

# MUHENKAMPMethods

Answers to questions you may not even know you have.

## LETTER TO MY DAUGHTERS: ON HOW TO GET STARTED

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I met with seniors from Duquesne University recently, all of them about your age. They are Finance Majors graduating in the spring and were looking for insights into investing, career advice and strategies for building successful careers. We talked for a couple of hours, and I tended to ramble a little bit; so I thought by writing you I could organize my thoughts and provide something useful.

I was impressed by them and continue to be impressed by you and your peers. You are smart, hardworking, curious, and disciplined. I keep hearing about how your generation is somehow lost, but I've yet to meet someone your age that isn't willing to learn and to work. Sometimes they just need help knowing what to expect and how to get started. So, here it is, how to get started.

**To get started as an investor**, review the One and Only Official Muhlenkamp Investors Starter Kit which consists of:

1. ["The Basics of Investing"](#)
2. ["A Walk Down Memory Lane"](#)
3. ["Basic Financial Maxims I Want My Kids to Know"](#)
4. ["Ron's Reading List."](#)

The kit also includes the disclosure documents for our mutual fund (but the same documents from any mutual fund will work):

1. Prospectus (Full and Summary)
2. Financial Report
3. Statement of Additional Information

Read the mutual fund documents to learn what the Fund Advisor is trying to accomplish, how they go about it, how well it has worked (or not), and what they charge for the service of managing your money. Go through the financial report to see the list of investments the manager has made and pick one or two names from the list, do some research on them, then call the advisor and ask some intelligent questions about how they selected that investment. See if their reasons align with what is disclosed in the documents, articles, newsletters, etc. that they have published.

**To get started working in Financial Services**, note that "Financial Services Professional" is a broad term that covers a LOT of ground. In general, most firms need people with different (but overlapping) skills. Analysts and Portfolio Managers need accounting, probability, and analytic skills. Compliance People need to be detail oriented, organized, and disciplined enough to navigate a constantly changing regulatory environment. Client Service needs to call, meet, and collaborate with clients on financial problem solving; Marketing has to communicate, educate, and entertain, and Administrative People need bookkeeping, performance reporting, and human resources skills. EVERYBODY needs good initiative, good judgement, and the ability to communicate effectively in writing and verbally.



In fact, no matter your profession or industry you MUST:

1. Show up on time (meaning 15 minutes early).
2. Stay until the job is done (not quit for “happy hour”).
3. Pass the drug test (even if there isn’t a “test”, nobody is hiring a drunk or an addict. Substance abuse impairs initiative and judgement. Trust me.)
4. Think. (If I have to explain this then I have failed you as a father. Sorry.)
5. Write. (The bible for effective writing is Strunk and Whites “The Elements of Style.” Learn it, love it, live it.)
6. Speak. (Join a Toastmasters Club and get some sales training. I use the Sandler Selling System but pick one that makes sense to you.)
7. Be dumber than the boss. Spend six months listening, thinking, and studying. Then pick ONE of your great ideas on how to do something better and write a proposal to the boss. This proposal should be equivalent to a Master’s Thesis on the problem or opportunity you have found and what to do about it. DO NOT submit an outline, rough draft, early draft, etc. Spend your first six months writing, editing, and polishing until it represents your absolute best work and your absolute best ideas. Don’t show your boss anything less. I, for one, don’t want to see anything less than your best work.
8. Develop/demonstrate Grit/Resilience/Anti-Fragility. Google those terms and you will find a raft of books on the subject, but it boils down to this: As things get harder, do you get stronger? Do you grow through adversity? If so, great, get better at it. If not, acquire the skill. And it IS an acquired skill, no matter how much you already have you can acquire more.
9. Most importantly, you must have the right ATTITUDE. And the right attitude is to be ready, willing, and able to do all the boring, mundane, nasty jobs that the boss doesn’t want to do anymore. THAT is how you get a job. It is also how you learn the business from the ground up.

**To start thinking about a career;** learn the distinction between a job and a calling. Gary North had some good advice about that, starting with **“A job is different from a calling. A job puts food on the table. It pays the bills. A calling is the most important thing you can do in this life in which you would be most difficult to replace.”** I suggest finding the article and reading the rest for yourself. I like to replace “job” with “profession” because professionalism is the goal no matter what the job.

My favorite description of professionalism comes from the author Steven Pressfield **“The professional has learned that success, like happiness, comes as a by-product of work. The professional concentrates on the work and allows rewards to come or not come, whatever they like.”** My next favorite quote comes from Oprah Winfrey and carries a similar message **“Your job is not always going to fulfill you. There will be some days that you just might be bored. Other days, you may not feel like going to work at all. Go anyway and remember that your job is not who you are, it’s just what you are doing on the way to who you will become.”** And of course, Scott Adams authored a book titled **“How to Fail at Almost Everything and Still Win Big”** which explains how EVERY job will help prepare you for “THE JOB.”

I think my generation has done your generation a disservice by promoting some myths: the idea that your profession and your calling have to be the same thing; that your first job SHOULD be rewarding, fulfilling, challenging, and enjoyable; that you SHOULD NOT work at a job or profession unless it is rewarding, fulfilling, challenging and enjoyable. These are myths, and they are recent myths. My Grandparents never thought that work would be fun



(and their jobs WERE NOT fun), my parents never expected work to be fun (and were surprised when it was), and my generation HOPED work would be fun, but didn't expect the first several jobs to be fulfilling.

I'm worried that we have taught you to expect your first job to be your last job, that it will be wonderful, and that there's no point in having a job that isn't wonderful. None of that is true and believing that will make your calling impossible to find and your profession miserable. The truth is your calling is hiding from you, it does not knock on your door. You have to work at different things, excel at them and evaluate them before you will FIND your calling. The truth is that your profession and your calling may have NOTHING to do with one another. The way to find out is to be open to working at many different jobs, to be professional at ALL of your jobs, and be willing to work the awful jobs for what they can teach you. The truth is fulfillment, challenge, and enjoyment are the RESULT of doing a job well; of being a professional at any and every job you have. That's also the only way I know to self-esteem, doing something other people find useful.

Let me know if I can help.

Love,

Dad

*The comments made in this article are opinions and are not intended to be a forecast of future events, a guarantee of future results, nor investment advice.*

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