



# The Quest for True Value

An Investor's Manifesto to Turn On,  
Tune In, Get High. | Guy Spier

I started my investing career with a Harvard MBA as an arrogant and overly self-confident Gordon Gekko wannabe. My karmic reward for this overly cocky attitude to life was that I landed my first job in a Wall Street hellhole.

But when I discovered Warren Buffett, a light went on in my head. It did not take me long to realize that I wanted a life that was more like his than mine.

Determined to transform my life, I began a long journey of discovery. It led to my having a charity lunch with Warren Buffett at Smith & Wollensky's in 2008, but it also came with many costly mistakes and hard earned, but valuable lessons.

My book, *The Education of a Value Investor*, tells that story in more detail. And, while I am still a work in progress, these days I often feel as if I am living in nirvana.

This Manifesto for Change excerpts some of the more pithy lessons from the book for you to digest and implement in your own life.

Here are the Keys. Take them and learn to drive your own life instead of letting circumstances drive you and your growth.

## Learn to Tap Dance

Perhaps the most important lesson I learned on the journey was to lighten up and to start having more fun. Our careers and financial security are a very serious and important part of our lives, but if we earnestly worry about them for every hour of our waking day our lives will be filled with much unnecessary misery.

This was the first lesson that I learned when I sat down for lunch with Warren Buffett in 2008. What struck me most was how supremely happy he was. It was only when I had met him in person that I fully understood that this happiness was not a show. It truly reflects Buffett's orientation in life, which is to minimize, and ideally eliminate, the things he does not like.

In this regard, he has quoted Ronald Reagan who said, "They say that hard work never killed anybody, but I figured why take the risk?"

This orientation of his is so strong that it was the title of the Carol Loomis's book about him, *Tap Dancing to Work*.

# Hit the Reset Button

In my case, learning to tap dance required hitting a major reset button. I moved far from the madding crowd in New York City to Zurich, Switzerland—a calm oasis by comparison.

I also reconnected with some of my favorite people, hobbies, and pastimes: family, skiing, cycling, and chess.

Because pastimes are much more than just a way to spend time—they are, literally, “recreation”—our minds continue to work on problems when we are at play, often in a way that is more effective than when we are at work.

Today, I might not quite tap dance to work as well as Warren Buffett does, but I’ve gotten a lot better.

My suggestion to you: lighten up. Stop working so hard and focusing on the money and your next promotion all the time. Start having fun while you work instead. That joy will show in your eyes, and the promotion and that raise will take care of themselves, along with career and life success.

## Get a Library and Separate It from the Office

Having arrived in Zurich and having hit the reset button, I was not done. I had to get the office environment right.

Because even though I have benefitted immensely from living in Zurich, which is a quiet oasis in comparison to Manhattan, I still found that all of the stress, hustle, and bustle came straight into my office via the internet, the telephone, and the Bloomberg monitor.

I, like most humans, am weak willed. I start with the best intentions, but quickly get way laid. That is why I took a lot of care to structure my office environment.

In order to reduce distraction, I have reorganized the office and divided it into two separate and very different spaces.

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The library is my quiet room. There is no computer, phone, or other distracting electronic devices. There are just books—lots of them, from floor to ceiling. It is my thinking and reading room. It is where I am at my most mentally productive and useful.

Of course, I can't do my job without being connected. So, down the corridor, I have my busy room. There, I have the computer, the internet, phones, and other necessary but distracting devices and services. It is where I get my busy work done. But even in my busy room, I have structured the environment. My computer is at a standing desk so that I have a natural, physical inclination to shy away from using it too much, and to focus on reading printed documents and getting on the phone with people.

## Switch Off the News and the Quote Monitor

Real work does not happen when we are grazing the internet. It happens when we put ourselves into a thoughtful and productive state. As George Bernard Shaw said. “Few people think more than two or three times a year. I have made a reputation for myself by thinking once or twice a week.”

My friend Rolf Dobelli has an article on why reading the news is bad. His reading diet consists of in-depth articles and books. They are hard work, but worth the reward. They are the “meat and potatoes” of our information diet. News, he argues, is like sweets.

My come-to-Jesus moment came when I realized that I had to switch off my Bloomberg Monitor, not to mention email and the multiple open browser windows.

Because, when we are grazing the information highway, we are not really learning or thinking. And it's only when we create the space to truly think and learn that we can transform our lives and put them on a better path.

In my case, I have taken that thought well beyond the thinking stage and enacted it in my physical environment. In this I was helped by my ADD diagnosis, and the insight that I gained from Ned Hallowell that, in a device and internet enriched world, we all have ADD.

## Structure Your Information Diet Intelligently

We live in an information age, but if we do not structure our information diet, we are just binge eating.

Because the mind is like an unfertilized egg, the first idea that goes in may well prevent other ideas getting in. So we need to be careful of the order in which we take ideas in.

When I am doing investment research, I take care to structure the order in which I take in information to make sure that I read the most worthwhile things first. So, I start with well-written

books, source documents, and filings. Only once I have formed my own preliminary conclusions from the source documents do I turn to other items: presentations, news releases, magazine articles, and the like.

This simple idea may not have much of an impact initially, but has paid huge dividends for me over the years.

## If You are Selling It, I Don't Want to Buy It

The internet age has empowered us as consumers, but so many of us still have the wrong approach to buying decisions. We need to shut down and cut out the people who have an axe to grind—who are there to sway our purchase decision for their benefit, not ours.

Warren Buffett said it best when he said that he does not participate in open outcry auctions. Neither should we—whether it is a Christie's auction, or a Wall Street IPO. Those environments are designed to mess with our brains. We need to develop an acute awareness of “cui bono,” or who benefits, and stay away when interests are not aligned.

Thus, if some calls me up, or speaks to me at a cocktail party about some great buy, my answer is “if you're selling it, I don't want to buy it.” It's nothing personal.



Instead, when looking to buy something, I look to what my peers are doing and seek to emulate the ones who seem to be doing it right.

## Don't Talk About Your Ideas

A priceless lesson that I learned on my journey was the importance of speech. Commitment and consistency is a powerful force. The more times, the more forcefully, and the more people in front of which we express an opinion, the more difficult it is to change our minds.

And in a world where the pace of change is accelerating, it is imperative to be able to change our minds. As the world changes, we need to learn and grow. And as we learn and grow, we will jump to different conclusions. We need to leave the space to do that.

Shouting something out, repeating an idea, arguing for something vociferously, all serve to potentially close our minds and increase resistance to change.

So I try not to talk too much about my ideas in public. And, if I do, I try to leave room for different opinions. For example, rather than express opinions in the first person, "I think," I prefer to express myself in terms of whether or not I agree with someone else. It leaves me more room to change my mind.

## Use a Checklist

This idea has its genesis in Peter Prenovost's work at the John Hopkins hospital. But I found out about it because my friend Mohnish Pabrai read an article by Atul Gawande in The New Yorker.

All human minds (and my mind especially) have a tendency to skip important details, especially when things are moving fast and the environment is a little frenetic. Checklists become a circuit breaker forcing me to go back over old territory to make sure that I am not repeating my, or anyone else's, mistakes. My checklist has saved me a number of times from bonehead business and investment moves that would have been very costly had I made them.

## Model Some Heroes

When I started on my journey of discovery, I had thought that the only people I could learn from were mentors, ones that I could meet on a regular basis. The problem was that I did not have any particularly good role models around me. Then Anthony Robbins switched me on to the idea that I could use role models that I had not met. I immediately started to model Warren Buffett.— at first by reading anything and everything about him that I could get my hands on. Then I would ask myself, “What would Warren Buffett do had he been in my shoes?” As I studied more about

him, and started doing what I thought Warren Buffett would do in my shoes, I started making far better decisions and my life changed immeasurably for the better.

This in itself is an example of a more general rule that Warren Buffett taught me at our lunch: hang out with people better than you, and you are bound to improve.

And Charlie Munger has added to this that they don't even have to be alive. Through books by or about them, we can also hang out with the eminent dead.

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## Clone, Clone, and Clone Again

Much of our lives, we are told to be original thinkers. At universities, unoriginal thought is associated with the sin of plagiarism. Not so in business and investing, where the name of the game is not to engage in the costly task of reinventing the wheel.

I learned from Mohnish Pabrai not just to model my heroes, but to go further: if what they were doing in business was working, then I should copy or clone it down to the minutest detail. As a result, my learning has accelerated. Copying the masters enables me to stand on the shoulders of giants. It means that I don't have to waste my time trying all the things that they already tried and discarded.

And the strange thing is that even when I copy as them as faithfully as possible and always take care to credit the genesis of the idea, the result ends up being demonstrably mine.

## Live Life According to an Inner Scorecard

At the beginning of my career, I spent a lot of my time and energy trying my best to look successful. I sought to do what the world was willing to recognize. But in doing so, I lost my way. As Warren Buffett asked me and Mohnish Pabrai at lunch, "which is better: to know that you are the worst lover in the world, even though the world thinks that you are the best? Or to know that you are the best lover in the world, even though the world thinks that you are the worst."

Once it is framed in those terms, the answer is obvious. But I had spent too much of my life trying to live according to other peoples scorecards. It's a bad habit that I, like you, probably picked up at elite schools and universities where grades are everything. When I started measuring things

by my inner scorecard, and stopped caring so much what people thought of me, I started making far better decisions—about my life, about business, and about investing.

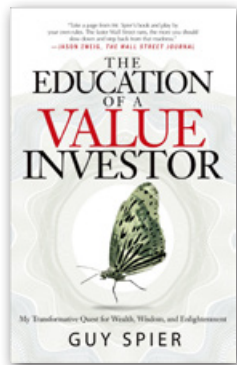
If you have been using an external scorecard, try developing your inner scorecard. You will rapidly become a lot happier.

## Always look for the Inner Journey

Hardship and difficulty in life are inevitable. They are part of the journey. Whenever I tried to solve my problems by looking outside myself by blaming others, the system, my circumstances, or a myriad of other excuses, I never solved anything. I only started to make progress when I used my external difficulties as an opportunity to look inside myself, to see if I could use my external difficulties as a guide to what still needed to be changed within me. And increasingly I found that if I undertook the inner journey, and worked on myself, the outer circumstances increasingly came to reflect those inner changes.

Ultimately, this has been the biggest prize of all. **At the end of the day it's not about the money, the career success, or the external applause. What counts is what we've learned and what we've become.** 📖

# Info



**BUY THE BOOK** | Get more details or buy a copy of [The Education of a Value Investor](#).

**ABOUT THE AUTHOR** | Guy Spier has run the Aquamarine Fund for 17 years, achieving an impressive record of market-beating returns. An ardent disciple of Warren Buffett, Guy launched the fund with \$15 million in assets, closely replicating the approach of Buffett's original partnerships. Guy was educated at Oxford University, where he was a tutorial partner of the current British Prime Minister David Cameron and came top of his class in economics. After a stint in management consulting, he attended Harvard Business School, then worked as an investment banker before starting his own fund. He is a regular commentator in the media, having appeared on CNN, CNBC, Bloomberg Television, and Fox Business News.

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