

Author: Ken Langone

Book Summary

Through socioeconomic history, capitalism is a term which has witnessed a variety of reactions, with some people hating the concept while others acting as staunch proponents. Ken Langone can be considered a proponent of the concept, with his treatise, *I Love Capitalism*, being his personal account of evolving from rags to riches. Ken Langone is a billionaire US investor, businessman and philanthropist, but he is a self-made man. As a self-made billionaire, Langone is vastly different from typical financial gurus and his brilliant narrative takes readers through the mesmerizing Wall Street, offering nuggets of wisdom on business, investments, philanthropy, and society, along the way.

A misfit right from the beginning, given his background and his journey, Langone landed his first job at a low ranking investment bank, where he was employed to sell securities. However, his knack for numbers and his ability to find opportunity even in the direst of situations ensured that Langone became a legend in the investing world. The book narrates his tale as a master investor, someone who managed to turn around various struggling businesses in sectors such as home improvement, health care, and laser patents. The story is written in a very personal manner, with Langone's personality and ethos shining through and it ensures that the reader is entertained while being educated, from start to finish.

Key takeaways

- Free enterprise can be considered key to empowering everyone and giving them a leg up.
- Capitalism can work for everybody, as long as you remain committed and put in the effort.
- Absolutely everybody should dream big, just as Langone did.
- The American Dream is not a myth – if you dream big and put in the hours, you will make it.
- Do not be afraid to ask questions just because you may end up appearing dumb – the only way to not be dumb is to clear your doubts.
- Private ownership, as against a socialist culture, incentivizes people to create businesses that then expand and create jobs for others.

If someone should be speaking out in defence of capitalism, it should be someone who has managed to make a mark in the industry while following the basics of the concept. And, who better than Langone to do it, as someone who came from a family of Italian immigrants and managed to make it big through sheer hard work and determination. The American Dream held true for the billionaire and philanthropist, and *I Love Capitalism* is a vocal discussion on his beliefs and experiences on the way to becoming a self-made billionaire.

There is no doubt – Capitalism works

People today feel that if they want to do well in life then they must be born with a silver tea spoon. This belief is very far from the truth. As the American Dream goes, if you are a person who is capable of dreaming big, and are willing to put in the hours and effort, then you can definitely become a billionaire. Irrespective of how big your dream is or how unachievable it might seem; you can achieve it. Your family background or education will hold little sway. And, this is possible only in a capitalist economy, where people are driven to do well for themselves and create a private empire which can, then, go on to create jobs for others and uplift the entire society. And, if one person can dream big and fulfil that dream, it is ample proof that even you can do the same, as long as you understand and follow the lessons learnt by legends who have made the journey before you. Indeed, a capitalist economy offers the same opportunities to everyone. It is up to you as an individual to make the most of what is available.

Love what you do

This is something every self-help book will state – to succeed professionally, and be happy in life, it is imperative that you love what you do. If the work you do is enjoyable and satisfying, there is no stopping you from ascending to the top and leaving an indelible mark. At the same time, if you do something half-heartedly, and do not enjoy it, no amount of hard work or effort will help you succeed as your heart would not be in it. In Langone's own words – “*The truth is that I loved what I was doing from the day I went to work, which is one of the great joys in life, I've found.*” Truly, there is no joy greater than waking up to do a job that

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you love. Otherwise, it is very easy to slip into the void where you wake up each day, dreading what lies ahead. As long as you have the time of your life while working, you will end up successful

Education through curiosity and experience

People place an unnecessary amount of importance on traditional education but, in reality, it is curiosity, real life experiences, and the desire to learn new things which can help you succeed at work and at other aspects of your life. Academic success can only take you up to a point. Beyond that point, you can only move forward if you keep reinventing and reskilling yourself. And, you need not attend an Ivy League college to become a billionaire. As long as you love and understand what you are doing, and avoid investing in fool-hardy schemes, you will do well.

Humility and treating people well

As they say, the bigger a person's achievements, the greater his humility. As Langone himself says, *"Arrogance is the enemy. For many years, Bernie Marcus and I never, ever went into a Home Depot store - never once - unless we were pushing carts in from the parking lot. I used to pray I would see a piece of trash on the floor so I could pick it up. Why? Those are entry-level tasks for the kid who works in that store. When he sees the top guy doing them, he can say to himself, 'If it's not too small for them, it's not too small for me.'* The minute you take away all the artificial barriers between yourself and your people, you're on your way to phenomenal success. But it takes a bit of humility. It is important to stay humble and to teach by example. The people who work for you also deserve respect and, giving respect is the only way to also earn it. After all, if you are an entrepreneur then people will always be the best investment that you can make.

Staying confident, resilient, and creative

There are some qualities which define a person's life. For capitalists to perform well, it is important that they remain confident, resilient, and creative, even in the face of the most worrisome situations. Being in awe of people or events will only make you blind to the opportunities in front of you. Remember, you are no less than anyone else. You can do as well as the billionaire you idolise, as long as you stay the course and remain committed to your goals. Also, even if your dream takes time and effort, do not give up. Keep trying and keep adopting creative methods to drive success. *"What distinguishes the winners from the losers is the ability to turn adversity around: resilience and creativity," says Langone.*

Create the right culture

Often, when you begin a business or embark on the entrepreneurship voyage, you notice that there are several hurdles along the way. Hurdles which are not of your creation but it is your responsibility to deal with them. From the start, create a positive culture in whatever you do. Know your values and treat people with respect. Do not give in to things which go against your values – this will only end up in causing you distress. You will also have to take the initiative and destroy the values which may lead you to failure. Cut off people and things that go against your value system if they are not amenable to change. Stay true to yourself and to what you believe.

Staying complacent could cost you greatly

Langone says, *"Complacency is the enemy. If we don't stay focused on our mission every single day, every minute we're awake, Home Depot will go to sleep."* This is true in whatever you do. Your initiative will only stay on track as long as you are focused on making it successful and driving its power arc. If you lose focus or give up simply because you think that you have succeeded, then you will be replaced in no time. And, if you do end up making a mistake along the way, be ready to accept it and, most importantly, learn from it so as not to repeat it going ahead.

Philanthropy and success

Success is not only about making lots of money or winning major accolades. It is also about giving back to society and helping everyone do well. As they say, capitalism is a brutal game, but, even when it is cut-throat, it involves fair deals between people who want to help each other succeed. *“But as much as we give, it keeps coming back; we've made all the money we've given away and more,”* Langone says, indicating that philanthropy and success go hand in hand. You do not lose out by being kind or by helping people – rather, you stand to gain more than you have given.

While socialists may consider capitalism a murky concept, people who embark on the capitalist journey with the intent of enhancing themselves and the society they live in can make a huge difference. For, here, if you dream big, there is nothing to curtail your success and your success can spell success for countless others.

From an individual's perspective, perhaps one of the biggest forms of capitalism is generating investment returns. Your financial planning journey and your financial goals are similar to a capitalist's goals of creating a business and generating business profits. Which is why, many of the lessons learnt in this book should be embraced by both investors as well as small business owners. However, the most important part of being successful is to have clear goals and to stay committed to your strategy. You need to have goal clarity, strategy clarity, and commitment to strategy. This is where mutual funds can prove to be an ideal partner in your success journey. These investment vehicles pool investor money and then invest it in different investment instruments with the dual goals of keeping your money secure while generating returns. In effect, they can provide you both capital protection as well as capital appreciation. Further, the money invested is managed by expert fund managers who follow a predetermined investment strategy thereby ensuring a high degree of discipline and focus. In addition to this, you can further enhance your investment journey and ensure a path to success by investing in mutual funds via the Systematic Investment Plan (SIP) route. SIPs allow you to invest a fixed amount of money in a mutual fund scheme of your choice and at time intervals that suit your best. So, in one go you ensure commitment and discipline. And as the book says, as long as you are committed and disciplined, nothing can come in the way of you achieving your goals.

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