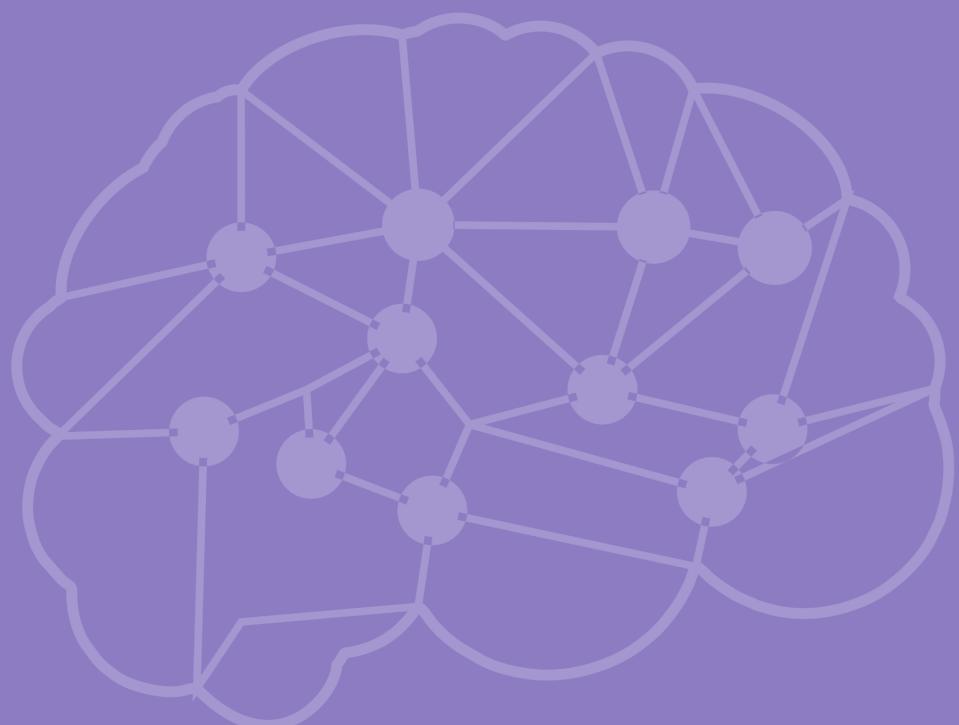
As Alex Hormozi said "It is one of the unique things about the Media Business — How you market the product is also how you fulfill it." ([source](#))

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.

PART III

WORLDLY

WISDOM

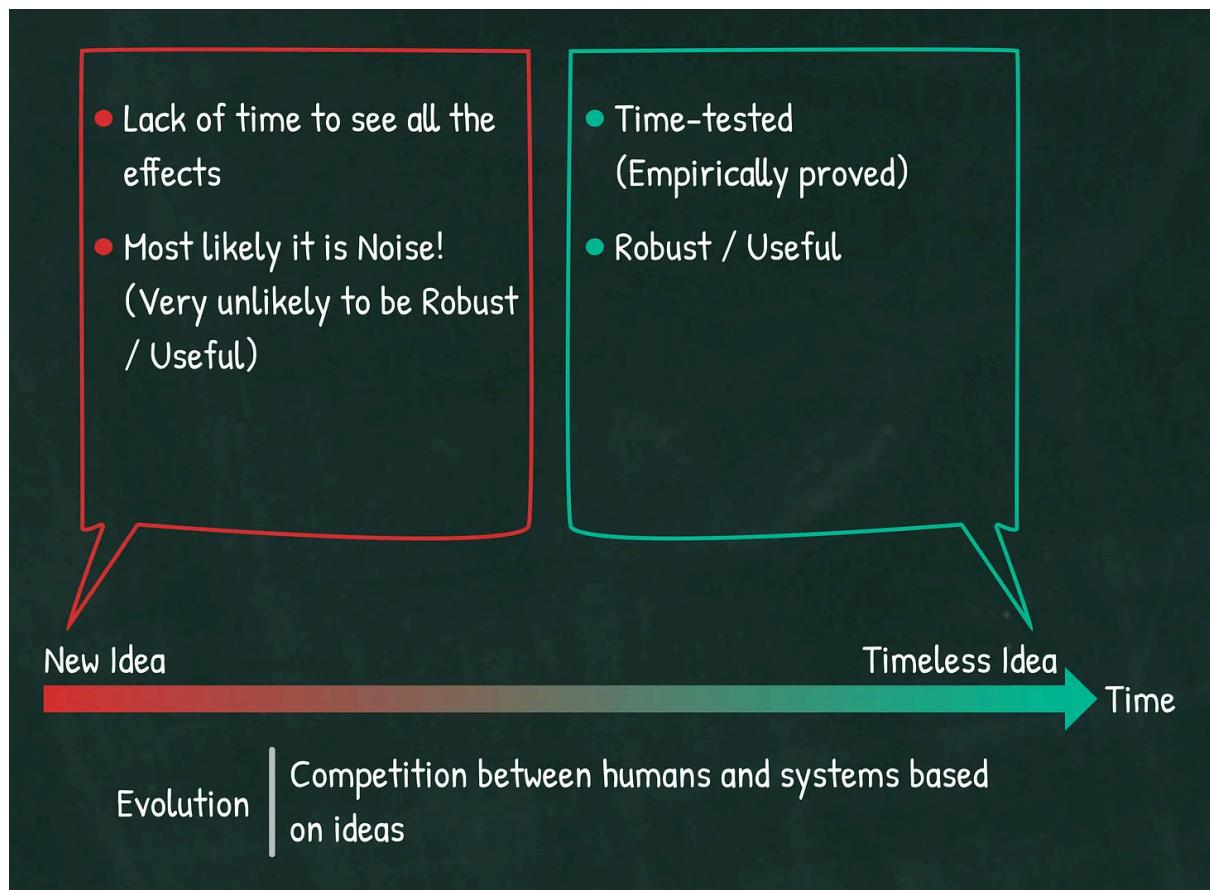


How To Tell If an Idea is Good or Bad?

● 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.

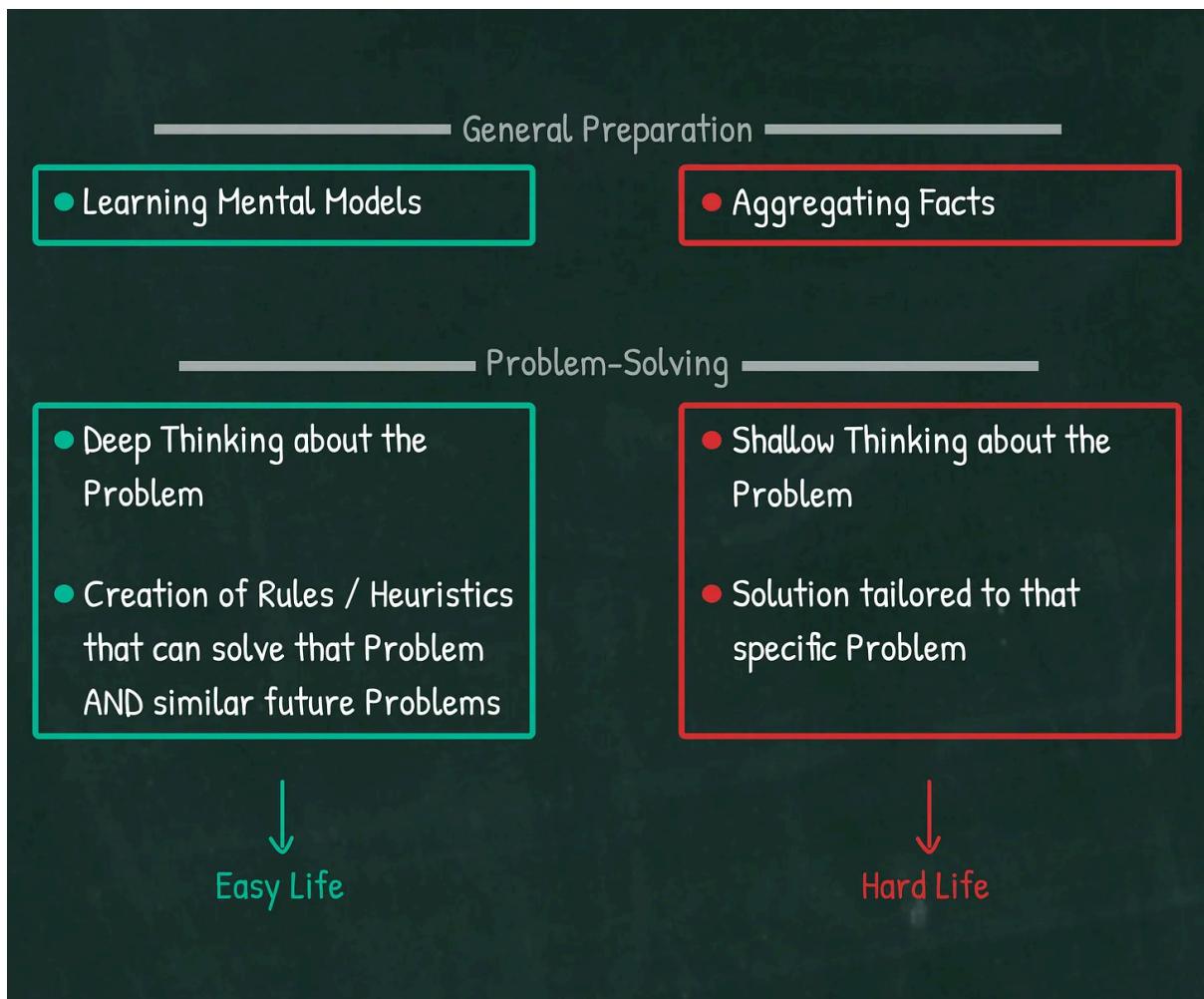
But there is a deeper question: What are our minds made for? It looks as if we have the wrong user's manual. Our minds do not seem made to think and introspect; if they were, things would be easier for us today, but then we would not be here today and I would not have been here to talk about it—my counterfactual, 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).



... 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.

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:

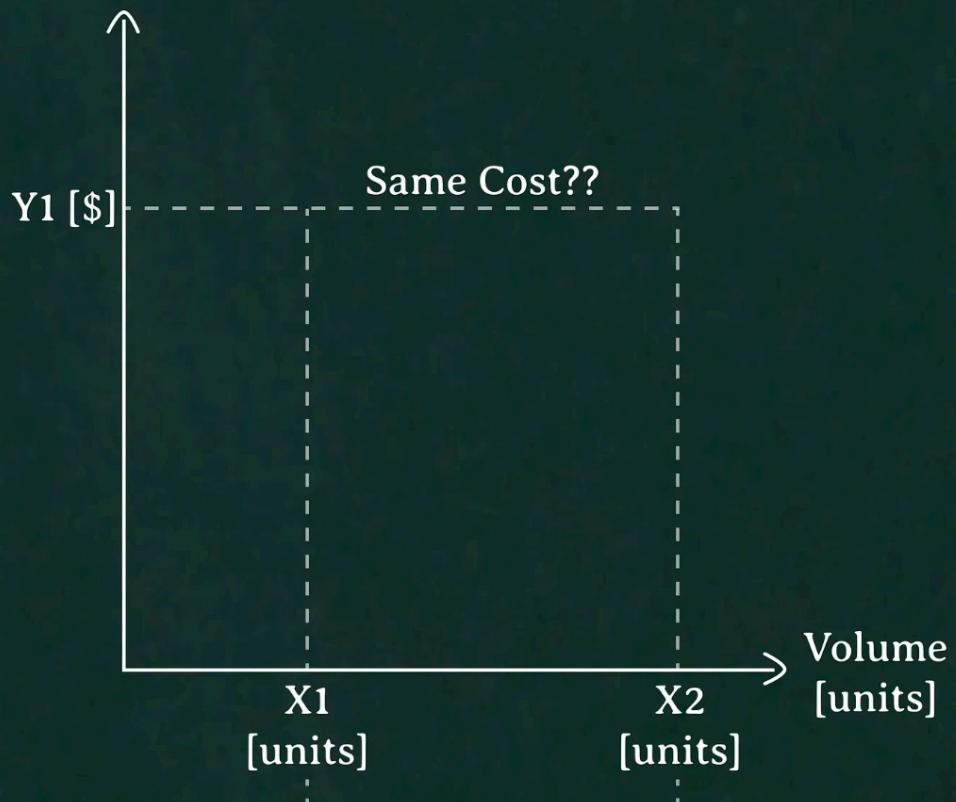
"Well it's expensive because our unit volume is low. And if we were in the Automotive [industry] or Consumer Electronics then our costs would be lower."

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”

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]: "Is there [thinking] parallels you see between Elon Musk, Steve Jobs, Albert Einstein and Leonardo Da Vinci?"

● Walter Isaacson:

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.

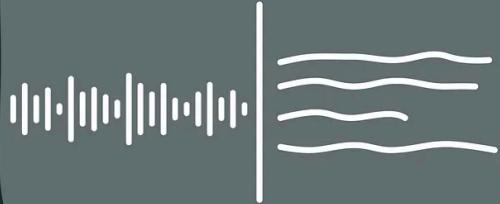
"The design is not just what it looks like and feels like. The design is how it works."

- Steve Jobs

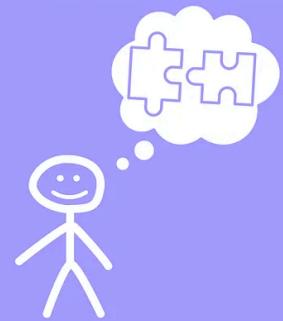
"Among the masters of Parisian fashion, Balenciaga was the greatest. Indeed, many would rate him the most original and creative couturier. And he was a true couturier, not just a fashion designer. That is, he could design, sew, cut, fit and finish. And some of his finest dresses were entirely his own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

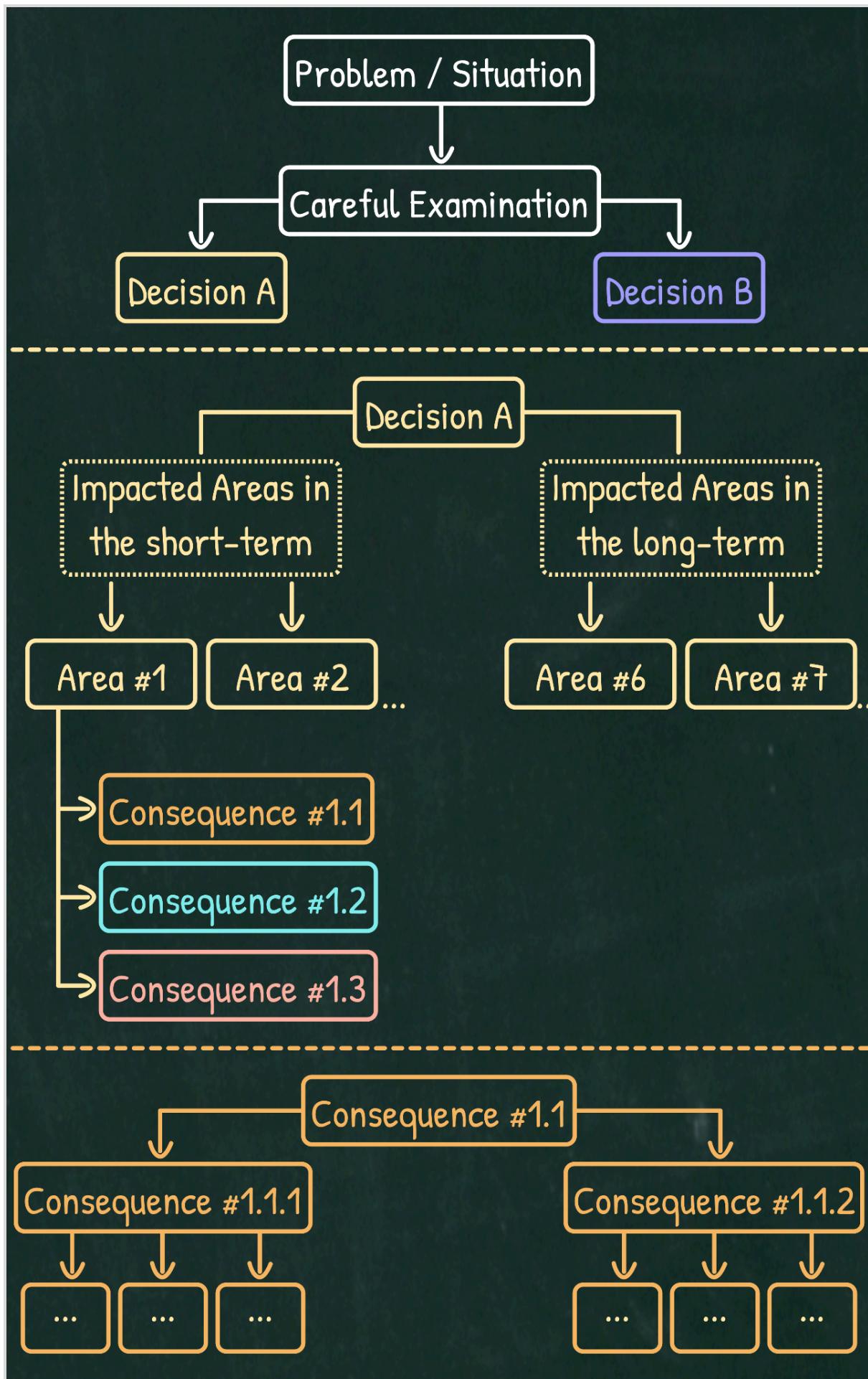
Reflections

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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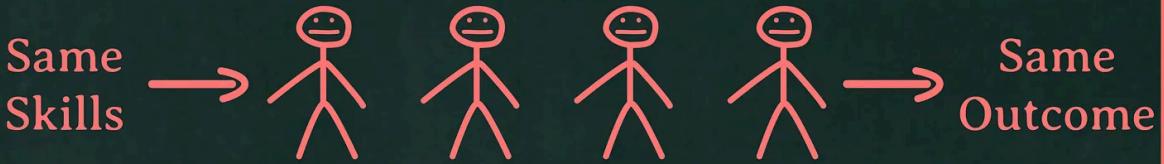
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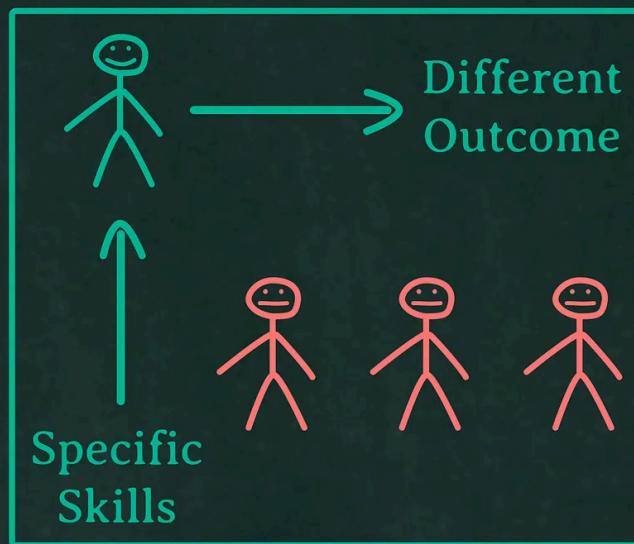
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People who focus purely on formal Education



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.

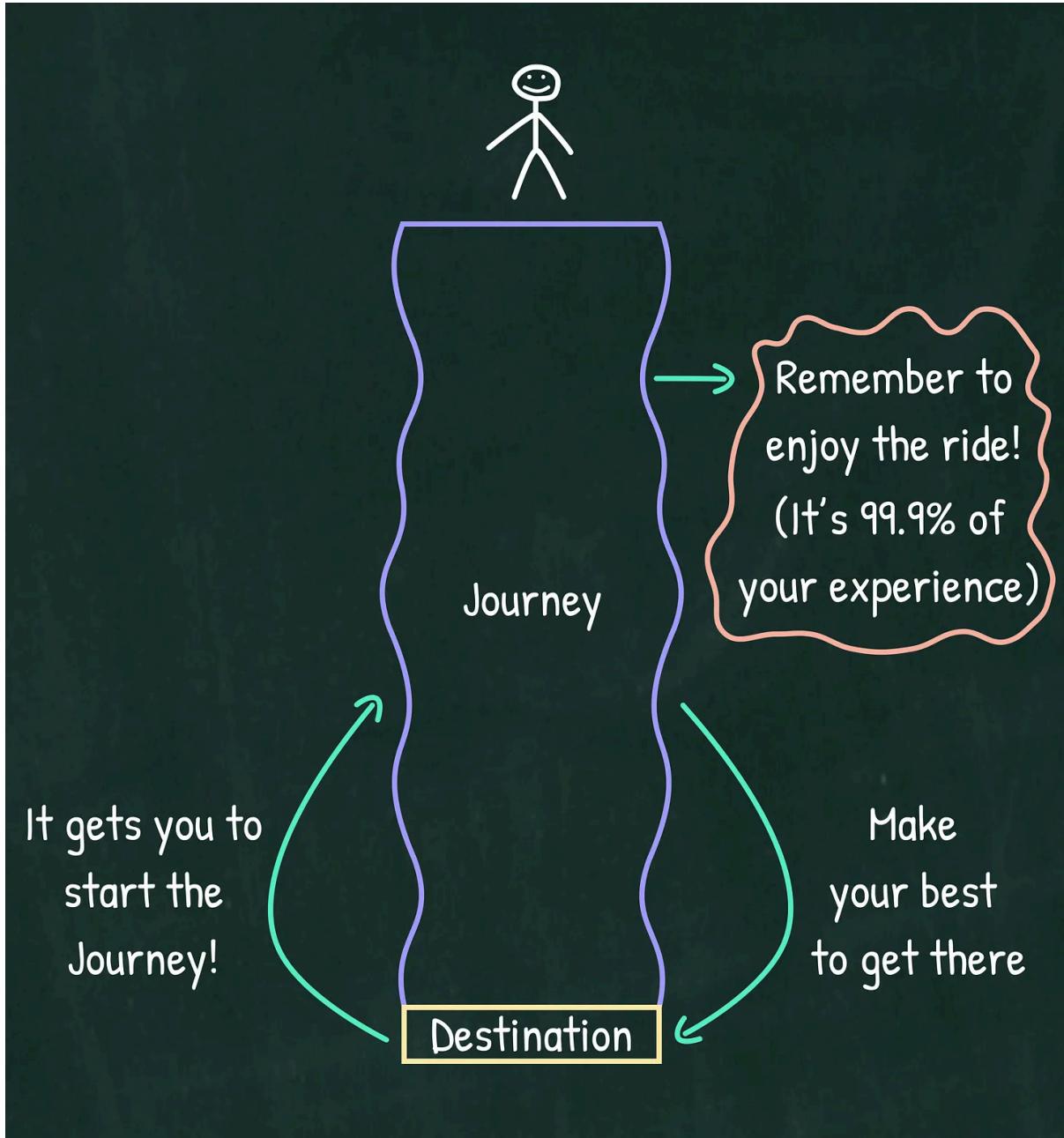
That said, the journey is the reward because it's the real thing. It's what you actually live for 99.9% of the experience, and it's what transforms you and makes you.

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...

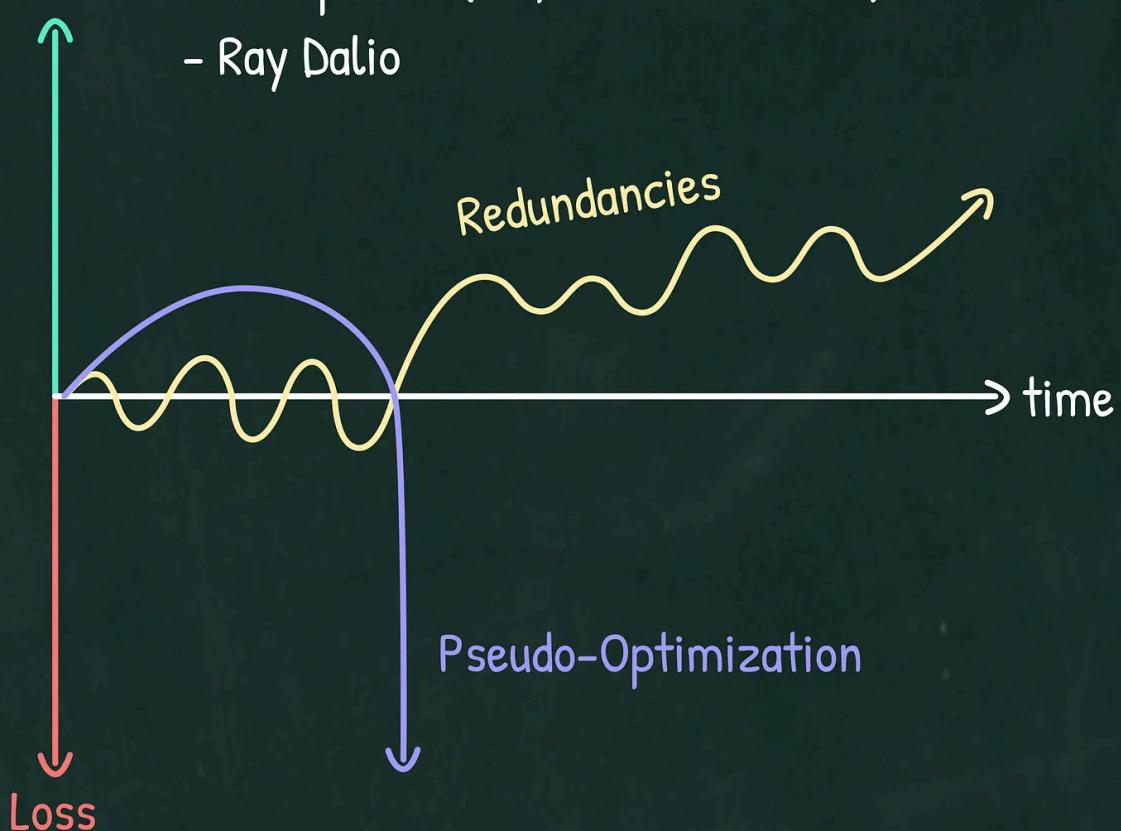
It's not a cost to have extra stockpile for companies because if there's a crisis, there's a squeeze [when you are forced to take an action at any cost/price] and the other people don't have what you need [then] the price of the commodity shoots up massively and you can sell it [or use it for yourself].

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

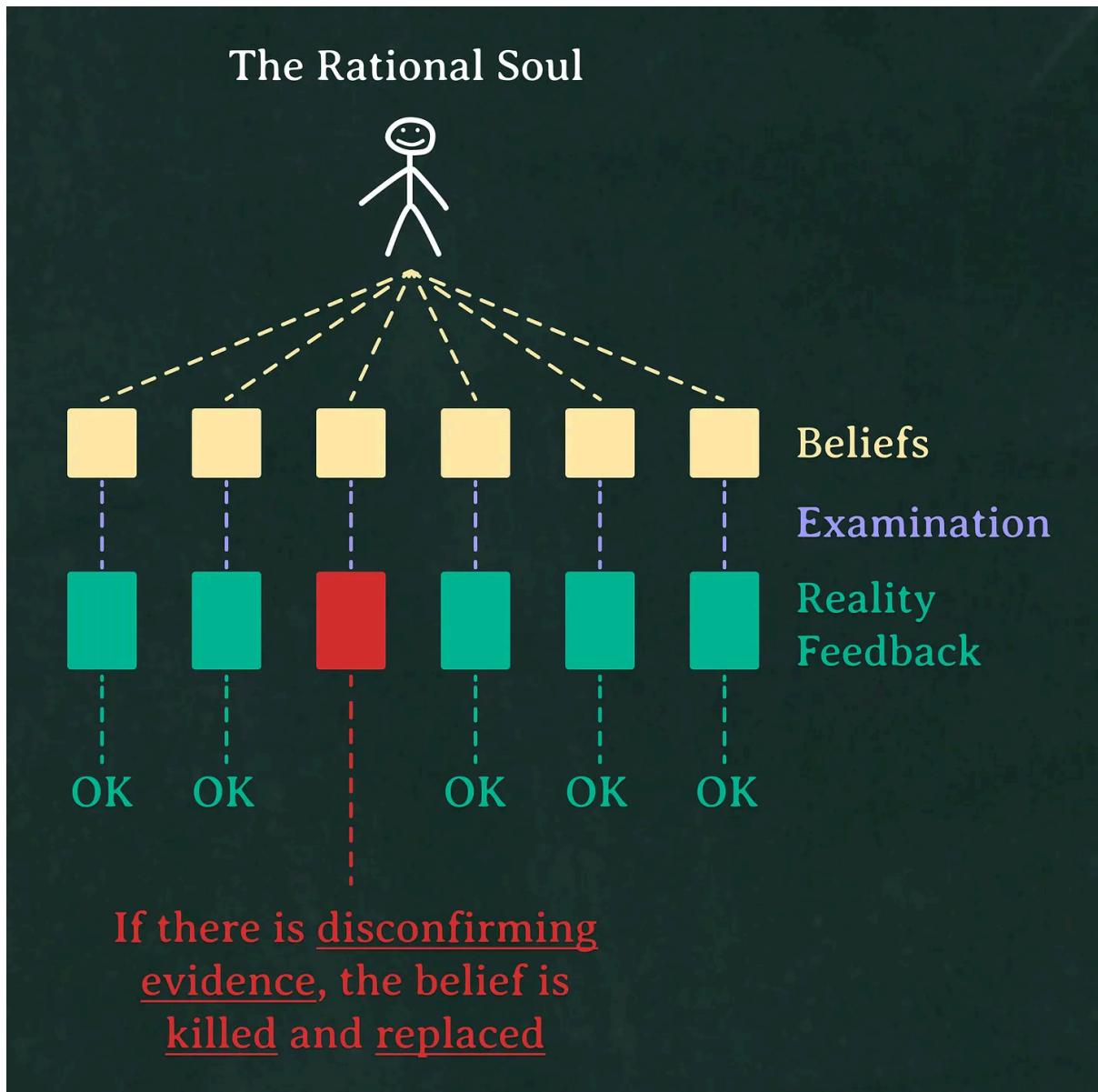
(Book: [The 50th Law](#))

"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."

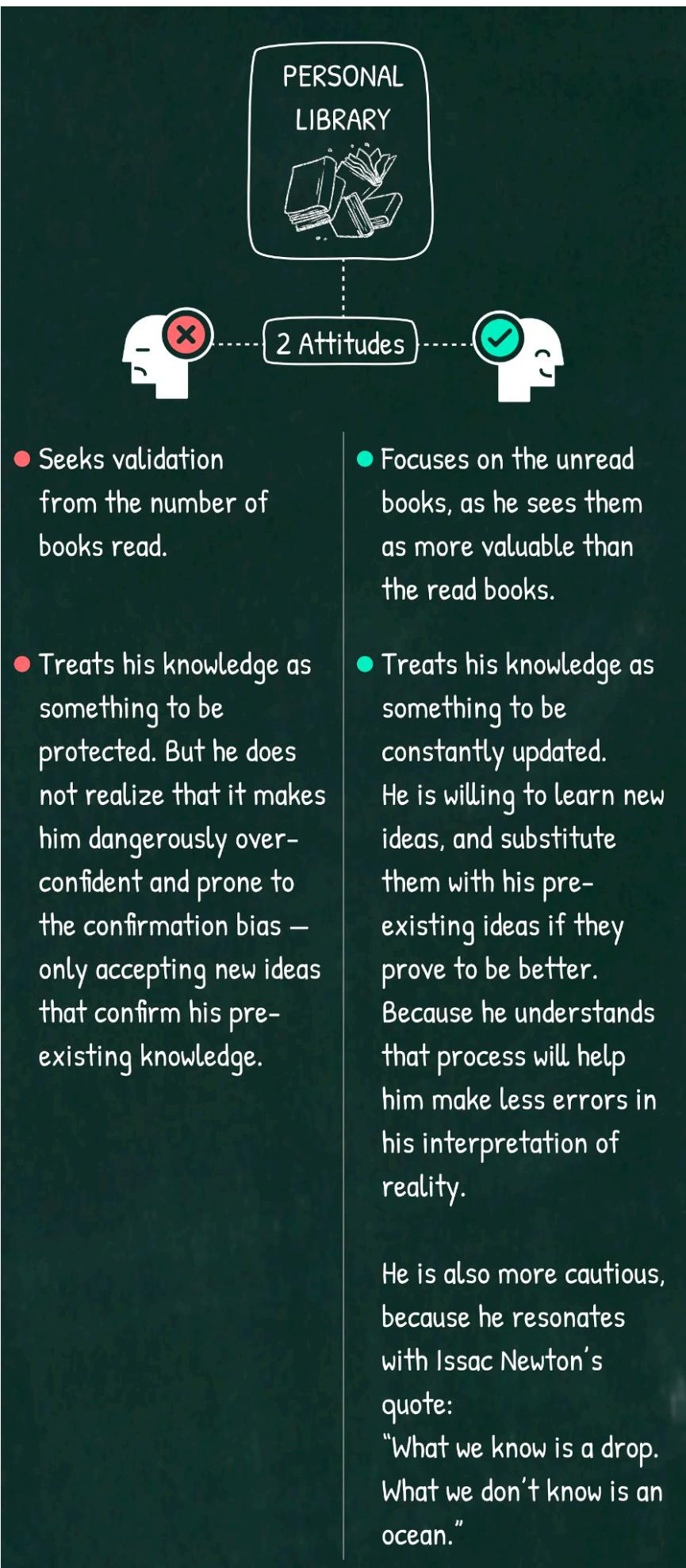
- Charlie Munger

"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](#))



Contact

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