



Baner Financial Interests

A Road Map to Success

*-For
You Personally and Your Business-
(9/1/16)*

Introduction

There is an all too common public perception and myth that a company or individual's outsized success is due more to serendipity and good luck than their actual displayed actions, discipline, and creativity.

That is to say, what success happens to come upon us is perceived as chance and happen-stance and minimized by our peers rather than as a recognition and respect of what we actually did or how we did it.

This perverse viewpoint is a myth and only serves to perpetuate an all too common belief that the majority of us aren't personally equipped to repeatedly make successful choices or to demonstrate superior performance on a consistent basis.

The upshot from this mode of thinking is to conclude that in general, situations we face or must contend with lay beyond our control, that our financial life is thereby uncertain and our future successes doubtful at best.

In this paper we are going to focus specifically on the subject matter of success and that you're being a mercurial and exceptional person is not a matter of circumstance. Exceptionalism is a learned process and methodology which we will review together.

Personal success is a matter of conscious choice driven internally by your own discipline(s). If you as an individual are acting alone or even as a company CEO, you can be sure that much of your fate can rest in the hands of the people surrounding you and determined on how you lead them. It's all a matter of:

- What you or they create
- What you or they do,
- How well you or they do it.

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Can you personally make your employees and staff guarantee success? - No. But when that pivotal 'make or break' moment comes - and it will, are they inclined to advise or ask you what to do or, do they take action themselves? Are they burned out or otherwise prone to employ impulsive acts on your behalf? Are their personal and corporate values apparent to others? Does everyone appear to just give in and accept average performance because many of their peers do? Do you or your staff capitulate to negative external pressures or, just give up on an assigned objective when you've just been beaten down by unexpected adversarial events?

To overcome much of the prospective negativity expressed above, you must, and I mean must:

- Care about personal or corporate values as much as winning a target objective.
- Care about your purpose as much as profit. - In other words, believe in what you're doing.
- Care about being as useful to your compatriots as much as being successful in your private quest as an individual.

Your goal is to make these three "Care abouts" (values, purpose and usefulness) systemic to you and/or your company and hopefully, make these values deeply engrained into you as a leader.

The objective of this writing is to distinguish what unique characteristics, values, intellectual processes, strategies and tactics that, on the whole, consistently rank high in the achievement list of exceptional and recurring successful endeavors. The relevance of these factors have been time tested, learned, and observed by other highly successful people and authorities. This authority is further enhanced with my own 49 years of personal business and financial real estate experience.

-Leadership Characteristics-

Buffers and War Chests:

We can all acknowledge that in business or in personal circumstances, a guaranteed verity of life is that you can be "*certain of uncertainty*" in evolving events, experiences or predicaments that you just cannot control.

These "Black Swan" phenomenon's such as the financial crash of 2008 in the U.S. or the explosive unsettling effects of the "Arab Spring" in the Mid-East all have a direct effect upon us in real time due to reactive policy initiatives employed by our government to these events and furthered by our own actions in adjusting to their changing policies. (See Nov. 2014 newsletter -"Black

Swan/White Swan" in Baner Financial Interests.com Newsletter dated November 2014)

As a result, there is one imperative characteristic of leadership that can be learned from these impromptu experiences and that is anticipatory ***preparation***. Examples of these preparations are; that you save more dollars; sell a property in advance to gain added cash liquidity, sell a corporate division that has creates 80% of your expenses but only 20% of the revenues; sell off excess inventory to reduce debt overhang; you can buy gold; rewrite your corporate board rules to insulate your firms internal structure or even hire or fire vendors or employees as the circumstances dictate:

You should prepare now for macro (worldwide) or micro (local) "Black Swan" events so you don't get caught 'flat footed' to when these conditions arise. Defensively seek to shield and protect yourself from situations that may not be in your favor or alternatively be prepared to strike offensively and quickly to pursue an opportunity if a situation appears to be in your favor or to your advantage. It would be advisable for you to be in that anticipatory preparation process now - September 2016. - *Build your War Chests and Buffers and Prepare Now!*

Discipline

Self-*discipline* in all possible personal and/or corporate activities will serve well to define your ***consistency***. A steady and confident leading hand will always prevail, to get results and added respect from others.

I don't mean that the discipline referenced above has to be a 'straight jacket' regimented performance process. What I do I mean is for you provide to others a confident, clearly defined, well thought out demeanor with a focused approach to define and accomplish your targeted long term goals. Internally review incrementally, your performance benchmarks and tactical methodologies with those who surround you as you go forward. Do it weekly.

The implementation of the disciplines "Consistency" and "Performance Reviews" prevents you from under or over-reacting to unexpected events, succumbing to outside 'herd' thinking without getting the facts first or, leaping at irrelevant, disconnected opportunities that will consistently come your way in the on going constant flow in daily collaborations with others. Stay ***focused!***

In the best sense, be a non-conforming maverick by thinking independently and not letting external pressures or social fads (political correctness) knock you off course or dilute your tactical actions and goals.

Intellectual Independence

This is not to say, you should be an arbitrary maverick for the sake of being unique. What I mean is for you to look at "**Empirical facts**" (evidence based on facts and not hearsay) in which to base your decisions. Check it out. Ask a lot questions - then verify.

This pragmatic course of action of dealing only with facts - not fiction, in and of itself will boost not only your self-confidence but it will - **validate** your gut instincts that no doubt have already arisen within that inner voice that constantly talks to you.

Ambition

Why do some people feel driven or why do most people tend to willingly follow or attach to a gifted potential or existing leader? Because these people are **confident**; Not necessarily in themselves but in what they are seeking to achieve.

A leader (which I hope is you) **believes** in the achievement of some significant altruistic objective that is for a purpose beyond themselves. It is true, leaders are fact driven and ambitious but belief is what drives them the commitment to their unique purpose to begin with.

This self-confidence and drive requires a controlled (not excessive) **ego** which is a direct feed back loop to your self-confidence and a focused belief that you are accomplishing something special. This leader can be, and very well could be you! Right now!

Ego, channeled in this disciplined way, is a very healthy and a necessary inner-mind component that lies deep in the character and DNA of a real leader. Why can this be positive for you? Because it serves to be a further supplement to your self-esteem. You really do need selective ego because it channels your focus and thereby creates in you a confident and flattering air to others. Take the challenge and see for yourself. Get some ego, it's OK!

Planning Actions

Be Paranoid -and Look Over Your Shoulder ... Often

Become **paranoid** and prepare selective ongoing, short-term 'contingency' plans (both written and mental) while simultaneously implementing your targeted personal or corporate goals. Build yourself or, better yet, have a trusted peer develop an alternate Plan "B" in which to otherwise modify your goal and if it warrants, even an alternate Plan "C". The purpose of a Plan "B" is

to revisit or tweak your current strategies or priorities - but being careful not to over-radically change the original 'base plan' unnecessarily. Only tweak a little as you may deem necessary and only unless outside circumstances clearly indicate so.

Always, and I mean always assume and recite aloud to yourself the worse case scenarios that can happen as you progress, and then establish added plan(s) to combat these worst case or alternate scenarios as your back-up Plan(s) e.g. plans "D" and possibly "E".

To compliment this technique with consistency and added flexibility, establish minimum and maximum performance parameters within each plan.

A defensive planning strategy as outlined above will help ensure concrete, clear, and well thought through performance mechanisms that, if rigorously adhered to and adjusted as you go, will keep you or your company on a "steady" and "sustainable" success track.

In addition, to the above and to remain consistent as a group, then create a written corporate code for all to follow as outlined below.

A General Constitutional Framework

This specific tactic for success is nothing more than a personal or corporate "***operating code of conduct and philosophy***" that 'bullet points' a set of personnel goals and/or corporate general and ideological practices for you and your group. It has more focus on corporate character and constitutional ideology policies and actions verses the strategically focused plans A, B, C, D or E mentioned above.

An operating code of conduct provides a written outline of what to do and also what not to do as individual or corporate philosophies. If thought through, debated and agreed by all, this code is a guide of policy and principal do's and don'ts that will keep you and everyone on your team on a level bearing in view of the outside world so as to retain consistent optics of your actions.

So, create a binder or handbook with individual tabs for all facets of your corporate constitutional values to abide by. This code flows through and over all your specific endeavors.

Adhere to these ideals with a common discipline and modify the codes only if you must and only with great specificity in purpose and text. The psychology of any changes should be analyzed to weigh in as to whether the change is necessary for fundamental reasons or is it to adjust or compensate for an unintended slip in your past individual or corporate efforts.

Remember - The signature of mediocrity is chronic inconsistencies.

If all your plans are going well - Don't become euphoric and suddenly splurge like there is no tomorrow or otherwise, if your plans go bad, over react or even worse yet, shut down your plan entirely. If time allows let the immediate situation rest a while (say one day) and pursue possible actions that can be taken by thinking through their respective consequences.

As a final supplement to the comments above, actionable, performance time lines set in place in all your Plans A - E are also very important. Try to get the time lines reasonably right. If too short, you'll be exposed to self-imposed and uncontrollable situations - i.e. you very well may end up trying to put a round peg into a square hole at the wrong time. If too long a timeline, your plan delay loses efficacy and momentum. If it is a corporate endeavor, the **financial dollar metrics** you estimate here should square with your time line goals. i.e. - Earnings pressures; stock buy back announcements are examples short term actions. Debt liquidity adjustments or the repositioning of your income property leases are long term actions. Have the financial back-up dollar reserves in place to manage each time line. Make sure all your strategies and subsequent actions are unwavering and **laser focused** to the enterprise or objective you are seeking.

Remember to re-measure your personal or corporate achievements as you go, constantly and consistently, week to week, quarter to quarter and year to year.

-Good intentions don't count-

Self Awareness and Corporate Vigilance

The advent of unpredictable events can be of immense threat to your goals or, can otherwise can present a unique opportunity. Your sensitivity and mental **vigilance** of the world around you are of paramount importance. By that I mean constantly 'looking left and looking right' which I think is an appropriate metaphor for this important aspect of leadership.

You cannot knowingly leave yourself innocently or negligently exposed to unforeseen events. To the extent that this is impracticable, at minimum be conscious of your surroundings and reasonably informed of your competing market(s) in which you are in.

Lastly, constantly try to search for weak links within the support personnel surrounding you and also for potential weak links within your current strategies as well.

-No One Likes Unpleasant Surprises-

Knowledge of your surroundings, knowing the people being aware of their actions and tacit knowledge of your local competing markets will serve nicely to give you that self-confident and assured demeanor in those seemingly out-of-control environments.

Having empirical (factual) knowledge of your current situation and your surroundings, plus being prepared in advance are your best guide to knowing:

When to Hold and When to Fold'
and very importantly
When to 'Pick Your Battles'

Stay on track, and progress in small increments; Don't over-reach in debt acquisition; Stay liquid and sleep at night - every night.

Personal and Corporate Tactical Strategies

'Progressing in increments' mentioned above is a very critical process to achieve success and to minimize risk exposure. You'll stay on your strategic balance beam better with sure-footed short steps verses long leaps.

When searching for the ultimate business strategy, personal self control and financial discipline has to be employed. There are plethora's of sketchy deals, opportunities and ideas abounding out there that, on the surface appear attractive. Many of these schemes are based upon shallow concepts and presented on emotional, 'made to fit' - hand-me-down economic conclusions and statistics posed to you as mater of fact.

Here's a preliminary vetting process for you to try in selecting new opportunities that seems to have worked well for many:

First: Identify a preferred market and then establish a goal or objective within that market but only pursue it if the ultimate prospects look enticing.

Always start with the **end game in view first** and work back to the starting point - not the other way around.

Second: Give that targeted market and its feasibility a subsequent lookover and inspection. This is the time to set a preliminary objective.

Third: Conduct a non-committal, inexpensive, self-produced study or professional feasibility review (money providing) of that targeted market and perceived objective.

Fourth: Determine if it your goal makes economic feasibility and working sense to you, your group, and/or your firm. Finally determine

whether to actually pursue this objective and to what degree of energy or commitment to make but only after a thorough investigation based on empirical facts are completed.

Fifth: Shoot small bullets before you shoot the big rocket:

Don't over commit yourself or your corporate assets until you are 60% sure your new idea can fly. That 60% is a high benchmark. Just think how much time and money you know people have spent on uninvestigated 'Larks' that never could have materialized under the best of circumstances.

All of the steps above are nothing but an extension of measured pursuit employing a pragmatic paranoia mentioned earlier to be your protective defense shield against over-extending yourself in terms of time and money.

As a side note" I've learned from reading related professional studies that when selecting new opportunities or making ongoing decisions, companies tend to embark upon and accept three different degrees of risk in their respective vetting processes. These were the final results.

<u>Risk Level Taken by Companies</u>	<u>Most Successful Companies</u>	<u>Less Successful Companies</u>
Low Risks Taken:	56%	22%
Medium Risks Taken:	22%	35%
High Risks Taken:	22%	43%

Note that two and one half decisions out of every one were low risk and favoring the most successful company. Also, note that they were overall also the most successful companies. Just the flip with high risk or medium risk takers.

Not shown here but relevant is, the percentage of high risk decisions made that would have involved a potentially devastating result. The most successful companies only committed to these 'make or break' decisions 10% of the time while less successful committed 36% of the time.

Personal and Corporate Behavior:

So what tactics work and what don't?

Here's my view:

Demonstrate:

- Your display of hyper-vigilance and constant worry. (See Page 4 & 6). Anticipate possible or perceived situational changes that could create irreversible dangers to you. Also, your having a better understanding and

intuitional perspective garnered by generating alternative preparation planning programs: A, B, & C etc. (See Page 4).

verses:

Arrogance and/or ignorance (by a lack of due diligence) or a lethargic attitude in responding to potential or existing material changes or threats that could unexpectedly upend your currant strategy or program.

Demonstrate:

- Flexibility in adjusting your speed of decision making to fit the situation i.e. "Go slow when you can and fast when you must".

verses:

Deciding too slowly or too fast depending on the situation. In other words, your persistent failure to adjust timing strategy or tactics in real time.

Demonstrate:

- Making fact-based (empirical) decisions that are reliant upon a disciplined thought protocol, irrespective of how fast the decision must to be made. (See Page 3).

verses:

Making impulsive 'off the cuff' decisions or your total lack of self-discipline to ***follow through*** on a strategic purpose or with a key contact once the decision to go has been made.

Demonstrate:

Focusing on execution once a final decision is made so as to meet pre-determined time line demands without compromising tactics.

verses:

Diluting the quality of executory actions for the sake of speed to get the task done or alternatively, your negligent failure to increase the speed of pace to capture an opportunity or advantage as it presents itself.

Defining Moments

A corollary to success is preemptively learning about an upcoming situation or event and knowing when to recognize them as ***defining moments*** while in the process of attaining your goal.

These are unique moments that may serve to inconveniently disrupt your already preconceived plans but otherwise can offer a unique opportunity to change priority, intensity or process requiring you to rearrange your existing agenda to attain a higher degree of success. These are moments that you will certainly face, and your recognition of these events will serve to determine the

overall quality (good verses excellent) of your ultimate performance or otherwise lead to the collapse of your entire objective.

Prepare in advance for these defining moments by pre-thinking "*what if?*" Recognize early these 'what ifs' so when they do appear you can deliver a well defined response and hopefully prescient action in short order. As stated at the onset, (See Page 3) be prepared so you can be on the balls of your feet for anything that can come at you. It's all about what you do to prepare before the storm hits or sunrises, not after. It's too late then so please be alert to recognize that unique moment when and if it comes.

Conclusion:

If we tried to react or change course to every single time a modification in public perception, rumors d'jour, hearsay or ephemeral economic changes come about, you'll quickly find yourself and your business incapacitated. You could never keep up.

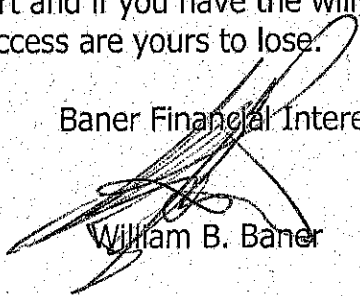
In summary, keep your **focus** like a laser, question any material changes in your surroundings with an empirical and pragmatic view, forcing you to justify your currant processes. If you see a necessity to change course, verify if it truly warrants a genuine modification or if it is just a false-positive. Again view a plan change from 30,000 feet (as a macro overview), re-confirming and then amend accordingly.

Be consistent in your planning approach by being disciplined, focused and paranoid as you go on. Understand when implementing a change that you know and feel comfortable as to what will work, why it will work, when you should change course or otherwise learning when not to do so.

The above writing is, as I previously noted, a culmination of my readings, behavioral studies, personal discussions with CFO's, CEO's and their staffs and of course, based upon my own cognitive accumulation of personal and business experiences over my many years in the financial industry.

Take what is said here to heart and if you have the will and drive, the rewards of personal and financial success are yours to lose.

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