
Book Club - December 2019

During last night's InvestingByTheBooks book club meet-up the theme was biographies. The following four books got presented: *Med Blicken på Stigen* on Gustaf Douglas, *How to Fail at Almost Everything and Still Win Big* on Scott Adams (the creator of Dilbert), *Black Edge* on Steven A. Cohen & Stephen Schwarzman with *What it Takes: Lessons in the Pursuit of Excellence*.

When reading biographies, it's important to emphasize the risk of stepping into survivorship bias. How many failed while these successful people won? Was the success driven by mostly skill or luck? It's very hard to grasp as a story may be truthful but are also an after the fact description. It's easier to judge a diary but who writes a book not knowing that they will be successful, and who will publish it? Not many. Therefore, we read what we can get our hands on which is biographies. We are, however, armed with Rosenzweig's The Halo Effect in our back pocket to guard us from being too carried away by the fascinating stories. Discussing the books with a group of tough critics may be the best way to keep our feet on the ground.

Med Blicken på Stigen, Mats Hallvarsson

The first book is about one of Sweden's most successful businessmen and the main owner of the industrial conglomerate Latour. It's a book about his life but also a guide on how to build a fantastic business. Douglas goal has been to become the best possible business owner and it's difficult to argue against the end-result.

Recipe for success: Hire the right people, buy the right businesses and let them grow.

Highlight from the group discussion: People such as Jan Svensson and Melker Schörling has been vital for the value creation of Latour. How much of the success has been due to them compared with Douglas?

How to Fail at Almost Everything and Still Win Big, Scott Adams

Judged by the title this could have been a book by any of the successful venture capitalists. In fact, this is a book about Scott Adams, the creator of one of the most successful comic books - Dilbert. Adams created a system to achieve success in life and the book is filled with interesting life hacks.

Main idea: By being good (not excellent) in many different disciplines Adams believes it's possible to come out ahead which is comforting for all generalists out there.

Highlight from the group discussion: Which disciplines are truly relevant for achieving success?

Black Edge: Inside Information, Dirty Money, and the Quest to Bring Down the Most Wanted Man on Wall Street, Sheelah Kolhatkar

This is a book which should be read as a self-help book in reverse. How do you build a life centered around major financial wealth creation but end up with no loved ones? Ask Steven Cohen. For all financial catastrophe book junkies out there, this one is for you.

Key insight: Act with integrity and work in environments that keep the same high standards or risk disaster.

Highlight from the group discussion: How deliberate was the quest for a black edge? A gradual journey from white to gray to black or all black from the start?

What it Takes: Lessons in the Pursuit of Excellence, Stephen A. Schwarzman

In this biography about the co-creator of Blackstone Stephen Schwarzman the reader gets insight into how he built a hugely successful company. He presents his 25 rules for success and many fascinating stories into how the company became such a success. Although some may say that it mostly came down to some lucky circumstances it's difficult to say and what we are left with is a vastly successful business.

Major takeaway: Just because something offers a bigger payoff doesn't mean it will be harder to achieve. Go for the big ones!

Highlight from the group discussion: How much was luck vs skill?

Niklas Sävås, December 9, 2019

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