

Powell, Colin & Koltz, Tony – It worked for me, In Life and Leadership

HarperCollins, 2012, [Surrounding Knowledge] Grade ★★☆☆

I have admired Colin Powell since Desert Storm. The former four star General, Chairman of the Joint Chiefs of Staff, and Secretary of State is a role model of a natural leader. It's obvious to all of us. But it was not his power, his decisions or even his communication that fascinated me during those hectic days of Desert Storm. It was rather his calmness in stormy waters and his ability to bring bulls eye focus on the critical issues of a problem. It certainly worked for him. Can we learn from him to improve our investment processes and decision-making? Or is Powell's success just a function of personal capabilities?

The book begins with Powell's personal rules learned over the years. We have heard varieties of them before, from different people on different occasions, but it is still extremely useful to have them listed in a structured way and especially to read Powell's anecdotes on each of them. I like all 13 of them, but there are some favorites, e.g. no 3: "Avoid having your ego so close to your position that when your position falls, your ego goes with it" and no 7: "You can't make someone else's choices. You shouldn't let someone else make yours."

The following chapters are about "Know yourself, be yourself" and are the best part of the book in my opinion, e.g. the chapter on "busy bastards", where he states, influenced by Pres. Reagan: "I am paying them for the quality of their work, not for the hours they work".

Management is partly to "take care of the troops". This might be Powell's premier skill. There is plenty to learn from his thoughts here e.g. chapters on "Never walk past a mistake" and "The guys in the field are right and the staff is wrong". It's impossible not to chuckle at mistakes I have made myself during the years when reading these pages, e.g. "Problems have to be solved, not managed".

Another useful part is called "Fast times in the digital world" with chapters like "Tell me early" and "Beware first reports". I got flashbacks from Bernard Baruch's famous saying on finding the facts. Sometimes the Military and Investment worlds feel like twins. It's intriguing to learn how Powell handles the behavioral traps we all know of but still fall into.

Part V: "Getting to 150 percent" is also thought provoking, with 15 chapters on hands-on management. A great one is "Mirror, Mirror on the Wall", which describes how the Army review their actions, similar to NFL Teams, in order to improve performance. We have much to learn here... I get recollections of some of the principles in Jack Welch's "Winning".

The final 75 pages are called "Reflections". They are about Powell's thoughts on different issues and personal experiences. This section is usually interesting as well, but not up to par with the first five parts of the book. Due to the fact that the chapters are written at various times, there is some repetition, but over-all the language is good. There are many wonderful lines, e.g. "Kindness is not a sign of weakness. It is a sign of confidence". Another favorite on a difficult subject is "Loyalty is to disagree strongly, but to execute faithfully".

The verdict is an obvious yes. Everyone can learn from Powell's value system and leadership principles. And I believe most of us can improve our investment processes by using the values and principles if we have a team approach. But we need to practice a lot to reach his level of skill...

I truly believe even a very experienced investor will find some gold nuggets in this book, even though the grade is just 3 with our rating system. The grade for wisdom on values and leadership would clearly be a strong 1.

Michael Persson, August 27, 2012