The Goal Is Antifragile

Some of you may remember the book, “The Black Swan,” that I have written quite a few blogs on in the past. The reason I have shared from Nassim Taleb often is his philosophical thinking about the world and investing is so insightful and unique that it makes for serious contemplation about the world in which we live.

Can the Entrepreneur Optimism Be Risky?

As an entrepreneur, I consider myself a pretty optimistic person. I look to the future and see a rosy picture filled with visions of a lifestyle that incorporates my dreams. I will sacrifice now acknowledging that I will see better times ahead. Knowing that the little steps of progress I see in my company is leading to something better really gets me excited, and the optimism overflows even more! Have you ever thought this could be a little risky? I didn’t, but let’s explore this some more.

What’s so special about a

Black Swan anyway?

Something that I‘ve wanted to write about for a long time is the understanding of what the Black Swan Theory is and why the book by Nassim Taleb is so relevant to both our personal and professional lives.

In my investment days I read Nassim Taleb’s 1st book *Fooled by Randomness*. I was blown away by how he analyzed risk as a former Wall Street trader. Being a regular in the book store, I saw another one of Taleb’s books The Black Swan about 3 years ago and picked it up immediately. I was once more blown away, only this time at a new higher level.

What’s the Risk? The Black Swan vs. The Bell Curve

If you recall, I wrote a blog not too long ago on the Black Swan, with emphasis on its take of an Extremistan world, where living in a scalable world makes you subject to extreme events. With the recent movie *Wall Street: Money Never Sleeps*, I’ve been thinking a lot about this theory, and about what caused the stock market crash. Was it really because of the greedy types on Wall Street?

A big portion of the Black Swan is on how the Gaussian bell curve can measure risk in a world not subject to extreme fluctuations, but it doesn’t come close to measuring the risk that is associated with things that can range more than 3 standard deviations from the mean.

Welcome to Extremistan, Land of the Black Swan…

After the last blog post one of our project managers, Taryn, asked me "If you can't predict a Black Swan, then how do you stay away from the negative ones, and vice versa, how do you put yourself in the path of positive ones?"

To answer this question, you have to understand the two types of environments that exist in the world of the Black Swan. Taleb calls them Mediocristan and Extremistan, and they are defined as:

Mediocristan …"When your sample is large, no single instance will significantly change the aggregate or the total. The largest observation will remain impressive, but eventually insignificant, to the sum." (p.32, The Black Swan)