



JIM HARSHAW JR.

Revealing Failure as the Path to Success

Success Through Failure Podcast

Action Plan Episode #246

Tim Ferriss (Part 1)

Tim Ferriss has been listed as one of Fast Company's "Most Innovative Business People" and one of Fortune's "40 under 40." He is an early-stage technology investor/advisor (Uber, Facebook, Shopify, Duolingo, Alibaba, and 50+ others) and the author of five #1 New York Times and Wall Street Journal bestsellers, including *The 4-Hour Workweek* and *Tools of Titans: The Tactics, Routines, and Habits of Billionaires, Icons, and World-Class Performers*. The Observer and other media have called Tim "the Oprah of audio" due to the influence of *The Tim Ferriss Show* podcast, which is the first business/interview podcast to exceed 100 million downloads. It has now exceeded 400 million downloads.

Quotes

"The value you derive from failure is directly related to the types of questions you ask yourself."

"If you were to take all the optimized morning routines of the people you respect and layer them on top of one another, your morning is going to last till 4 pm. So you really have to pick and choose."

"When I'm functioning at what people consider a very high level, it's because I am consistently not doing or consistently doing a handful of foundational things."

"The ripple effects of talking about investing, I find to be much broader than investing itself."

About Morning Routines 05:37 - 10:40

Within the context of quarantine, routine equals sanity. The more uncertain your life seems, the more valuable certain levels of predictability are. So I have a few things.

1. Consistent breakfast. I don't pick and choose as if I'm at a buffet line at some type of gourmet restaurant. I have standard meals that I tend to rotate through. I have standard teas that I tend to rotate through in the morning.

2. When I'm feeling overwhelmed, my go-to meditation is not guided meditation because I find my mind is too [inaudible 06:21] and all over the place. It would be **transcendental meditation**, 20 minutes of TM, repeating a mantra. It's a word that I dislike, but you could be repeating a word like "nature" or a phrase like "no struggle." it could be any number of things. Repeating that to give your mind a break from other noise that might be generated without that type of overriding signal.

3. Cold exposure or alternating temperature therapy of some type. It could be a hot bath to a cold shower. I happen to have a small pool, but nonetheless it's still pretty chilly. I have a chest freezer that I use once that gets too warm. You can get a relatively inexpensive chest freezer. Please talk to a proper electrician before you do anything. Chest freezer is based on something MMA fighter Kyle Kingsbury has done, which is [caulk 00:07:35] and modify a simple chest freezer, to be used as a constant temperature cold plunge.

4. If I'm feeling exceptionally under duress, if I am feeling unstable or having an acute stress response to something that should not produce such an acute stress response, I do **morning pages**, which are most famously from a book called *The Artist's Way* by Julia Cameron. There are workbooks specifically for morning pages which you can find on Amazon and elsewhere. It's enough, in my opinion. It's a fantastic way as she puts it, to enable spiritual windshield wipers, taking your monkey mind and trapping it on paper so that you can take a break from whatever that loop is you happen to be caught in.

5. Mind and body is separated, this sort of Cartesian duality is completely artificial. You can affect your mental state and biochemistry and neurochemistry through exercise. **Get at least an hour or two of walking done per day.** I could speak to the benefits of say, strength training. I also can speak to the benefits of high-intensity interval training. But we are evolved to walk. We've made many, many evolution trade-offs to be able to walk long distances so I think there's intrinsic, therapeutic value to walking.

Morning Routines and Having Better Days 18:27 - 20:14

"I'm constantly testing. I hesitate to use the word "evolve" simply because tests don't always work out. So sometimes, it's devolving. You try things and they end up being

counterproductive. So you then take stock and you reset. You can view it as mistakes or you can view it as, I've made decisions, learned from those decisions, I've run experiments and some have produce results I've hoped and others have not. Others produce results that are better than I could've hoped. In the case of routines, there's a list of let's just say, 10 things that I know consistently contribute to better days. If I were to try and measure my day in some way, such as how Jim Collins does, he has this -1 emotional valence, 0, +1, etc. If you were to look at your daily emotional experience and rate them on a simple scale like that, if I look at those in the + column, they consistently have, let's say arbitrarily, at least 3 of those 10 elements. They could be journaling, long conversations with friends or podcasts that I'm pleased with, it could be walking under 2 hours, it could be sex, it could be an intense exercise session. I don't need to hit all of this but if I don't hit at least 3 or 4 - I'm making that number up - my days are likely to be a 0 or a -1.

About People Who Overcome Failures 24:00 - 25:45

"Define what failure looks like to you. I'm not talking about on a macro level. Let's look at the last year, what you would put in the failure category, and let's look at the pattern and what makes those failures. It's easy to fetishize failures. It's not inevitable that if you fail a lot, you're going to succeed later [inaudible 24:25]. There are people who fail their entire lives. I think the difference that I see at least, in those who fail from a conventional perspective, who ultimately have very large successes, there is an element of luck. I'm not going to deny that. They view failure as feedback. In other words, they really treat their approach to life in a very scientific way and that is, none of us can predict the future, most of us have very narrow bands of expertise, if any, and the world is full of unknowns. So you have to form a hypothesis, like "I think maybe if I do X, then Y at Z point in time," and then you test. If it works, you try it again or tweak it. If it doesn't work, you try it again. Maybe if it fails twice you abandon it or you modify it. In that sense, the people who I see try to benefit from failure take a lot of time to do post-game analysis on things that go wrong or things that turn out differently from what they anticipate."

Asking the Right Questions in Light of Failure 33:33 - 37:45

"I remember the first start-up investment I made. I had always fantasized about Stanford Business School but I decided what if I took the \$120,000 to go there for two years and created a virtual Tim Ferriss fund for learning how to invest in start-ups? If we spread it out over two years, that would mean \$60,000 per year. I got so excited about this first start-up I was considering investing in - which I did alongside someone more experienced - that I decided to put in \$50,000. You can

see the problem here. You need to build a portfolio, especially in the early stage start-up game so that every start-up can return the fund, so to speak if they win, and you need enough bets so that if there's a high fatality rate, you stand a chance of succeeding. I screwed that all up and that start-up went to zero in a very short order. I had to then work around it. I think the value you derive for failure when thinking about feedback is directly related to the type of questions you ask yourself. So some of the questions I asked myself were:

1. What were the mistakes I made and why did I make them? It's not enough to identify your mistakes. You want to look at the ingredients that led up to that mistake. The mistake I made was bet size. I chose a much too large of bet size. I wanted to try to deconstruct why I made that mistake. So I got really excited about it and didn't consider the worst-case scenario and I didn't consider what I would need to do if it didn't work out.

2. One of the other questions I asked is 'You committed to two years, so what the hell are you going to do?' This is still the Tim Ferriss fund. How are you going to make this work?' Notice that I didn't ask can this work, but how can you make this work?

So I had to come up with the final, perfect solution and brainstorm possible ways. Ultimately, doing that led to deciding to pitch myself as and operate as not just an investor but as an advisor, which would be sweat equity. That means I would be putting in the time and getting equity over a period of a year or two, or once a quarter, instead of putting in money. That changed the lens at which I looked at start-up investment completely. That's where some of my biggest successes came in. I wouldn't have investing access to those deals to those deals. In a sense, screwing up so badly and putting in this big chunk that went to zero ended up being a huge blessing in disguise because it forced me to look at other avenues of entering deals, i.e. as an advisor, that had I only be cutting checks, I probably wouldn't b able to get into start-ups like Uber at the time or Shopify.

Free Resources

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Books:

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