
INVESTING LESSONS FROM FAILING TO RUN A MARATHON

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Cometh winter and cometh the season of marathons in India. Each year a new set of runners attempt the marathon for the first time, some prepared but many unprepared. Last year, I was one such novice who decided to run the half marathon.

I initially started my fitness regime with the objective of losing weight, so as to prepare for the marathon with a rather fit body. Given the paucity of time, I went on a crash diet, and started sprinting for a few kilometres at one go. While that regime took away a few kilos off my belly, it however became a tough task to continue the same routine as not only did my body start to wear, but I also found it difficult to run beyond a certain distance. As a result, after a few days of this sudden exertion, I developed injuries and fatigue, and had to give up on my dream of running the marathon.

I thus learnt the hard way what Steven Tyler wrote in 1993: *"You have to learn to crawl, before you learn to walk"*¹. Running a marathon is very different from sprinting a few 100 meters. It requires preparation, persistence and discipline to cover long distances, consistently.

More importantly, I learnt that running a marathon is not simply about the speed, but about endurance. You have to first train yourself to survive the distance, before you can aim to finish the run in a certain amount of time. Surviving the distance is about pacing your run, refuelling, and most importantly adjusting to the external environment as well as recognizing the feedback from the body. It's about having a process and dynamically adjusting the process to meet the goal of finishing the marathon. These learnings can be summarized as follows:

Process Over Outcome

Process focuses on the specific actions that must be taken whereas outcome is the result of such actions in addition to the influence of some random variables like luck. Process can be controlled and measured, whereas outcomes are not entirely predictable. Obsessing over outcomes can often lead us to focus on the wrong variable and may tempt us to take actions that give us instant gratification but hurt us in the long run. For instance, if we are focused on losing a few kilos of weight in a specific time-frame, then we may not see any difference between forming weight-losing habits and a crash diet. In the long run, we will benefit more from forming the right habits, however, a crash diet can give us the results in the shortest time period. Such a diet may not be sustainable in the long run, and will thus do us more harm than good, eventually.

Endurance Over Speed

Running a marathon is not only about how fast you can run, but also about how long you can last. It requires you to find the optimal speed that will help you cover the entire distance without burning out. To quote a cliché, Sylvester Stallone in Rocky Balbao says, *"It ain't about how hard you hit. It's about how hard you can get hit and keep moving forward."* While Rocky was a fictional character, boxing legend Muhammad Ali showed similar resolve. Here's what has been written about his ability to take punches:

"However, after his three plus year hiatus from the ring following his refusal to be drafted, Ali was no longer the whirling dervish that he had once been. He was easier to hit. But even when he took his drubbings, there was no beating down his will to win. His jaw was broken in the first stanza of his 1973 brawl with Ken Norton and yet despite the protestations of his trainer, Ali fought the remaining 11 rounds

¹ Lyrics of the song "Amazing" performed by the American hard rock band Aerosmith. It was written by Tyler and a longtime band friend and collaborator Richie Supa.

in agony. After the war of their 1975 third matchup, “The Thrilla’ in Manila,” Joe Frazier acknowledged Ali’s superhuman grit saying, “I hit him with punches that’d bring down the walls of a city.””²

Needless to say, Ali won that fight. In ‘The Power of Focus’, we wrote on similar lines about Glenn McGrath. He was neither the fastest, nor did he have the ability to swing the ball, but he was still one of the greatest bowlers in cricketing history because of his persistency and his ability to land the ball with good accuracy. Thus, long term success is not about speed, or power, but rather it depends upon your ability to survive.

Professional Training over Personal Experiments

There is a limit to what one can achieve on his/her own. With proper training and guidance, one can not only strengthen one’s skills but also identify and overcome performance hurdles. However, in order to save the cost of training, many budding runners indulge in self-training which exposes them to the risk of injury or sub-optimal performance.

As much as the above lessons apply to running, they hold true for investing as well. In the lure of short-term gains, people often tend to make mistakes that hurt their wealth in the long term. More money has been lost in chasing the latest ‘hot’ sector or company rather than simply staying invested in high quality businesses through downturns. History is replete with examples of investors that took extraordinary risks for outsized gains, however, most of them ended up with losses eventually. On the other hand, investors that have focused on reducing risks and countering cyclicalities – i.e. building enduring portfolios – have not only survived market cycles but have also outperformed most averages.

A well-defined investment process acts a compass and helps investors navigate the cyclicalities of the market and avoid major pitfalls. By investing in businesses with strong balance-sheets investors can reduce the risk of a sharp price correction, as a strong balance sheet affords a business the ability to survive cyclical downturns.

Lastly, so as to not pay management fees, numerous retail investors take up the task of investing on to themselves. However, most end up paying brokerage as well as future gains in the process that are far higher than the prospective fess that they would have paid to the investment manager. This is not to say that all professional investors do better than retail investors; after all professional money managers also have to battle the same biases that an individual investor has to. However, some professionals have demonstrated their abilities over time and across cycles, and it may well be worth paying them a small fee in exchange for the prospects of a better financial outcome.

In sum, while investing may not be a sport in itself, however it does draw a lot from the first principles of sports and other sciences. As with most things in life, long term success is achieved through careful planning for the future, avoiding the vices of instant gratification, building a buffer of contingencies, and most importantly, sticking to the plan. Those are my learnings from failing to run a marathon last year. As for this year, I feel a little wiser, and much better prepared.

Until the next run...

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With editorial assistance from Tejas Gutka

² **Source:** <https://www.wsj.com/articles/ali-the-fighter-speed-stamina-and-psychological-warfare-1465061753>

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