Principles by Ray Dalio

- 💡 My principles are my recipes for success
- 💡 I look for shared values and principles in my interactions with others
- 💡 I fail well - extracting learnings without failing badly enough to get knocked out of my infinite game
- 💡 I am an independent thinker looks for the wisdom outside of consensus
- 💡 I write down my decision-making criteria to help refine and extract additional values
- 💡 I strive for meaningful work and meaningful relationships through radical truth and radical transparency
- 💡 I meditate for calm open-mindedness, clarity and creativity
- 💡 I learn from others - particularly those who came before me
- 💡 I take calculated risks - limiting my loss in every scenario
- 💡 I can never be absolutely sure of anything - I always assume that I'm missing something
- 💡 I research, reflect and write every day
- 💡 I balance my aggressiveness with humility - how do I know I'm right?
- 💡 I seek out the smartest people who disagree with me and try to understand their reasoning
- 💡 I change to maximize my strengths and embrace, then compensate for my weaknesses
- 💡 I push my limits, but never truly fail because I never give up
- 💡 I can have ANYTHING I want; but not EVERYTHING I want
- 💡 I reject good alternatives for better ones
- 💡 I stick with sound fundamentals through ups and downs - regardless of how I feel
- 💡 I leverage good reflections of bad times to learn my best lessons
- 💡 I look for partners with character, creativity and common sense
- 💡 I maximize upside and limit exposure to unacceptable downside by making handfuls of good uncorrelated bets that are balanced and leveraged well
- 💡 I view my mistakes as opportunities to learn and improve
- 💡 I improve continuously by employing processes that ensure problems are brought to the surface and their root causes diagnosed
- 💡 I leverage tools and environments to reinforce desired behaviors
- 💡 When faced with the choice between two things I need that are seemingly at odds, I go slowly to figure out how I can have as much of both as possible
- 💡 I know that there is always a good path that I just haven't figured out yet - so I keep looking until I find it
- 💡 I enhance my relationships by 1. communicating honestly and respectfully; 2. having thoughtful disagreements with a willingness to shift my opinions as I learn; and 3. agreeing on decision approaches to enable forward movement without resentment
- 💡 I create idea meritocracy - where there is transparency so that people can see things for themselves
- 💡 I believe that the quest for personal realization and business excellence need not be mutually exclusive
- 💡 Much of how I think is physiological and can be changed
- 💡 I orchestrate others to do things well without me
- 💡 I train my habits and emotions to be aligned with my reasoning
- 💡 I examine my failures to determine new principles that help me to succeed in the future
- 💡 I build teams by engineering the right mix of attributes and people to achieve goals
- 💡 I am a Shaper - someone who comes up with unique and valuable visions and builds them out beautifully - over the opposition of others
- 💡 I am an independent thinker who doesn't let anything, or anyone stand in the way of achieving my Awesome Outcomes
- 💡 I have a strong mental map of how things should work, but am not afraid to test and tweak
- 💡 I hone my vision to be wide and granular; and I augment it with the vision and perspective of others
- 💡 I know that tools reinforce good habits and good thinking
- 💡 I try, fail, diagnose, redesign and try again
- 💡 What I don't know is much greater than what I do know
- 💡 I believe in strong governance - checks and balances ensuring that my org will be stronger than whoever happens to be leading it
- 💡 I have a healthy respect for history, a hunger to have universal understanding of how reality works and a desire to build timeless and universal principles for dealing with it
- 💡 I see pain as nature's reminder that there is something important for me to learn
- 💡 I believe that satisfaction comes from struggling well to achieve success
- 💡 I discover my nature and align my life accordingly
- 💡 I evolve and contribute to ongoing evolution around me
- 💡 I look to understand patters and cause-effect relationships to learn and fine-tune principles for dealing effectively
- 💡 I think of my life as a game with puzzles (problems) that when solved yield gems (principles) enabling me to advance by handling similar puzzles in the future
- 💡 I make great decisions when my emotions are aligned with my logic
- 💡 I increase my capacity by working effectively
- 💡 I remain radically open-minded so that I can benefit from honest feedback and improve my efficiency
- 💡 I never let fear of what others think of me stand in my way
- 💡 I observe and accept reality - understanding that nature optimizes for the whole, not for the individual
- 💡 I evolve to increase my contribution to the whole through meaningful work - and am duly rewarded
- 💡 I recognize pain as nature's alert that there is something for me to learn through reflection
- 💡 I push my limits to accelerate my evolution; struggling well is positive
- 💡 The quality of my life depends on the choices that I make at painful moments
- 💡 I recognize that first-order consequences are often the temptations that cost me what I really want
- 💡 I always focus on second- and third-order consequences of my decisions
- 💡 I compare my outcomes with my goals to determine how to modify my "machine" (the way I operate)
- 💡 I focus more on designing and managing my life than on working in it
- 💡 I seek assistance from others more capable in a particular area - not hesitating to "fire" myself as the worker if I'm not effective
- 💡 I recognize that great expectations create great capabilities

- 💡 I take accountability and am creative, flexible and determined enough to do what it takes
- 💡 I view problems as potential improvements (opportunities) that are screaming at me
- 💡 I have a fierce intolerance of "adequate"
- 💡 I sketch out a broad plan and then refine at a lower level of detail (including timelines)
- 💡 My weaknesses (patterns of mistakes) don't matter as long as I find solutions
- 💡 I practice open-mindedness (humility) and developing great mental maps
- 💡 I work to diminish my ego and blind spots by seeking truth and input from others
- 💡 I replace my attachment to being right with the joy of learning what's true
- 💡 I develop the art of thoughtful disagreement - to discover truth rather than convincing and judging
- 💡 I know that disagreements are opportunities to learn; understanding why first and then being empathetic
- 💡 I use pain as my guide toward quality reflection
- 💡 I am calm and reasonable; and expect the same from others
- 💡 I learn more about myself each day including what I can change and how to change it
- 💡 There is no basis for my anger because how others think, and act is a consequence of their physiology
- 💡 I balance my expectations of others against what they're like and what they are capable of achieving
- 💡 I notice when my amygdala hijacks my brain and use that as a trigger for reflection
- 💡 I focus on refining my habits (pruning & acquisition) to achieve my goals
- 💡 I create guardrails against my weaknesses and seek others who have complementary strengths
- 💡 I align my pursuits with my nature and my aspirations
- 💡 I learn by asking questions and exploring before I decide
- 💡 I am always willing to listen to an opposing point of view
- 💡 I seek information from the most informed and believable people that I can find
- 💡 I observe relative relationships, rates of change and levels of things around me
- 💡 I use approximations effectively when seeking to understand things and enable decisions
- 💡 I leverage the Pareto Principle (80/20 rule) effectively to make good decisions
- 💡 Until I make the unconscious conscious, it will direct my life and I will call it fate
- 💡 I understand and leverage probabilities (prioritizing expected values) when making important decisions
- 💡 I simplify relentlessly: distilling my decision-making criteria down to principles
- 💡 When in disagreement with others, I start by attempting to agree on principles first
- 💡 I have common sense, imagination and determination - along with an ability to aid my decision-making with computer algorithms
- 💡 I align my teams' work principles with the members' life principles
- 💡 I document and articulate my values and principles clearly; and operate by them consistently
- 💡 I build my teams with great people (character & capability) who form and reinforce great culture
- 💡 I build a great culture based on idea meritocracy that strives for meaningful work and meaningful relationships through radical truth (open-mindedness) and radical transparency while leveraging believability-weighted decision-making
- 💡 I constantly compare my machine's outcomes with my goals; where there are shortfalls, I look at design and people
- 💡 I leverage a 5-step process for improvement: 1. clear goals, 2. identify problems, 3. diagnose problems, 4. design changes, 5. do what's needed
- 💡 I thrive on meaningful work and meaningful relationships; working with people (partners) I enjoy being around is the pinnacle
- 💡 I develop and maintain clear processes for resolving disagreements efficiently based on principles
- 💡 My passion and my work are one and the same - and I do it with people I enjoy being around
- 💡 I pull together thinking from different people and stress test it to produce better outcomes
- 💡 I create the culture where we express thoughts openly and honestly, have thoughtful disagreements and abide by agreed ways of resolving disputes
- 💡 I get stronger by doing difficult things
- 💡 I build trust as a key asset in my life portfolio
- 💡 I publicly hold everyone on my teams to the same principles and decision making
- 💡 I build community and culture such that members care for it deeply; creating better work and better relationships as a result
- 💡 I expect and encourage people to behave with a high level of mutual consideration for each other's interest and a clear understanding of who is responsible for what
- 💡 I give more consideration to others than I demand for myself
- 💡 I overcome my ego barriers and actively embrace my mistakes and weaknesses (especially my one big challenge)
- 💡 I leverage pain as a trigger for self-reflection - leading to progress
- 💡 I create effective teams by aligning consciously, continually and systematically on our shared mission, how we treat each other and a practical picture of who does what when to achieve our goals
- 💡 I address mini conflicts early so as to develop long-lasting relationships
- 💡 I understand and make clear who has what rights (e.g., decision making) and which processes should be followed to move toward resolution
- 💡 I engage in thoughtful disagreement to first learn what is true and then to determine what to do about it
- 💡 I recognize that conflicts are essential for great relationships
- 💡 I know and practice how to move from disagreement to decision-making
- 💡 I leverage wisdom by seeing as many sides of a story as possible and weighing them all appropriately
- 💡 I am simultaneously open-minded (seeing other perspectives) and assertive (communicating my perspectives clearly)
- 💡 I drive discussions to achieve completion and get in sync - which leads to decisions and/or assigned actions
- 💡 I know that the most believable opinions are those of people who have repeatedly and successfully accomplished the thing in question and who have demonstrated that they can logically explain the cause-effect relationships behind their conclusions
- 💡 I find the most believable people possible who disagree with me and try to understand their reasoning
- 💡 When someone asks me a question, I think first whether I'm the right person to answer it
- 💡 I know that it's more important to do big things well than to do small things perfectly
- 💡 I provide my teams and partners with a means to get past disagreements and move forward
- 💡 Whenever there is a dispute, I ensure that both parties have equal levels of integrity, are open-minded & assertive and are equally considerate
- 💡 I resolve conflicts fully, by seeking important and accurate conclusions

💡 I never let little things divide (narcissism of small differences) when agreement on the big things should bind

💡 I ensure that the power supporting the principles is only given to those who value the principled way of operating more than their individual interests

💡 My ultimate goal is to create a machine that works so well that I can just sit back, and watch beauty happen

💡 I find and employ people and tools that are more competent than I am

💡 I ensure that incentives and responsibilities are aligned for my team members and that they experience the consequences of the outcomes they produce

💡 I look for people who think independently, argue open-mindedly and assertively and value intense pursuit of truth and excellence; along with rapid self-improvement

💡 When searching for partners, I look for people with whom I want to share life (clear mental image of required values & character)

💡 I know I don't have all the answers, so ask thoughtful and empowering questions

💡 I learn my team member's weaknesses as well as their strengths

💡 I promote growth, development and transparency around where my team members stand, why, and what they can do to improve

💡 I provide experiences that create internalized learning that book learning can't replace

💡 I rise to a higher level and keep my eye on the bigger picture and counsel the people that I'm evaluating to do the same

💡 I look for accurate criticism over compliments

💡 I embrace powerful personal transformation by experiencing the pain from mistakes that I never want to have again

💡 I spend more time examining problems than successes; identifying, understanding and addressing each and how to avoid them in the future

💡 I leverage data to fuel my objective, open-minded and emotion-free conversations about performance

💡 I encourage people to be objectively reflective about their performance

💡 I ask myself often if I am being open-minded or resistant; confronting difficulties head-on and forcing myself to explore where they come from

💡 I examine how well I do what I do and the outcomes I produce over time

💡 I constantly evaluate team members and never try to rehabilitate if values or abilities are inadequate

💡 I never let myself be held hostage to anyone (never lower my standards); there is always someone else

💡 I know that tough love is the hardest and most important type of love to give

💡 I observe and operate my machine as an organizational engineer; comparing outputs with goals and constantly improving designs and orchestrating people

💡 I construct appropriate metrics by imagining the most important questions and what numbers will give me the answers

💡 I always focus on moving closer to my goals and training and testing my machine (design and people) to improve

💡 I examine why I'm getting the outcomes that I'm getting

💡 My policies are natural extensions of my principles

💡 I manage at appropriate levels; not too hands-on or hands-off

💡 I understand each of my team members' values, abilities and skills; so that I can place them well and help them improve

💡 I leverage daily updates to stay on top of what my team is doing and thinking

💡 I maintain a good relationship with my direct reports AND the level below them

💡 I accept and embrace challenges from others; seeing it as an opportunity to stay honest, learn and improve myself

💡 I openly accept other ways of thinking and operating

💡 I resolve small differences in perception and assumption to prevent more serious divergence of views

💡 I force myself and my teams to do difficult things

💡 I encourage partners and team members to bring disagreements to the surface and work through them openly and reasonably

💡 I am always explicit; never assuming that something was implicitly understood

💡 I communicate plans clearly and have clear metrics conveying whether we are progressing accordingly

💡 I escalate responsibilities that I cannot handle; and encourage my teams to do the same

💡 Every problem I find is an opportunity to improve my machine; I celebrate discovering what is not going well so I can make it go better

💡 I am a craftsman; and focus on goal achievement over task completion

💡 I acknowledge my weaknesses and then overcome them rather than simply accepting them

💡 I constantly compare outcomes to goals to close the gap (improve my machine through people and design)

💡 I encourage others to surface problems quickly so that they can be diagnosed (what, who, when) and addressed before they become unmanageable

💡 I am explicit; replacing vagueness with personal accountability

💡 I use metrics to track the progress of my plans and solutions

💡 I use problems to diagnose how my machine is working, connect problems to people and apply past learnings (principles) to new situations

💡 I first list problems and then identify root causes by applying 5 Whys to get to outcomes, then I put a new plan in place identifying who does what by when with appropriate metrics to measure outcome success; lastly, I execute the plan with regular checkpoints to review planned vs. actual progress

💡 I design and systemize my machine (design & people) by extrapolating relevant principles from each interaction

💡 I use principles to guide me from my values to quality day-to-day decisions through better habits (Values -->Principles-->Decisions)

💡 I always consider 2nd- and 3rd-order consequences

💡 I run standard meetings to refine key elements through repetition; and to address new items requiring a fresh approach

💡 I always think strategically amidst running the day-to-day

💡 I imagine and design my organization first (workflow, interaction model, required qualities), then select the right people

💡 I focus efficiently while scaling rapidly and keeping things as simple as possible

💡 I look for people who are better than I am; and train them to operate effectively without me

💡 I leverage double-doing over double-checking to ensure quality outcomes and to strengthen performance

💡 I keep my principles and strategic focus constant while varying my tactics and approaches

💡 I am transparent with others and let them know what to expect

💡 I look constantly for ways to increase leverage (achieve more with less) - through principles, technology and partnerships

💡 I visualize the results of pushing through so intensely that I experience the thrill of success even while I'm still struggling to achieve it

💡 I experience success from doing the mundane things like solving problems over long periods of time

💡 I design groups to include all required qualities instead of trying to find those qualities in a single person

💡 I take the time to come up with great game plans and creative, cut-through solutions

💡 I increase my effectiveness by prioritizing (saying "No"), leveraging the right people / technology / designs and improving my personal productivity

💡 I embed my systemized principles in tools to help improve my machine

💡 I leverage tools and protocols to learn & share what people are like, provide personalized training & development, offer guidance and oversight in specific situations and help sort people into the right roles

💡 I place power in the hands of capable people in key roles who have the right values, perform well and will check and balance the power of others

💡 I work with others to get leverage to accomplish my mission in bigger ways than I could alone, get quality relationships that form a great community and generate funds to buy what I need and want for myself and others