

How much money would you give to change your appearance and life forever if you had to put a price on this?

Guy Spier's price was \$650,100. And this was only for having lunch with Warren Buffett who is a business magnate and philanthropist, a man he believed could afford him the tools to change himself from a ruthless and dissatisfied hedge-fund investor to a happy, grounded value investor.

Spier's senses were right, and he left what must've been the most costly meal of his life as a recreated man, luckily for him.

Studying at the University of Oxford, Spier became a clever and ambitious fraudster in the financial world and began what seemed like a success with an outstanding career.

The single problem was that he was deeply joyless. And that resulted in spending most of his time in a working environment he definitely hated, leading him to concession his principles and become – as he calls – an inauthentic person.

The thing he did next surprised and shocked his colleagues and former school mates: he found an entirely different business mind for himself, that affected him to break with most of the existing protocols of the world of finance.

Chapter 1 - A privileged education can be a barrier to dealing with real-world issues.

For all the prestige of elite education, that type of education usually schools skills that easily cannot be used in the actual world.

Profoundly educated people from elite business schools didn't recognize the last 2007-2008 financial crisis arising, for instance. Why? Since there are some fatal problems in the method that these schools educate their students.

Elite business schools and universities encourage students to improve particular technical skills grounded on specific theories. However, those theories fail to take the real world into account and hence do not work in the real business world.

Theories and economic models are created under the presumption that one can have an excellent amount of knowledge. In reality, things don't work that well.

Consider the price of ham. Theoretically, it's possible to calculate the cost of ham. You could look at the number of stores selling it, the number of pigs that are slaughtered, what the demand is, and then find out the ideal price.

However, that price will not match with the actual price. There are several other elements to contemplate. Stores in some locations, like train stations, will make their hams more expensive; and other stores will have offers that make their hams cheaper, for example.

In the actual world, because all this knowledge is impossible to hold in hand, the theories educated in elite schools never completely match the truth.

Elite education concentrates too little on rationality, ignoring the power of human instinct and critical thinking. While unusual styles of thinking are condemned, rational thinking is respected.

Therefore if you come up with a thought or argument that diverges radically from the standard in your studies, probably you'll keep it to yourself, because sharing it may end up that you being accused of madness.

Conversely, if you become to be a very rational thinker, an elite institution may consider you sublimely brilliant. Lots of people with a first-class education believe they know everything, and when they join the world of work they neglect the learned advice of more experienced people since they think that they are lower.

Chapter 2 - Some organizations may push their workers to question their ethical and moral values.

You're recently graduated from college and have newly entered a big investment bank. Normally, you need to create a good impact.

However, in the first week, you realize that the bank frequently earns money through cheating clients out of theirs.

What should you do? Should you stay and continue to assist their immoral ways, or move away with clear moral? This dilemma is one that lots of employees are forced to face because numerous companies – particularly those on Wall Street – use questionable tactics to maximize their earnings. To achieve more customers and money, some investment organizations have low moral norms and intent to misuse clients with their insistent salesmanship.

Consider the brokerage firm D. H. Blair & Co. For duping their customers, that firm made investment deals seem more profitable than they truly were.

Furthermore, the executors of such corporations demand from all of their workers to go along with the shenanigans. In particular, for new employees, that can cause a hard ethical dilemma. Yet it's not just the expectations of others that can make you forget about your own values. Also, it's your natural desire to succeed. The strain of competing with others and the desire for succeeding might give you a cause to extend your moral limits.

Think you're the single one in your investment organization that hasn't made a deal yet, but you're suspicious that every colleague of yours is using questionable ways to achieve their goals. You don't want to be left behind if you're like most people. Therefore, it's probable that you'll question whether you should follow the way of your dishonest colleagues and knowingly mislead your customers.

Numerous fall into that trap and eventually make the mistake of budging from their own standards.

Still, these mistakes aren't the end of the world, for people who wish to overcome them. Once you realize that you've made a mistake, it's an excuse for you to learn from it and start again.

While it's happening around you it's not simple to realize moral scam, and it's even harder to get away from it. Nonetheless, it's crucial that you do. In the next chapters, you'll discover the way to build a career grounded on solid morals.

Chapter 3 - The philosophy of Warren Buffett named value-investing can help you avoid unethical acts while investing.

Have you ever had a book that touched your life?

The author read Ben Graham's *The Intelligent Investor* and Roger Lowenstein's *Buffett: The Making of an American Capitalist* when he became disappointed in his job at D. H. Blair. The pages that he read in the book changed the way he would approach his job forever.

The philosophy of Warren Buffett named value-investing was an especially powerful impact because it can help people to succeed in financial things without compromising ethics.

Wherewith?

The whims of the market usually drive investors. Therefore, investors' perceptions direct to short-term, risky investments in companies that are trending. The philosophy of value-investing, in opposing, focuses on the long-term improvement and potential of a firm.

The philosophy sees a firm as a stake in a real, flesh-and-bones not a piece of paper to be traded for a quick buck. To paraphrase, it takes a detailed examination of the business itself, looking at not just its current state but also its future potential.

The moral of such an attitude is solid: Since the person is always looking at long-term potential, there is no demand to mislead buyers to make a quick sale. This is also a more secure approach too since it has less risk.

As the writer's use of Buffett's philosophy shows, discovering a good role model is critical in the world of business. It can be very difficult to alter your attitude if you don't have any idea about how to reach that goal. You might start feeling quite lost and helpless. That's the time a role model can help guide the way.

Basically repeating the acts of your role model – named as matching and mirroring – and trying to get the motivation behind it, can help you to succeed more.

The writer learned the best method to achieve success from Buffett, using ethics, personal expertise, and hard work, for instance. Since he recognized that this was the quite opposite of what was happening at D. H. Blair, he was enabled to leave the firm.

Chapter 4 - If you don't want to be limited by traditional forms, build a positive approach, and follow your own way.

Why is giving up doesn't take much when we attempt a new project? The answer is simple and is that we usually have the wrong approach to it. The single method to succeed when we're starting a new endeavor is to build a positive attitude.

The most efficient method for achieving that is to establish a more practical way of thinking: instead of just sitting around waiting for your new project to magically grow from seed to a mighty oak, you just have to go after it and test the idea.

Furthermore, you should be aware of your feelings and personal weaknesses.

After experiencing first success as a value-investor, the writer noticed that he was still controlled by envy, for instance. So he shifted his inherent motivation and stopped comparing himself to people that used short-term-oriented ways, or even suspicious ones.

After you've improved the correct mindset, you should follow your own way, not those built by traditional business practices. Most of the time, the traditional, and very common applications might not be ideal for your work.

It's obviously not simple to discover your own way of doing business, but one efficient approach is to prioritize ethics over profit while determining how to describe yourself.

Investors normally have various portfolios, one for a per type of customer, hence they can hide losses and assure their businesses seem better than they are.

In opposition, the writer chose to focus on a single portfolio. He wanted to build trust, highlight his credibility, and have an overview of his investments.

Even though others believed that was a stupid idea, it truly worked and supported the author to build long-lasting relations with clients and investors.

Chapter 5 - While creating a new business, building a social network might be helpful for a strong base.

According to your opinion, which of the following methods is more efficient? Building a social network just made up of strictly professional business contacts or one that involves care, friendship, and mutual favors?

If you answered the second one, you're correct. Actually, being authentic to every person you interact and showing your gratitude to people you work with will ensure others are interested in your work. The meaning of this is seeing and treating every contact as the one you can learn from, and showing that relationship to him or her. Via doing that, you will quickly develop your social network.

The time that the writer began as a value investor, he wrote lots of "thank you" cards to ones who'd helped him to improve professionally, for instance, to those who gave an inspirational speech, or who did him a personal favor. After a time, people started to write back, to invite him to visit networking conferences and events.

Finally, the people you act in this way will memorize your name, become a member of your social network, and be there for you if you need their assistance.

By being honest and helpful, being authentic to your customers will make them interested in you and your business. David Hawkins explains in his book named *Power vs. Force: The Hidden Determinants of Human Behavior*, that this type of upfront honesty makes it simpler for you to affect others, basically since, as a consequence, they'll believe in you and your choices.

As a result of all this, you will receive personal goodwill.

You will start putting relationships before money, and helping other people, and you will want to give back something to society. And as you mentally change, your understanding of business will also change - a prerequisite for being an accomplished value investor.

Actually, the time you start doing little favors for others, you'll start to realize other small things you can change in your life and work, and therefore slowly develop at a micro-level.

And these small acts can gain acceleration, getting you to the point that you can provide big favors to others, with little regard for your own individual gain.

For instance, Warren Buffett donated most of his shares to the Bill and Melinda Gates Foundation and is presently working almost for free, showing that he cares very much about his social responsibility and less about his personal wealth.

Chapter 6 - Surprisingly a financial crisis might be a once-in-a-lifelong opportunity to a value investor.

Do you remember the time when panic and despair spread to the world during the 2007-2008 financial crisis?

Needless to say, the unpredictability of economic crises is very terrifying. However, value investors can trust their work philosophy and even make future profits while everyone else is panicking.

Even in an economic crisis, value investors be calmer than others. The reason for that is they put themselves in an intellectual environment that doesn't rattle their nerves, or direct them to compromise their ethical principals. On the other hand, being surrounded by panicking traditional investors, might push one to behave unethically and irrationally, and not to trust one's investments.

Yet, since value investors are long-term oriented and are quicker at avoiding risky businesses than others, their hedge funds which are institutions for investing great amounts of money, are more steady.

For instance, the writer avoided investing in any risky businesses related to the financial market or the "tech bubble," therefore the time that the financial crisis hit in 2008 his portfolio wasn't completely wasted like those of most other investors, even he lost money.

Actually, remaining calm through such a crisis might assist you to make the most hopeful investments for the future.

Through a crisis, lots of businesses are sold for considerably less than their actual value since scared investors occasionally lose their nerve and sell them lock, stock, and barrel, for an extremely low price.

That is an excellent chance for a value investor to jump in and buy shares of a company pointing great profits in the future for a pretty low price.

But, being a value investor demands that you have a belief and commitment in your own investments too, and not directly decide to sell them if their price starts to fall.

Chapter 7 - You must create the most effective work environment for yourself for being a successful value investor.

How many times do you stop checking your email or browsing a favorite website during your workday?

Naturally, it's common to get distracted while at work. But why is that particularly valid for people working in finance?

Basically, our brains aren't designed to deal with the intensity of the economic world. When we deal with money, the neocortex, the most instinctive part of our brain, is activated. Money is like food or sex, a necessity, for humans.

So, we're likely to be overwhelmed by mood swings or irrational optimism or pessimism while making financial choices, which makes us behave quickly and, most of the time, unwisely.

For instance, at the top of the latest financial crisis, the writer's employee decided to take all his money from the writer's hedge fund, although he followed the value-investing philosophy and knew that his money was comparatively secure.

Furthermore, our will is a restricted source, hence, we can't resist distractions all the time. If we continually have to use our willpower to avoid doing intuitive things, its power will decrease until we recharging it.

A psychologist named Roy Baumeister proved this in a study where he recorded that the effort required for resisting eating chocolate chip cookies consumed people's willpower and made them likely to do mistakes.

Of course, you need to be aware of your own shortcomings and irrationalities to deal with uncertainties better. But the simplest way to deal with these temptations is to get away from them a little.

That requires creating a resolute work-environment: choosing a proper city, decorating your office according to your working habits, and building daily routines to keep you focused on the thing that you should be doing.

For instance, consider the author. To get away from all the hustle and bustle of New York, he moved to Zurich and moved to an office away from the disturbing and attractive city center. That kind of living style helped him out on focusing on his business and continuously make solid financial decisions.

Chapter 8 - Build the right tools for dealing with complexity and uncertainty.

As we have seen, the human mind is usually illogical. Hence, developing some tools that can help you manage your mind, is a good idea.

After you created an excellent work environment for yourself, you should build investment tools - a set of rules and routines. Those will help you to bring predictability and order to your work-life.

Actually, these rules and routines will prevent unreasonable acts from inviting you and lessen the complexity of your decision-making process.

The writer realized that if people wanted to sell him their shares or talk to the executives of a company, he was easily affected and manipulated by his thought. Therefore, he developed a habit that consists of not purchasing anything advertised to him. Following that code allowed him to focus solely on using his own powerful business drives while making such purchasing decisions. He would just buy something if he felt it was truly deserving it.

An example of a tool like this is the checklist. Having a checklist might assist you to avoid making obvious and otherwise foreseen mistakes.

The human mind can get intoxicated, particularly while dealing with money. That is what the writer calls cocaine brain: the brain is aroused and prize cycles are activated. As a consequence, no matter how many rules and regulations we set ourselves, we usually make little mistakes in the pursuit of instant prizes.

Therefore, return to your previous mistakes in work, and create a personal checklist of things you should be checking before making a decision.

The writer's checklist covers more than 80 questions he asks himself every time he thinks about investing in a new company. For instance, he questions the true value of a company, how steady its value chain is, or whether he is willing to buy just to satisfy a personal motivation.

Chapter 9 - Once you choose the value-investment philosophy, you will not only become a better investor but also have a better personality.

Once you've learned everything about the value-investing philosophy, probably you'll be curious about the reason of the author is sharing these valuable "secrets" with us. Well, it's because he chooses to act according to the value-investing philosophy, and give something back.

But how will philosophy shape you as a better person?

Firstly, via developing a network of mutual friendship, you'll transform from a taker into a giver. Takers always have a hidden agenda when approaching other people; but as a giver, now, you'll try to understand their requirements.

That going to increase your goodwill and cause a benevolent cycle: if you do favors for people, they will do for you too, as well.

As a consequence, you will end up in a community where everyone has a positive impact on each other and negative factors from your network are eliminated.

The writer thinks that, because of the value-investing philosophy's principles, he's now much calmer, capable of valuing true friendship, and converted "addicted" to positive emotion. In sum, he is a greatly happier person.

Secondly, through understanding your inner concerns, covering your wishes and prejudices, you take the first step to inner growth. Recognizing your shortcomings and learning about the deepest, darkest elements of yourself, will make you a more powerful person, better equipped for dealing with the difficulty and uncertainty that are essential to the world of finance.

It is not easy to build such knowledge on your own. If you think you need aid here, you can benefit from career coaches, psychotherapy, religion, or anything else that might help you improve your self-knowledge.

Further, via identifying your feelings and practices, you'll receive a more playful approach towards your work-life.

After you find out what motivates and scares you, you will approach business decisions more objectively and be capable of making reasonable decisions without being emotionally distressed.

To this end, the writer started playing Bridge, a game in which uncertainty and strategy play a pivotal role. His experience with the game provided him lots of skills that he could benefit from in the financial world as well.

The Education of a Value Investor: My Transformative Quest for Wealth, Wisdom, and Enlightenment by Guy Spier Book Review

Becoming a value investor implies breaking with business rules, building a worthy social network, and getting yourself to an inner journey. Via having positive people around you and working on developing your self-awareness, you'll unavoidably become a better investor, and also a better person.

If you have doubts about your prevailing career, ask yourself if you are doing what you truly desire to do.

If the morals and business habits of your work don't show your own business ethics, you should have to spend some time and effort on building a new career. But don't be scared to try out the other choice and change your business from the interior: breaking business patterns can be a component of professional success whereas you stay faithful to your business network and yourself.

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