



JIM HARSHAW JR

Revealing Failure as the Path to Success

Success Through Failure Podcast

Action Plan Episode #97

Doug McCormick

Today I bring you Doug McCormick. As Managing Partner at HCI Equity, Doug oversees all aspects of the firm's strategy, investments and operations with his partners. Doug previously served as a Captain in the U.S. Army's 25th Infantry Division. He graduated top of his class at West Point while serving as Captain of the Army Wrestling team. He also holds an MBA from Harvard Business School.

Doug has a lifetime of experiences that provide the foundation for the framework, principles and tools in his book: "Family Inc.: Using Business Principles to Maximize Your Family's Wealth." As a professional investor, he has spent two decades managing money for institutional clients such as insurance companies, pension funds, entrepreneurs and high net worth families. Unlike Wall Street money managers who seek to generate paper profits through passive investing, Doug partners with families and entrepreneurs to build and grow their businesses to create sustainable long-term value. His own journey to achieving financial independence began at the age of seven, when his Dad helped him purchase AT&T stock.

Quotes

"One of the biggest mistakes people make is they don't appreciate all of their assets like their labor potential and thinking of building a career or pursuing entrepreneurship or investing in education."

"Success is all about taking calculated risks and the ability to put yourself out there in a way that you can expose yourself for the right risk-adjusted decision."

About Managing Money in Today's World (09:55 – 10:12)

"It's so much more than simply managing money. I think that's where the game has kind of changed. It used to be that if you have an education and worked hard, you could kind of make it work even if you didn't think about it consciously. But today, I think the standard is so much higher to actually achieve success."

About Maximizing All your Assets (11.00 – 11.43)

"I think the definition of financial planning is too narrow. When I say financial planning, people think about managing your money. It's so much bigger than that. It's appreciating all the assets you have. It's your lifetime labor value. It's your social security. It's your retirement benefits and it's your financial capital. But to not really see the big picture and think about maximizing all those assets, I think that's the number one mistake."

Doug's Action Items (17.40 – 18.43) He stated it as two but I broke it down into four parts

- 1) Actively managing your career like you're managing your money.
- 2) Working smart. It's not about being good at the career you selected or the job you selected, it's about selecting a career that offers the opportunities that you're looking for.
- 3) I believe that entrepreneurship is the surest way to financial security.
- 4) Clearly articulate what your financial goals are for retirement, and from that you can decide what choices you need to make so you can get there. How much do you need, where you would choose to live, what are the key things that you need to be able to finance etc., and then use that as the basis to kind of figure out where your north star is."

About Getting into Entrepreneurship (19.38 – 20.08)

"I think for many Americans, we should think smaller when we think about entrepreneurship, and think about one-man sole proprietorships and think about service businesses in your local economy where you in your current job developed these skills. And now, it's about taking those skills and selling them for yourself versus your employer in many cases. So if you think about it that way, it doesn't

appear so risky and there are a lot of things about entrepreneurship that allow you to accumulate wealth."

About Being an Independent Thinker (22.11 – 22.34)

"I pride myself on being an independent thinker. I think that's especially valuable in the investment world. There's an old saying where 'Many people would prefer to fail with the masses than succeed alone.' If you want to have outlying performance, you need to be willing to make outlying decisions and stand alone."

About Developing your Weaknesses (27.16 – 27.38)

"I was playing to my strengths and I think there's some merit to that but you know, exceptional people in any endeavor are always thinking about 'Where am I weak and how can I complement those weaknesses?' In general, you're better served on spending time making your weaknesses better than making your strengths better."

Websites and Social

<https://familyinc.com/>

https://twitter.com/doug_mccormick

Recommended Books

Hillbilly Elegy: A Memoir of a Family and Culture in Crisis by J.D. Vance

<https://www.amazon.com/Hillbilly-Elegy-Memoir-Family-Culture/dp/0062300547>

Family Inc.: Using Business Principles to Maximize Your Family's Wealth by Doug McCormick

<https://www.amazon.com/Family-Inc-Business-Principles-Maximize/dp/1119219736>