

33 Money Lessons I Learned from a Self- Made Multi- Millionaire

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Don't you love it? When a book changes your life...?

Reading books is definitely one of the best investments you can make with your time and energy. Reading provides a shortcut to the author's life experiences and can give the reader lessons that took a lifetime to be learned.

On your [journey to wealth](#), a lot of books will be helpful, but only a handful of them will be able to massively alter your trajectory in life. These are usually classics that have been created by authors that have "walked the walk" and spent years studying the topic they are writing about.

For me, the book that has had the biggest impact on my way of thinking and perhaps on my life overall, is MJ DeMarco's "The Millionaire Fastlane".

MJ Demarco was the founder of an [internet based company](#) offering limousine services. After running profitably the company for several years, he sold the biggest part of his equity, cashing out on his success and becoming a multimillionaire. After that, he had all the time in the world to focus on writing a tremendous, paradigm shifting book.

From the book's summary:

"The mainstream financial gurus have sold you blindly down the river. For those who don't want a lifetime subscription to "settle for less," and a slight chance of elderly riches, there is an expressway to extraordinary wealth that can burn a trail to financial independence faster than any road out there.

Demand the Fastlane, an alternative road to wealth that actually ignites dreams and creates millionaires young, not old. Hit the Fastlane, crack the code to wealth, and find out how to live rich for a lifetime."

MJ writes in a an unapologetic, "break rapport", "in your face" way that will surely stir some emotions in you. But this is great, because these emotions will fuel your actions.

When I first encountered the book, I was deeply entrenched into "[employee mindset](#)". I could not fathom how money could be earned outside a job and I lacked the appropriate mindset regarding [what wealth is](#) and how it can be achieved.

After reading a few pages, I was "pushed away" by the harsh realizations that were verbalized. MJ does not write to make friends, but to speak the truth. He exposes and puts on the spot anyone with a bad money game plan, which in reality accounts for over 90% of the population (including me at the time).

I let the book down and decided to read something else instead and leave it for the time being.

Hopefully, I picked it up again a few months later, after I had studied some other money related books and I was slowly shifting my way of thinking. I started it again from the beginning and this time... I was blown away!

The book is written in a way that really resonates with people who wish to have a better financial future but have not been able to pinpoint what their approach should be. It provides a solid framework on how to [create wealth](#) via a business system and then retain it via a money system.

Since that first time that I completed it, I have read "The Millionaire Fastlane" several other times. It is definitely one of those books that you should read on a recurring basis (e.g. every 6 months), because every time, you are exposed to something new that you have missed.

MJ gives away invaluable nuggets of wisdom and offers life lessons. From my several readings so far I have extracted the following lessons as the most important ones.

1) Stop following the conventional wisdom about wealth.

This is one of the biggest lessons and it is related to your mindset and belief system. The "conventional wisdom" is what the majority of the population believes about making money and creating wealth.

Unfortunately, most people out there are not even remotely successful financially. On the contrary, the average person usually has [negative net worth](#) and struggles with a badly paid job. At best, he is leading an unsatisfying, mediocre life.

This means that the mentality of the masses regarding money and wealth is not effective. For this reason, you should avoid it and steer clear from it.

On the same note, stop taking “advice” from people who are not wealthy. Would you take [nutrition advice](#) from a fat person? Of course not. Then why would you take financial advice from your poor uncle who thinks that knows everything about money?

Get your eyes on some good money books in order to reset your mindset and try to study how the rich people think and operate.

2) You have to take control of your environment.

The environment we live in has a profound effect on our lives whether we realize it or not.

If you want to reach financial success and move forward in your life, you have to properly set up the environment you live in. You have to optimize it in a way that will assist you in the achievement of your goals.

This could be anything from locating to a different suburb, city, country or even continent.

Were you born in a poor country that limits your potential? Move abroad.

Are you stuck in a small town with no business opportunities? Move to a metropolitan area.

Do you live in a cloudy, cold area that depresses you and lowers your morale? Relocate to a sunnier place.

Will these life-changing actions be easy? Probably not. However, they are totally inside your area of control, so you should make the necessary effort.

Having said that, the environment we live in is not limited to our actual residence. It also consists of the people we associate and socialize with.

Are your friends complacent in life and seem to tread water? Make some new friends with better potential in life.

Are your parents stuck in a “play it safe” mentality and drag you down at your every attempt to achieve something big of your own? Move out of the house.

Pay attention only to those you would like to be like and discard the opinion of everyone else.

Again, these are not easy options, but they will probably be necessary if you wish to make some progress in life.

The bottom line is that it is up to you to create the optimal environment you wish to live and work in. Unless you are living in a country with a dictatorship or war, you have the option to do that, so exercise that option and see your life change drastically.

3) Money trees do exist. But you have to build them.

There is a common saying that goes like this: "Money doesn't grow on trees".

This quote originates from a flawed mindset that most people subscribe to. It suggests that money is scarce and that they will not "magically" appear for you, so you cannot obtain them unless you actively work and work hard.

The reality is that you can build such "trees". Only they are not called "trees", but rather "systems". A business system is the "heart" of a Fastlane venture, and if properly set up, it will sprout money in the form of monthly cashflow.

In the beginning, you will need to properly attend and take care of the system, just like a young tree. But after a while, [the system will be able to stand on its own](#). It will then need only little of your attention, providing you with the gifts of your labour.

Business systems working as “money trees” are also great because they allow you to remove yourself from the daily operations. In that way, your time is protected and you are granted the freedom to do whatever you want in your life.

4) Wealth is not an event. It is a process.

This is a common misconception that most people have. Misguided by their instant gratification syndrome, they believe that wealth can be obtained “as an event”, as a single action that can happen in the immediate future.

This is where the term “overnight success” comes from. Success is never achieved “overnight”, it is always the end result of a long lasting process which is usually accompanied by massive amount of effort.

Unfortunately, the misconception is propagated by the media which often presents a story by focusing on the “event” (e.g. a stock market IPO, a startup buyout or even a sports contract), rather than the process required to reach that event (e.g. the long hours that the founders had been working or the exhausting workouts that the athlete had to go through).

We have mentioned again one of the most convincing examples of the difference in this mentality. Here is an excerpt from an older interview with Facebook’s co-founder, Dustin Moskovitz, to pinpoint this:

Journalist’s question:

“How did it feel like to be part of Facebook’s ‘overnight success’?”

Moskovitz’s reply:

“If by ‘overnight success’ you mean staying up and coding all night, every night for six years straight, then it felt really tiring and stressful.”

This “I want the money now” mentality is detrimental and should stay out of your belief system.

Replace it with the following:

“Wealth is the result of a carefully strategized process”

5) You must avoid the trap of Lifestyle Servitude.

One of the most common financial patterns you will meet is the one where the individual is forced to actively generate more income via his job so that he can keep up with the expenses created by his lifestyle.

This is a vicious cycle where the person is actually a servant to his lifestyle. In simple terms it could be described as follows:

- Active job generates income
- Newfound income creates lifestyle
- New lifestyle has financial obligations
- Obligations necessitate active job
- Repeat from the top

This is essentially a way of living which is based upon materialism, consumerism and human's instant gratification. Let's see an example.

Fresh out of college, John gets hired in a big firm despite the current bad economy. He gets a good salary and this income boost automatically makes him think of all the nice stuff that he would like to purchase.

He rents a better apartment and buys a new fancy car with 60 monthly payments. He is beginning to live the dream. However, he has not properly calculated the math and now his total monthly expenses skyrocket.

In order to keep the payments rolling, he has to keep working on his job whether he likes it or not. He gets highly dependant on the company he works for and one bad strike could get him in deep trouble. Now he is trapped in a lifestyle that himself created, unaware of the implications.

This is similar to what Robert Kiyosaki describes in his classic book “Rich Dad, Poor Dad” as the “Rat Race”:

- Get good grades
- Go to college
- Get a job
- Work hard to get a promotion
- Get that promotion
- Promotion means more money
- Upgrade your lifestyle
- New lifestyle (house, car, stuff) brings debt
- Work more to fund the expenses and debt
- Get another promotion
- Upgrade lifestyle again
- Get Old
- Look in the mirror wondering where did your life go
- Die

Lifestyle servitude is an insidious trap that should be proactively avoided. It is difficult in this world of instant gratification, but we have to exercise self-control and show self-discipline.

6) High income does not equate high net worth.

This is yet another misconception that most people have. They equate wealth with high income. This could not be further from the truth.

First of all, let's define [net worth](#), in case you are not familiar with the term. In simple words it is the total assets minus total liabilities of an individual.

Assets would be things like cash in the bank, stocks, bonds, equity in a private business etc. Liabilities are usually obligations like mortgages, credit card debt etc.

But why is not high income enough? Well, the thing is that you have to account for expenses too. So the proper equation to use is:

Net Income = Income - Expenses

The problem is that when most people get access to high income, they usually increase their spending to match it. And when access to that income is lost for whatever reason, what is left is the large expenses.

There is no difference in a person having a monthly income of \$3,000 and expenses of \$2,000, and another person having a monthly income of \$30,000 and expenses of \$29,000.

This is why we often see famous people going bankrupt (athletes, actors etc.), since they quite often lose their income and are left with the running expenses. As Harv Eker would say in his book "Secrets of the Millionaire Mind", this is a mindset problem, not a money problem.

On the other hand, high net worth is built by keeping the spread between income and expenses high. That spread is then converted to assets that usually also provide income (additional cashflow) and this process eventually creates a snowball effect.

High net worth is the residue of high net income and the result of correct financial choices.

High income on its own can be temporary and does not provide any guarantees. But a solid net worth can be long lasting and provide financial security and freedom. Choose to put your focus on building the latter.

7) If you have to think if you can afford it, you can't.

This quote summarizes the line of thinking you should have whenever you are contemplating a purchase. It means that if you have to actively think whether you can afford a purchase or not, weighing the impact that will have to your lifestyle, then you actually cannot afford it.

Let's see an example to make this clearer. Suppose you are thirsty and wish to buy a bottle of water. Do you give any special thought to it? Do you evaluate internally if you can afford that bottle of water or not?

Most probably not. You just do it. And the reason is that this minor spending will not have any material impact to your lifestyle.

In the same sense, a wealthy individual is in the position to buy a Ferrari without having to really think twice about it. It is the same concept, on a different scale.

However, consider a different example. If you wish to buy a car and the only way to do it is via credit card debt and several monthly payments that will last a few years, then this purchase will definitely have a significant after-effect to your lifestyle. You cannot afford it.

So the litmus test for whether or not you can afford a purchase is to ask yourself:

Can I pay cash for it without changing my lifestyle?

If the answer is Yes, then you can afford it. Otherwise, you should probably skip the buying for now and work on increasing your net worth instead. This is one of the instances where exercising delayed gratification instead of instantly indulging to the temptation, will help you reap long term rewards.

8) Jobs suck because they are rooted in limited leverage and limited control.

By having a traditional job you will never be able to build significant wealth. There are a lot of reasons that jobs suck, but the most important one are that they cap your income and that they make you abolish control of your financial future.

First, they have limited to zero leverage. With that we mean that the output of your work will always be of [limited scale](#), as productive as you might be. The reason is that we are finite beings with finite energy and time.

Unless you channel your efforts via a system, you will not be able to multiply them and have a great impact. As a result, the amount of value you provide will not be able to scale to the levels that will allow you to build massive wealth.

Second, they offer limited control. As a simple employee, you have minimum influence over the way that the business works and you are forced to work under specific rules and circumstances. Additionally, you are vulnerable since your position might get jeopardized by outside factors such as a bad economy, a bad boss etc.

Ideally, you want to have equity (fancy word for ownership) of the business venture you are working on, either an [online or a traditional one](#). This will give your rights over the profits that the business system will generate, boosting your income and eventually your net worth.

9) It's all about math. Small numbers do not make millionaires.

In your journey becoming a millionaire, math is your best friend. Of course you do not need complex algebra, just simple arithmetic.

Let's examine the scenario of an employer or a self-employed person. The numbers that would describe their "wealth formula" would be 5 (as in 5 days a week), 40 (as in 40 work hours per week), 17 (as in the US [median hourly wage in dollars](#)) etc.

As you understand, these figures are not enough to hit the big numbers. How many hours can you work per week? How high can your hourly rate realistically be? The math doesn't lie.

The only way to quickly build wealth is via "explosive income". More often than not, this will be achieved by means of a business unit that you are the owner of.

Businesses have a huge advantage over individuals. If properly set up, [they can scale!](#) And the result of scale is big profits which are then translated to owner's wealth.

10) You can't win the game always playing defense. You must go on offense.

The only way to accumulate wealth and build a high net worth is to achieve high net income. Net income is the income that you have (from all sources) minus your living costs.

You have to pay attention to both parts of this equation in order to succeed financially. However, there is an asymmetry in that formula that you should understand.

The “costs” part has a hard lower limit, it can (theoretically) go as low as zero. On the other hand, the “income” part has no practical upper limit.

For this reason, you should definitely take care of keeping your expenses in line (defense), but your main focus should be on bringing in a higher income (offense).

Wealth is created by soaring income coupled with disciplined expenses.

The problem here is that most people get fixated with the second part. It does not help that most personal finance advice out there revolves around minimizing expenses, cutting costs and living a super frugal life.

A common axiom of mine is that at your early stages you should strive to save around 80% of your income. This seems surreal to most people especially when the mainstream advice is to save only 10% of it (and that is considered an “achievement” since most families usually face a monthly budget deficit).

The typical response to that is something similar to “How I am supposed to live with \$400 out of my \$2,000 income?”. Well, that is the point. You should put your focus on increasing that income to let’s say \$10,000, so that you can make means with the \$2,000 that would remain.

11) Lifestyle choices will make you a millionaire.

As we talked about previously, wealth is not an event, it is the outcome of a well executed process. This process might take place over several years and it involves a series of appropriate and strategic life decisions.

As you cannot get fit by going to the gym once, similarly, you cannot achieve wealth by only making one sound financial decision. You need to change your lifestyle in order to improve your body and this applies to wealth too.

By “lifestyle” here, we essentially mean your habits. We mean every daily decision and action that you take.

Do you routinely spend several hours in front of the TV or do you invest your time in reading quality money books?

Do you go out with your buddies to get wasted or do you work on a side [online project](#) that you started?

Do you spend your hard earned money on trendy gadgets or do you invest them in building your own business?

We are daily facing several choices that we need to make. Should I watch TV or should I work on my project? All these daily choices, accumulated over the years, is what makes the process.

You have to consistently make the correct choices and if you, their positive results will compound over time bringing you closer to your goal.

12) "Get Rich Quick" does exist. But it is not easy.

Humans are hardwired for instant gratification. We want everything, and we want it now! At the same time, humans are also wired for energy preservation. We want everything, and we want it with minimal effort.

Based on those two fundamental traits of human nature, several scams and frauds have emerged during history. The same thing happens today too, particularly on the online world.

This is also how the ["Get Rich Quick" schemes](#) have grown. These schemes promise that participants can obtain a high amount of money with little risk, and with little skill, effort, or time.

The promise is always the same: Commit a minimal amount of effort and you will be greatly rewarded. This is obviously absurd, since [building wealth is a difficult journey](#).

The reality though is, that "Get Rich Quick" does exist. What doesn't exist, is "Get Rich Easy". Of course, when we say "Quick", we obviously do not mean a few days or weeks, but also not

thirty of forty years either. We are talking about a time frame of 7 to 10 years of committed effort.

The bottom line here is that getting wealthy quick is possible when you operate under the appropriate mindset and correct framework. You can confirm this by looking at the various success stories of young entrepreneurs, especially those that have built [online companies](#) over the past couple of decades.

13) Play with Team Producer, not Team Consumer

We are definitely living in an era of abundance never found before during the human history. This has made modern life quite comfortable, especially in comparison to the lives of our ancient predecessors. However, there is an ugly aspect of this abundance, and that is consumerism.

The majority of the population has embarked on a never ending quest of acquiring more and more items, from the latest hot gadget to the fancy sports car. Unfortunately, this whole brainwashing to consume more starts in the young age, where kids are indoctrinated to want more and more.

So what options do we have here?

One is the Team Consumer, where the masses belong. Their focus is to consume more, to earn money just in order to spend it a bit later.

The other is Team Producer, where only a few select belong. Their focus is to invent, build and create what the consumers will later devour.

The choice for a better financial future is obvious: Team Producer is the one to join.

By becoming a producer and serving the masses, you will belong to the winning team and will be rewarded in monetary terms for the value you have provided.

How do you achieve that? By raising your awareness and by switching your focus.

Try to see behind the lines. Explore how successful companies work. Examine what popular advertisements have in common. Scrutinize the business model of a company you respect. Study the way wealthy entrepreneurs think.

Switch teams, offer value to society and you will be rewarded for it.

14) Wealth equals Net Profit and Asset Value.

This is the Fastlane formula to achieve wealth:

$$\text{Wealth} = \text{Net Profit} + \text{Asset Value}$$

Let's examine the two components, to make this clearer.

By Net Profit, we mean the number of Units Sold multiplied by the (Net) Unit Profit. For example, if you have an [online e-commerce business](#) that sells about 10,000 items/units per month, and the average net profit of these items is \$5, then your monthly Net Profit would be around \$50,000. Thus, your business's annual profit would be about \$600,000. Nice!

Now, the second element of the equation is a bit trickier. What you have to understand is that every business has an intrinsic value, called Asset Value. This means that the business is an entity independent of its founder, and has a market value, thus can be sold or liquidated for a specific amount of money.

How much a business should be sold for is a huge topic and it involves asset valuation analysis, but we will keep it simple here. We will use an approximate industry multiplier to assess the asset's value.

In each industry, there is a multiplier that roughly determines the valuation of that asset, depending of course on the current market environment.

For those investing in stocks, this is essentially what the P/E (Price to Earnings) Ratio is all about. When you see that Apple trades approximately at 15 Times Earnings, it means that the

market has assigned the stock a 15 multiplier. For private companies that are not as established as Apple, the multiplier tends to be quite lower.

So, let's calculate the asset value of the previously mentioned online e-commerce company. An average multiplier a company like that would command is 4. That means that your company's value in the marketplace (or Asset Value) would be $4 \times \$600,000 = \$2,400,000$. Now we are talking!

Let's further assume that you optimize your e-commerce site (by increasing conversions or by bringing in more traffic) and you achieve a 10% profit increase. That would be great since you now would be netting \$55,000 per month, or \$660,000 yearly.

Now check this. What is even greater is that your asset's value has now exploded to $4 \times \$660,000 = \$2,640,000$, or an increase of \$240,000! The reason is of course the multiplier which is assigned to the asset.

To sum things up, having a scalable business that provides high monthly cashflow is a great wealth accelerator and one of our best options to build long term wealth. In essence:

We want to build businesses which offer both cash flow and asset valuation.

15) Not all Businesses are Fastlane.

Oh my, this is a huge one.

This is probably the second biggest mistake people make when they decide to start a business in order to obtain riches (the first one is of course starting a business when there is not enough demand/need for it).

The thing is that not all businesses have the blueprint to become Fastlane. Just because you incorporated or created a legal entity, does not mean that you have a promising business.

Too many people start businesses and they essentially trap themselves in a high-maintenance job. The problem is that these businesses do not have enough scale, and cannot operate without reserving the owner's time.

Let's consider John who, loaded with this family's savings, decides to open a pizza joint.

He opens a fancy establishment in his local neighbourhood and slowly attracts customers. He works several hours per day in his business and he is a practically a "one man army". Since the sales volume is not sufficient to justify hiring a general manager to replace him, he has to be there when the store opens and when it closes.

After a while John realizes he has reached the full potential of his business and even that cannot provide a decent profit. He cannot increase his prices to improve margins, because he would lose customers to other local fast food places. It is just pizza after all.

Unless John automates and systemizes the operations, in order to franchise the company, he will remain trapped in a job masqueraded as business. But franchising is not a simple story. Are the margins and the sales volume enough for something like that? Possibly not.

What we conclude is that before starting a business, we should perform exhaustive due diligence to assess its potential.

Brick and mortar businesses, due to their locality, are very "dangerous" on that front. On the other hand, [internet businesses](#) are inherently perfect for scaling and being automated, so they are good candidates for a Fastlane venture.

In order for a business to be a powerful vehicle to wealth, it has to be able to scale and work independently of its owner.

16) Money is the king of money trees.

As we discussed above, "money trees" do exist. And they appear in the form of systems: business systems, rental systems, human resources systems etc. However, there is another, even better money tree, and you already have access to its seeds.

That seed is money. You can use money to make more money. Money will work for you 24/7.

A money system is the ultimate passive income system.

When you have access to capital, people will pay you to use your money. This could take the form of loanership or ownership.

For example, you will be able to buy corporate bonds (loanership) or company stocks (ownership). In both cases, your money will work for you, and not the other way around. In the case of bonds you will receive interest payments, while in the case of stocks you will receive dividends. Passive cashflow at its finest.

As Kevin O'Leary from Shark Tank often says: "Your money are your soldiers, who should go out in the wild, fight for you, and bring back even more soldiers".

The more capital you have, the more potent your money system is. This is one of the reasons that you should accumulate a large amount of capital through your savings. Be vigilant of both your offense (making more money) and defense (saving large percentage of it).

17) The rich use compound interest for income and liquidity, not to get wealthy

This is another misconception that most people have. They notice that the rich utilize the power of compound interest, e.g via the stock market, and they are tricked to believe that this is their primary wealth creation tool.

However, that is not the case. While there are people who have made their fortunes by trading stocks, the majority of the wealthy have not done it via the stock market.

(Want to guess how they did it? By creating and owning scalable businesses.)

While compound interest is extremely powerful on its own, it has to be applied to large sums in order to be actually effective.

Are the wealthy invested in the stock market making use of compound interest's force? Of course. But the reasons are different: they do it for income and liquidity. Let's examine these.

First the income part. Let's revisit the e-commerce example presented previously. In that case, you are the owner of a cashflowing asset, which provides a \$50,000 monthly profit (\$600,000 annually), and you can liquidate that asset at a price of around \$2,400,000.

Let's also assume that you have cash flowed the business for a few years and by keeping your expenses at a reasonable level you have accumulated \$1,600,000 (totally feasible when you hit \$600K per year).

You decide to exit the company and you receive \$2.4M for it (there will be some taxes of course, but let's ignore that for this example). Combined with your \$1.6M in the bank, you now reach \$4,000,000 in cash.

Having such an amount in cash is not optimal, so you decide to pour your money on a diversified array of conservative financial products with good liquidity (i.e. they can be converted in cash again very easily, read on for more details).

Let's assume that the financial assets have a combined annual yield of 5%. That would mean that you will receive \$120,000 each and every year (or \$10,000 per month) in the form of interest/dividends while doing nothing and while preserving your original capital!

That is how compound interest is correctly used and how it can really make a difference in your income.

Now let's examine the liquidity part. The term is used to describe the degree to which an asset can be quickly bought or sold in the marketplace without affecting the asset's price.

For example, real estate is a quite illiquid vehicle, since selling or buying a house is not a trivial process. Another example would be private companies, which also involve a time consuming process before they change hands.

On the other hand, financial assets like stocks, bonds and cash funds, are very liquid. In fact, you could make transactions within a few seconds using an online broker.

By being invested in liquid assets, the rich, aside from the passive income, have the flexibility to convert their net worth from one asset class to another, and take advantage of opportunities that might occur or handle issues that might rise.

18) Affect millions and make millions

This relates to the point mentioned above, that small numbers do not make millionaires. But first, let's solidify something else regarding money.

Deep down, money is just the means of exchanging value between two entities. When value of whatever form is transferred from one party to another, a relevant amount of money also flows in the opposite direction.

What do we conclude by this?

That by providing value to a large number of people, you can expect you will also receive a large monetary value as a return. By impacting the lives of many individuals in a positive way, you can make sure that you will be compensated accordingly by them.

Thus, what is your best option to make millions? What else? To [affect millions!](#)

In the end, it all boils down to this:

Making money is not an ethereal, esoteric concept. Provide value and you will receive the relevant monetary reward.

Scale that to impact millions of people and you will receive millions in exchange.

19) You are the vehicle to wealth.

A lot of people live with the belief that an external force will take care of them: the government, their boss, their family, god. The truth is that the only person responsible for your success is yourself.

If you wish to take command of your life and have a shot at making wealth, you have to take care of the vehicle that will take you there: You.

You are the only person capable of making your dreams true, and thus you should treat yourself accordingly.

This should take a lot of forms. From educating yourself constantly, to [eating healthy](#) on a daily basis. From associating with fellow like-minded people, to having a strong work ethic. From working out to stay fit, to legally protecting your personal assets by incorporating and not acting as a sole proprietor.

Of course all these are not things to happen once. They should be part of a long-term plan based on consistent effort. Additionally, your daily choices and actions should reflect this. Remember, process over event.

What is the common denominator of all the above? Control. These are all aspects of your life that you have direct control of. You should never relinquish control to some other party.

Improve yourself daily and make him a fine-tuned vehicle to wealth.

And this brings us to our next lesson.

20) If you aren't where you want to be, the problem is your choices.

Excluding totally random events, everything that happens in your life is your responsibility. Your choices are responsible for bringing you where you are right now. If you find yourself in a place in life that you do not like, it means that you failed to make the appropriate choices.

But as depressing as this might sound, it is actually a good thing! It means that you are also capable of turning things around and actually getting yourself to the place you would like to be. It means you can take your future at your own hands and make it as you wish it to be.

How do you achieve that? By creating a strategic plan aligned with your goals and executing that plan consistently. Ultimately, by making the correct choices.

Again, this is not a one time thing. These choices will be made several times on a daily basis. Every single life decision, however insignificant it might seem, should be considered under that prism.

Should I watch TV or read this business book?

Should I go out with my friends for drinks or work on my business?

Should I chill on my couch or hit the gym?

And so on and so forth.

These choices will eventually create habits and lifestyle. And from those, the wealth building process will surface.

21) You have to protect your mind from society's toxicity

On your [journey to wealth](#), your mind is your most precious asset. Your mind holds a set of beliefs, namely your mindset, that dictate your actions in life. Based on those, you will make the correct choices, or the wrong ones.

As you get yourself educated, you will notice your mindset regarding money and wealth to be shifting. You will gain some new perspective on things and you will also start breaking free from some old beliefs that did not reflect reality and, thus, did not serve you.

Unfortunately, you will also start noticing that the people around you will usually not embrace the same beliefs. The worse part is that those people, deeply fixated on their flawed opinions, will try to negatively influence you, mainly on a subconscious level.

They will try to enforce their erroneous opinions on you (“I will tell you how to get rich”), will discourage you from trying to achieve success (“You are always working, chill out a little”) or even mock you at temporary setbacks (“I told you this would never work”).

The game of wealth is largely a mind game. Fight to protect your mind daily.

So how do you go on protecting your mind? Here are some first pointers.

A good start is to ditch your TV. Seriously, this mass control instrument is a net negative activity in your life. Eliminate it instantly.

Next, start educating yourself by reading books. Note that I am hammering the topic of reading. It is super important and gives you a competitive advantage over the masses. It will also help you reinforce the correct mindset and balance out the harmful opinions of other people you will get exposed to.

Just some food for thought on this. Billionaire investor Warren Buffett had read a hundred business books before he was 18. And that was in the 60's. Former US president Bill Clinton read 300 in a single year. And billionaire Bill Gates currently reads 1 book per week.

Another move towards the right direction is to start associating with like minded people. People who are on the same journey with you, have similar goals and proactively work to accomplish things in life.

Positive and creative people in the Producer team will boost your efforts and provide great assistance in accomplishing your goals.

And a final note on this. If you ever find yourself in a situation where you are listening to somebody's complaints or ramblings about money, just nod in agreement and change the

subject to something lighter (pace and deflect). It usually is not worth the effort or your time to try to discuss it..

And speaking of time ...

22) Time is the ultimate equalizer.

You have heard this several times: “Time is our most precious asset”. It is true because time is finite, and not replaceable. Sadly, most people waste their time as if it was abundant, assigning it a minimal or even zero value.

We are all blessed with the same amount of hours every day. And what we do with our time, is what eventually will determine our success or not. No one gets a bit more or a bit less, time is the ultimate equalizer.

And yet, individuals like Elon Musk go on to build several Billion dollar companies and change human history, while others struggle in a dead end jobs for years.

If you waste your time or devalue it, you will never become financially successful. Actually, I believe that if all our actions were aligned with the goal of maximizing our time value, we would deterministically achieve wealth after a period of time.

Time is so important, that you should do the opposite of trading it for money. Instead, you should use your money to purchase time! How do you do it? By buying Other People’s Time (OPT). This is what companies do when they hire employees. They leverage their time to accomplish a bigger goal and higher profits (for the shareholders of course).

Wealthy people are those that use the cashflow from their assets so that they buy their time.

I am using a quote directly from the book here, because it is so powerful:

“The ultimate wealth is having the free time to live how you want to live.”

To sum things up, time is our most precious commodity and we we must be super frugal with it. We should focus investing it on high yield, high impact activities, and not spend it on meaningless, low yield actions.

Time is king. Act like it.

23) Education does not end with graduation, it starts with it.

The topic of (formal) education is so huge that several articles on it would not be enough, so I will just scratch the surface here.

Formal education at its current state has been designed by the system so that it produces highly trained employees, who will act as cogs in a larger machine.

Is this optimal for the good of society? Of course it is.

Society needs specific professions (engineers, teachers, accountants, etc.) so that it functions properly. The individuals that will fill those roles are coming straight out of schools, colleges and universities.

But is this optimal for the good of the individual? Hell no.

Unfortunately, formal education produces masses of professionals who are indoctrinated in a predetermined way of thinking and who find themselves almost “trapped” in specific roles.

In the vast majority of the cases, [formal education will not make you rich](#). Even highly prestigious professions such as being a doctor or a lawyer, are not worth it nowadays if you take under account the huge time, effort and money investments that are required.

The worse part is that most people, fixated on the specific role they have been assigned by society (“Hi, I am Alan, I am an accountant”), after finishing their formal education, stop learning and educating themselves.

Reading has been in decline in the US and other industrialized countries. Consider that according to various researches [one third of high school graduates didn't read at least one book in the past year](#).

Regrettably, in a rapidly changing environment as the one we currently live in, this is financial suicide. In order to survive and flourish in our complex modern world, you should be constantly educating yourself.

Take as example the rich people, who never stop learning. I mentioned previously the example of Bill Gates, who after all his success, still reads one book per week.

Education is a competitive advantage and will you give you an edge in your professional and business efforts. Make a commitment to yourself to never stop the self-education process.

As great business person Jim Rohn has mentioned:

“Formal education will make you a living; self-education will make you a fortune.”

24) Stop chasing money, start chasing needs.

It is a known fact that most businesses fail. And they fail largely because their owners get into business for the wrong reasons. They do it just in order to make money.

“But, isn't making money the end goal of all businesses?”, I hear you ask.

Indeed it is. But making money is the outcome of solving needs and providing value to society.

However, people go in business disregarding that fundamental axiom and fall into “money chasing” patterns, instead of attracting wealth.

What does that mean?

It means that people get in business because it is cool, or because their neighbour started one and is making money, or because they want to be “their own bosses”.

[According to CB Insights](#), the Number 1 reason startups fail is:

“No Market Need”

Let me repeat that.

The number one reason startups fail is because they made something that the market does not need.

Their founders went ahead to create a company based on a product or service that nobody wanted or needed. They did it for all the reasons, except for one that mattered: to solve a market need.

Another common pattern is that new entrepreneurs feverishly pursue every new business “opportunity” they encounter without focusing their efforts on what really matters, and thus failing to [hit a tipping point](#). They change industries at the drop of a hat without mastering any skills that will propel them forward.

So, what is the alternative approach here?

It is to start a business based on a need that society has, a problem that needs fixing or an inefficiency that needs to be addressed.

There are certain approaches and even frameworks on how to perform the necessary due diligence, but the bottom line is that solving a need should be at the core of your decision making process on whether or not to launch a specific business venture.

25) The amount of money in your life is a reflection of the value you have provided.

We briefly touched on this point above, but it really needs an analysis of its own.

As we said, money is just a tool to exchange value between two parties; it is only a medium. So when an individual offers a product or service (value) to another, the first will be rewarded for it via means of money (monetary value).

Based on that, we understand that, how much money you have received in your life is a reflection of the value you have offered to the world.

Think about it. The more value you provide, the more money is returned to you.

This is what “attracting money” is all about. You take care of providing value to the world, and you will be rewarded by having money coming to you.

Here is a profound excerpt straight from the book to make this even clearer:

“In other words, how many lives have you touched? Who has benefited from your work, your assets, and your handiwork? What problems have you solved? What value are you to society? If you’re working the front desk at a hotel, you simply aren’t making much of an impact, and your bank account will represent that same fact. The amount of money you have (or don’t have) is a direct reflection on the amount of value you have provided (or not provided).”

This is also one of the reasons that we want to focus our efforts and energy on business ventures that scale. Because that will allow us to positively impact a vast number of human lives and consequently be rewarded with a large amount of money.

Make sure to focus on [generating and distributing value](#), and the rest will be a smooth ride.

26) Take four years of hard work in exchange for 40 years of freedom

Is getting 40 by giving 4 a good trade? It certainly is. And that is the thinking behind the Fastlane philosophy. It is to expend a few years of your life working hard under a specific plan and with a disciplined structure, so that you can later enjoy the fruits of your efforts for the rest of your life.

As we discussed above, Get Rich Quick (but not Easy) does exist. But it requires massive amounts of effort condensed in a few years of tough labour.

[Venture Capitalist Paul Graham](#) describes this perfectly in his essay "[How to Make Wealth](#)":

"Economically, you can think of a startup as a way to compress your whole working life into a few years. Instead of working at a low intensity for forty years, you work as hard as you possibly can for four. This pays especially well in technology, where you earn a premium for working fast."

Sadly, most people have this backwards too. They toil away at their dead end jobs for 40 years (and soon [even more will be required](#)), settling for the weekends and a few weeks of vacation during each year.

Make the mental switch and dedicate yourself to performing a short burst of hard work that will be enough to provide long term wealth.

As the old adage says:

"Entrepreneurship is living a few years of your life like most people won't, so that you can spend the rest of your life like most people can't."

27) When it comes to money, the best warning flag is "everyone".

So far, we have seen multiple examples that pinpoint the disparity in thinking between rich and poor people. There are huge differences in how each of them value their time, what they think about self-education, how they approach wealth building, how they think about money etc.

This observation is part of a larger philosophy in life that states that if everyone is performing a specific activity or taking a specific action, then perhaps you should go the other way and do the opposite.

If what "everyone" is doing was correct, then "everyone" would be rich. However, as you might have noticed, only a few are.

A perfect example of this concept is one involving billionaire investor Warren Buffett.

Deep into the recent financial crisis that started in 2007, when markets were crumbling all over the world, everyone was panicking.

Investors were liquidating their stocks and assets at firesale prices, making the stock market to take a nosedive. And yet, Buffett was buying.

He even penned [an article on the New York Times](#) explaining his rationale. Here is an excerpt:

“A simple rule dictates my buying: Be fearful when others are greedy, and be greedy when others are fearful. And most certainly, fear is now widespread, gripping even seasoned investors. [...] But fears regarding the long-term prosperity of the nation’s many sound companies make no sense. These businesses will indeed suffer earnings hiccups, as they always have. But most major companies will be setting new profit records 5, 10 and 20 years from now.”

The second phrase says it all:

“Be fearful when others are greedy, and be greedy when others are fearful.”

When the masses march towards a specific direction, stop and evaluate. Re-assess the situation and perform even more exhaustive due diligence. It is quite possible that you should be taking the opposite approach.

28) The Internet is the shark of the Fastlane

The Internet is one of the [largest mega-trends](#) happening at the moment. Over the past few decades, it has changed the world we live in. On the money front, it has created a great number of millionaires and has helped with the disruption, and sometimes destruction, of several industries.

An internet business has numerous benefits over a traditional one. It is usually quite inexpensive and can be “bootstrapped” more easily. It can generate revenue faster by having

access to its target audience via already existing platforms (think social media). Additionally, it provides location independence and work schedule flexibility.

Your [best bet as a first time entrepreneur is an online business](#).

At the same time, an online business is also a robust Fastlane option to wealth. The reason? It has [scale and automation built-in](#).

The computer systems that support an online business can cater to an audience all over the world, and at the same time add a high level of passivity. The end result is that an online business can achieve tremendous profits and its potential is practically unlimited.

29) Freedom has a price and that price is money.

This is my favorite quote from the whole book. It encapsulates the essence of what people do not understand when they ignorantly declare things like “Money doesn’t buy happiness”, while subconsciously sabotaging themselves.

Most people think they are free, but I believe that they massively overestimate the degree of freedom they have in their own lives.

There might not be slaves with chains around their arms any more, but invisible “chains” do exist and they are more insidious than the real ones.

For example, [being trapped as an employee](#) in a corporate environment and [living a consumerism-driven lifestyle](#), do not exactly fit my [definition of freedom](#).

When you do not have the free time to enjoy the things you desire or you do not have the financial means to fulfill your dreams, then your freedom is severely undermined.

In the modern world, the real game is a financial one and the only way to achieve true freedom is by building wealth. This will allow you to liberate your time and enjoy the lifestyle you aspire to.

We have said it a lot of times: money is just a tool. Used properly, it can buy freedom. Money provides options, and having options in life is key to achieving happiness.

Additionally, if you have dreams, from travelling the world to helping kids in Africa, the best way to make those come true is by funding them with money.

So yes, higher levels of freedom are attainable, but they cost. And that cost can only be covered by money.

30) Live below your means with the intent to expand your means.

This phrase actually contains two lessons.

The first is that regardless of our income, we should always manage our expenses properly. Remember, the goal should be to ultimately be able to save almost 80% of our income.

But there is also a second lesson here. That we should pursuit the goal of expanding our means.

We briefly touched on this earlier, when we mentioned that the game of wealth is not won by always playing defense (minimizing expenses). At some point, we have to go on offense (creating explosive income).

As human beings were finite entities, having limited amounts of energy and attention. For this reason, our focus should be on the things that will eventually have the larger positive return for us.

In the long run, it is much more effective to put our focus on building assets and achieving high income.

This advice comes in contrast to many “personal finance gurus” whose advice mainly revolves around downsizing, saving pennies and being super frugal.

What is more powerful?

To mindlessly collect coupons that will spare you a few hundred bucks per year or to use that time and energy to set up a small [internet based venture](#) that has the potential to bring you passive income for years to come?

Now, don't get me wrong. Controlling expenses should always be a priority, but as an activity, it should consume only a fraction of your time. The rest should be channeled to more productive activities, like reading, experimenting with businesses, investing etc.

31) An idea is the event, while the execution is the process.

We have touched the issue of process versus event several times so far.

As we mentioned, wealth and success can only be achieved as the result of a meticulously executed long term process. On the other hand, what society focuses on is the event, the "climax" of process which hides the tough work that took place behind the scenes.

Remember the example of Facebook's "overnight success" and its co-founder's statement about having late night coding sessions for years.

In the same vein, having an idea for a business is an event! It is just a "sparkle" takes little time and requires almost zero effort. The actual execution of that idea is what really matters.

There are billions of people on this planet, and several of them might have the same idea at the same time. It is the one that will actually act on that idea and execute that will eventually "own the idea". Sorry, but you cannot claim that you "had that idea first" and actually expect some kind of reward.

As entrepreneur [Derek Sivers has famously stated](#):

"To me, ideas are worth nothing unless executed. They are just a multiplier. Execution is worth millions."

This brings us to another popular misconception. That in order to create a successful business what you need is an original idea. False.

Most successful businesses are not something new, unique or pioneering, but rather, better versions of existing concepts.

Google was not the first search engine. Facebook was not the first social network. Microsoft was not the first software company. And so on...

As MJ mentions in the book:

"Ideas are worthless; execution is priceless".

32) Businesses survive, Brands thrive!

This quote highlights the difference between businesses that are generic and conventional, versus those that have managed to establish a brand for their products and themselves.

Deep down, a brand is what people think, and most importantly what they feel, when they hear your company's or product's name.

Having developed a brand means that you are able to differentiate your product from other competitors in a positive way, and this allows you to have solid prices and good margins.

What is the most prominent example of a brand you can think of?

I would guess that you thought of Apple. Well, Apple managed to have a surreal 32.4% operating margin in [2015 Q1](#), which is extraordinary for any kind of business, especially a device manufacturer.

The opposite of a brand is having a product that is commoditized. As [Wikipedia mentions](#):

"Commoditization occurs as a goods or services market loses differentiation across its supply base, often by the diffusion of the intellectual capital necessary to acquire or produce it

efficiently. As such, goods that formerly carried premium margins for market participants have become commodities, such as generic pharmaceuticals and DRAM chips.”

If you are not a brand, you are a commodity.

When there is no meaningful differentiation in the manufactured goods, the only attribute that matters to consumers is price. So commoditized products have to engage in a “lose-lose” battle of prices.

Commoditization is a business's worst enemy because it destroys its profit margins.

Now think of a generic brand in the consumer electronics industry. Let's consider Samsung, Apple's competitor, which certainly has a good brand, but nowhere near to Apple's prowess. Well Samsung had a non-impressive 14.21% operating margin in [2015 Q1](#) (scroll down for historical data).

If your product is a commodity, then your margins will suffer, and consequently your business will suffer too. Make a consistent, long term effort to build a brand so that you enjoy healthy margins and large profits.

33) Choose (business) monogamy over polygamy.

Here we are talking about business monogamy of course, and not the relationship one.

New entrepreneurs have the tendency to get excited with every bright new opportunity and then next shiny project, shifting their focus away from what they have already been doing. Any new venture causes a rush of dopamine and excitement to their brain, making them to want to follow up on that and forget everything else.

The rationalization here is usually that they “diversify” to mitigate risk. Well the thing is that they have nothing to diversify. This is akin to having a total of \$10 in your possession, and putting \$5 in each of your pockets.

This unfortunately has the devastating effect of diluting their efforts and labour. So instead of building a strong and powerful business, they end up having 10 mediocre ones.

Unfortunately a mediocre business will not command a large industry multiple (see e-commerce example above) and will have limited marketplace value. Billy Murphy at ForeverJobless has a great post on this misguided approach, which he names [“Entrepreneurial diworsification”](#).

When you start as an entrepreneur and you have identified a business venture that has the potential to scale, you have to be 100% committed and focused to that venture. Staying devoted and “faithful” to it and applying consistent effort to strengthen it, is how you build a solid asset and eventually wealth.

“The way to become rich is to put all your eggs in one basket and then watch that basket.”

- Andrew Carnegie

But you might wonder. If business monogamy is the correct approach, then how come entrepreneurs like Mark Cuban own and operate several businesses?

Well the thing is that the great entrepreneurs started expanding on other businesses and opportunities AFTER they had already achieved success with their first venture. This is similar to [horizontal scaling](#), where you start expanding on other niches or industries, after you have managed to dominate the one you had been operating in the first place.

After you have made it, and you have access to more resources (money, connections, great team of employees etc.), then it is the time to start examining new opportunities and really diversify in order to spread the risk.

Business polygamy is only possible when you have had your first success. Until then, stay loyal to only one potent business venture.

Conclusion

That was quite long, and I am really glad you made it through here because these lessons could trigger a positive change in your financial life.

In his extraordinary book, “The Millionaire Fastlane”, author MJ DeMarco offers an unconventional perspective on how to approach money and wealth in your life. He provides a solid framework for building wealth, namely the Fastlane.

MJ touts leveraged entrepreneurship, which is the core of the Fastlane. He argues that entrepreneurs should focus on businesses that have the potential to scale without limitations and can be automated so that they work independently of their time. [Internet businesses](#) are perfect candidates for this.

MJ provides real-life examples and scenarios on how the principles are applied, and he also offers both strategic and tactical level advice. He guides you through changing your mindset, putting a solid entrepreneurial plan in place, running your business and finetuning your end game when you have finally made it.

This book is very powerful and after it, your viewpoint on many things will change. You will look at the world differently. You will certainly treat money differently. You will see business opportunities where others don't. You will see other people making financial mistakes without even realizing it.

Keep the book as a reference guide and make sure to revisit it on a recurring basis so that you really integrate its principles into your own life.

Several life lessons can be extracted from the book, and we have discussed some of those here. These can be a bit too much to take in, so if you want me to expand on any of those topics in a separate article, [shoot me an email](#).

Make sure to buy the book online and see you in the Fastlane!