CALCULATED RISK TAKING 2

CALCULATED RISK TAKING

Dear friend,

One thing I believe in is 'calculated' risk-taking. What does that mean, and how can we harness this principle to succeed/thrive more in life? Let's talk more:

Life is all about calculated risk-taking!

First of all, I think living life is all about taking 'calculated risks' in life. To me, a 'calculated' risk is a risk you decide to take in your life that can be "rationally foolish." Which means, **you make the conscious decision of taking a certain risk in life, knowing the potential upsides and downsides.**

The tricky thing about calculated risk-taking is this:

> *No matter how smart or ingenuous you are, you will never be able to predict with 100% accuracy the consequences/effects of your actions.*

In other words, **you will never know what will happen in your life until you try.**

"Trying" is risk-taking

To live a happier, more fulfilling life, I think we need to do more stuff, make more stuff, and publish/share more. That means that we need to "put ourselves out there" more.

However whenever you make something, do something, or attempt something, there will always be a chance that there will be a "hater" or nay-sayer (perched on your shoulder), waiting to see you fail, in order to tell you: "I told you so!" But don't let these negative folks prevent you from taking risks/action in life.

Also, don't let your fear of negative social stigma get in your way. To be honest, **whatever risk you decide to take in life isn't life-threatening.** If you attempt to start a company, if you decide to live an unorthodox lifestyle, or if you decide to try anything new and entrepreneurial-- you won't die. At worst, the worst-case scenario is that you try something, you fail, and someone will laugh at you, make fun of you, stigmatize you, etc. But that's it. **Why let the potential negativity of others hold you back? Realize that your untapped potential is infinite, epic, and can change the world for the better.** Isn't this rational/foolish belief in yourself enough to attempt the "impossible" or the "crazy" in life?

What is your maximum downside?

To take 'calculated' risks in life, first of all-- identify your worst-case possible scenario; your maximum downside.

What is that for you? Bankruptcy? Social stigma? Losing all your physical/material possessions? Losing the respect of your peers? Losing your partner? Losing your "dignity"? Losing your money? Losing your life? Losing x years of your life?

To me, the only practical maximum downside is social stigma. If you don't care what others think of you (whether you 'succeed' or not); then **you have nothing to lose!**

A lot of us also are afraid of financial disfranchisement (fear of becoming homeless). But realize: you're not going to starve to death! And worst-case scenario, you can move back in with your mom.

Your potential upside is unlimited!

To me, the reason why risk-taking is so exciting:

You have unlimited potential upside!

For example, let's say you start a new photography entrepreneurial/business venture. At worst, you will fail and perhaps get made fun of your friends/family, and maybe you will lose some money. **At best, you will change the world! Isn't that worth the risk?**

(As a random note, read "Antifragile" and "Skin in the game" by Nassim Taleb to learn how to leverage maximum upside in life, and also by capping your maximum downside in life)

Memento Mori: Destroy the past to create something new!

The only two things which are certain in our lives are death and taxes. Perhaps you can dodge taxes if you move to Dubai, but you won't be able to dodge death.

No matter how rich you are, you will die. You must die. There is a bunch of techno-nonsense in the Bay Area/Silicon Valley on "curing" death. To me, this is nonsense-- because the biological principle of life is death. Without death, we cannot have life. And if we as entrepreneurs believe in new growth and life, we must also be appreciative/embrace death!

My friend Nietzsche tells me this concept of "creative destruction". The basic idea is we must destroy in order to create. Consider all the economic growth that happens in cities after a war. Consider that after World War II, Japan saw phenomenal growth (because after the cities were flattened by the Atomic bombs, there were infinite opportunities for new economic development/growth). But now, apparently only 5% of Japanese people have optimistic views on the economy of Japan; because everything is already built up! There is no more room for growth. The only way that Japan can keep growing is if they keep tearing down old buildings and building new stuff.

Applied to us practically,

   Destroy your past, in order to create a new future for yourself!

For example, destroy old negative memories. Destroy the past negative memories of past disappointments, and "failures". Rather, start with a fresh new white slate/piece of paper ('Carte Blanche' as the French say it), and treat everyday as a brand-new blank slate, for you to innovate and create something brand-new!

Try more/do more/achieve more!

Anyways, I'm getting off-topic as always. My practical recommended actions/ideas are these:

1. Always seek to make and produce NEW STUFF! Life thrives on new things, new ideas, new art. So when in doubt, just make more art (especially, make NEW things that you haven't done before!)
2. Remember that you will and must die. Therefore, your maximum downside (death) should be your motivator! Realize that many of us are scared of taking risks in life, because we are afraid of negative social stigma from others. But in reality, your maximum upside is infinite! Don't let haters, nay-sayers, or negativity from your friends, family, co-workers, etc get in your way! *"The question isn't who is going to let me; it's who is going to stop me."* - Ayn Rand. There is nobody stopping you, except yourself.
3. You will never know what you're capable of until you try!

BE BOLD, ERIC