



The Times They Are A-Changin'

*Come gather 'round people
Wherever you roam
And admit that the waters
Around you have grown
And accept it that soon
You'll be drenched to the bone
If your time to you
Is worth savin'
Then you better start swimmin'
Or you'll sink like a stone
For the times they are a-changin''*

Bob Dylan

Robert Livingston
February 2007

Introduction

It was 1964 when Bob Dylan wrote one of my favourite songs: *The Times They Are A-Changin'*. Bob warns his audience that "you better start swimming or you will sink like a stone. For the times they are a changin'."

While I didn't join Bay Street in 1964, I have spent nearly the last 35 years working in different capacities there. I have had three different jobs for three different firms; I have worked on both the buy side and the sell side; and lastly, I have been in and out of management three times in my career.

I have worked for firms that taught me how to manage a business. I have worked for a firm that taught me how not to manage a business. The managers I have worked for in my 35 years? Let's call them the good, the bad and the ugly. Enough said.

In short, I have almost seen it all. Fortunately for me, it has been for the most part a tremendous experience. I have been fortunate to have been very well compensated for my efforts and despite some occasional bumps along the way, I am fortunate that I still have my health, my family, my marriage, my finances and my sense of humour.

Bay Street has presented me with many opportunities, some good and some bad. I have done some things right, and yes, I have also made some mistakes. Life on Bay Street has also taught me some lessons. I have tried to have the attitude that when I make a mistake it is a learning experience. Remember: "If you don't learn from your mistakes, you are destined to repeat them again."

As I reflect upon my 35 years, I have seen some important changes take place on Bay Street. What you needed 35 years ago to get a job: what you get away with once you had one, for the most part no longer works today. The traditional approach in finding a job and establishing a career may no longer work, or at least not achieve the historical successes. I feel we must re-examine our approach and be willing to change. Just like my five year-old cell phone, the model is not broken; it is just a little outdated.

My reflection resulted in two observations and one conclusion.

This was my first observation. I came to the realization that the low hanging fruit is either gone or has been relocated. It was so easy 35 years ago to get a job. In most industries there were more jobs than there were applicants. Clearly this is no longer the case today.

This was my second observation. The academic world is not properly preparing its students to adapt to this changing job environment. I don't say this to judge the universities and colleges; I know they are aware they must adapt. They just aren't sure how to.

From these two observations I came to one conclusion. Graduates today need to be far better prepared than we were 35 years ago. I believe it is just that simple. Of course, the question is how do they do that? My response is simple. It starts with a decision to take personal responsibility to become a better person. It requires a decision to make personal growth an integral part of who you are. By making this decision, I believe who you are today will change you to who you become tomorrow. The decision is up to you and no one else.

What is personal growth?

Personal growth refers to both individual self-development and the development of others. Personal growth includes goals and plans directed at accomplishing some of the following:

- > Improving self-awareness
- > Improving self-knowledge
- > Building or reviewing identity
- > Developing strengths or talents
- > Building employability or human capital
- > Realizing dreams
- > Fulfilling aspirations
- > Creating and implementing personal growth plans

I believe for the most part personal growth is not taught in the classroom; it must be learned outside the classroom. This is why it can be so challenging to learn. There is no preset course that you can register for. The material is available but it is up to the individual to seek it out. Once you find it, it is for the most part up to you to study and learn the material. And lastly, there are no final exams for it is a course that never ends.

This presents a challenge and an opportunity. Personal growth is a challenge because it requires the individual to be willing to change and move outside their comfort zone. It is an opportunity because it involves change which can lead to growth. When you embrace personal growth as a core value in your life you will become a better person, a better employee and a better member of our society.

When I connect the dots backwards over my 35 years on Bay Street, I realize I was very committed to personal growth. I was committed to making myself a better person and a better employee. I took courses in marketing, computers, and management to mention a few. For the most part I didn't take these courses because I had to; I took them because I wanted to.

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The Times They Are A-Changin' shares with the reader my walk, my experiences and the lessons I have learned over the last 35 years. I try to be as honest and transparent as possible, especially when it comes to my mistakes. When I told my son Ted I was writing this paper, he gave me the following advice: "Keep the successes short and talk about where you fell down, this is what the audience wants."

While my 35 years have been spent entirely in the investment industry, I believe my recommendations can be used universally. My key message is a quote by Jim Rohn: "You have to work harder on yourself, than you do on your job." Both in your personal and work life, you must begin to take control of your personal growth. I believe personal growth will not only help graduates get a good job; it will ultimately provide them with a great career.

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Chapter 1: My Core Philosophies

Only by centering on timeless principles and then living them can we enjoy sustained moral, physical, social and financial wellness.

Stephen Covey

Outline

- > Understand Who You Are
- > Commit to Personal Growth
- > Maintain Your Perspective

My approach to life centres on my core philosophies.

1.1 Understand Who You Are

It all starts with understanding who you are. What are your beliefs, your core philosophies, your core values, and your skills? Your values are so important in establishing who you are and who you will become. Integrity must be at the top of the list but there are other values I feel must also be included – empathy, being a team player, respect, forgiveness and self-control just to mention a few. Take the time to establish your values because you will want to work for, work with, and ultimately, have people work for you who have these same values.

1.2 Commit to Personal Growth

A commitment to personal growth starts with discovering your passion. It has been researched that 80% of the time passion will dovetail with competence. Not always (my golf game being a good example), but most of the time. I feel very strongly that when passion and competence come together you have the ideal job in life – a professional hobby. Don't be deceived by the word "hobby", as something that comes easily or not taken seriously. Let's look at a well known example in the hockey world – Sidney Crosby. "Sid the Kid" is passionate about hockey and is obviously very good at it. His passion met his competence; he turned the result into a professional hobby. I feel I have been able to do the same in my current career.

1.3 Maintain Your Perspective

Part of maintaining your perspective requires you to have a clear understanding of who you are and where you want to go in your life. This requires you to establish your dreams and create plans to bring them to reality. Remember: "A dream without a plan will remain but a dream." Dreams are not accomplished quickly and there will be bumps along the way. If you commit to personal growth; exercise discipline; practice patience; maintain your sense of humour; you will be surprised what you can accomplish.

Chapter 2: Life before Bay Street

Outline

- > Education
- > Work Experience

2.1 Education

I graduated from high school in 1971 and headed off to Queen's University with suitcase in one hand and stereo in the other. I had never been to Queen's before frosh week in early September. In those times it was easy to get into almost any program in Ontario. For the most part no one did any due diligence. They just went to a university that sounded interesting (and fun).

Like most of my peers year one was just a blur of good times and minimal commitment to classes. A small dose of reality set in with the first year marks but with "proper" course selection in year two, that situation could be reversed. Early on I felt I wanted to become a lawyer – looked good to me – it was a respected profession and I heard it paid well. What else would you want in a career?

Unfortunately my academic plans got off the rails and by the end of second year my plans for law school were put on hold.

My father always stressed that it is important to have a plan B just in case plan A does not work out. I had heard about a new program at York University – a combined MBA and a law degree. I applied. I didn't get into the combined program but I did get into the MBA program (I found out later by the skin of my teeth).

I completed the MBA in eighteen months – graduated Dean's List, and again applied to all six law schools in Ontario. There were no takers and my ambition to become a lawyer came to an end.

2.2 Work Experience

While in university, I was extremely fortunate to have a variety of very interesting summer jobs. In my first summer I worked in London, England. The pay was mediocre but the experience was priceless. As you begin to discover your passion and where your career might be headed, use summer jobs as wonderful opportunities to further explore your dreams.

In summers two and three I worked for Greenshields in the brokerage business. When my law ambitions ended, I decided to apply for full-time employment with a number of firms including Greenshields. In a two week period I had four job interviews and a week later I had four job offers. In fact most graduates received multiple offers.

By knowing the people at Greenshields (and them knowing me), I was offered a job and decided to join them in the fall of 1976. Of course this is a story from another era. The competition for jobs today is extremely competitive and getting one job offer is an accomplishment.

Chapter 3: My 35 Years on Bay Street

To be what we are, and to become what we are capable of becoming, is the only end in life.

Robert Louis Stevenson

Outline

- > My Career Path
- > My Experiences
- > The Lessons Learned

3.1 My Career Path

In 1976 I joined Greenshields as a bond salesman (interesting to note the job no longer exists today due to computer technology). I was approached by Merrill Lynch in 1977 and joined them soon after.

Over the next five years I continued to develop a career in bond sales while at the same time learning other parts of the business, in particular the institutional equity side. A couple of days a week I would spend my lunch hour with some of the equity traders to better understand what they did.

In 1981 I moved across the trading floor and spent the next 10 years in institutional equity sales with a stint in management. It was my job to market our firm's research and trading capabilities to a number of institutional clients. One of those clients was McLean Budden.

In 1991 Merrill Lynch closed the department and I had my first, and hopefully only mid life crisis. Three weeks later I joined RBC Dominion Securities (RBC) where I spent the next five years. In that time I learned from one of the best firms in the industry how a business should be managed.

A good story to share.

While at RBC, a client of mine suggested that I might want to eventually move to the "buy" side of the street. He thought I would do well in the private client area (managing investment portfolios for individuals). He told me to, "Stick with RBC, get my Chartered Financial Analyst (CFA) degree and bank as much money as I could manage."

The lesson learned?

When you leave your existing, well established franchise to start a new one, there will usually be a big income hit. Be prepared for it – financially and mentally.

A good story to share.

When I completed my CFA in 1994, I began a new job search.

I arranged meetings with four of the top private client firms to let them know I was interested and see if there were any opportunities. No opportunities existed at that time but the seeds were planted. In 1996 I left RBC. I was extremely fortunate to join McLean Budden as a private client portfolio manager. Doug Mahaffy, CEO of McLean Budden at the time, was one of the four people I had approached in 1994.

It was a great fit. What they were looking for was almost exactly what I wanted to do. Years later I am truly blessed. I have a job which I call a "professional hobby".

The lesson learned?

"Luck is when preparation meets opportunity."

3.2 My Experiences

- > The Challenges
- > The Rewards
- > The Risks

The Challenges

Here are some of the challenges:

- > Getting the Opportunities
- > Patience
- > Staying Within Yourself

Getting the Opportunities

Opportunities come at different times. Sometimes they just drop in your lap but usually they come over time – either planned or unplanned. The analogy a client of mine uses is an opportunity is like waiting at a bus stop. The bus comes, the doors open – that is your opportunity. Do you want to get on the bus? Do you even know a bus is there? Usually the people who get the most opportunities either help make them happen or are ready when they do happen. My arrival at McLean Budden is a great example of creating an opportunity and being ready when it happens.

Patience

How important is this in business and in life. Saint Augustine over 1500 years ago described patience as the companion of wisdom. Patience is waiting. Not passively waiting. That is laziness. But to keep going when the going is hard and slow - that is patience.

A good story to share.

A good friend of mine (Russ) in the late 1980s was a retail broker at one of the bank owned brokers. While Russ liked the job, his real passion was to get into the institutional side of the business as a salesman. I was in charge of sales at Merrill Lynch at the time so he gave me a call to see if there were any openings on our desk. There weren't unfortunately although he kept calling until we closed in 1991. In 1992 I was made sales manager at RBC and the calls started again. Again there were no openings but at a management meeting we got around to discussing how we wanted our traders to become more sales oriented, not just order takers. I suggested that I knew a candidate (Russ) who might fit the role. Interviews followed and a month later Russ was employed on the desk. Two years later in a survey of institutional traders in Canada, Russ was ranked number one.

The lesson learned?

This story illustrates how planning, persistence and patience led to a great opportunity and a wonderful outcome.

Staying Within Yourself

It is very important for you to understand who you are, what you can do and more importantly what you cannot do. It is tempting to sometimes reach above your current level of competency for reasons of compensation, power or recognition. Be very careful not to reach too far outside your current level of competence.

I see this with new hires. They sometimes will arrive with a feeling of entitlement. "I have an MBA degree - I don't do grunt work etc". Get over it. Arrive with an attitude that says I am open to do anything. Do it well and it will be recognized. Management is always on the look out for competent new employees with a positive attitude.

The Rewards

Here are some of the rewards:

- > Compensation
- > People
- > Personal Growth

Compensation

Compensation is a two edged sword. In many careers there will be a period when one gets exceedingly well paid versus "normalized" earnings expectations. The brokerage business at times has been an extreme example of this. You can try and

justify it any way you want, but a 22 year-old making millions of dollars a year borders on insanity. One must remember that high returns come with high risks. This is a basic economic theory that has been with us since the beginning of time. At times though, while the returns are obvious, the risks are very well hidden.

A good story to share.

In 1982 I remember being at work reviewing my finances. At the time my total compensation was six figures (not bad for a 30 year old). I assumed it would increase by 5% a year for the next 35 years (when I would retire at age 65). I also assumed I could save about 15% of my gross compensation. I pulled out my calculator, entered the assumptions and presto! By age 65 I would be worth a lot of money. What I had not factored in was risk. What was the risk? If I had stood up at my desk and looked around the trading room I would have seen there were only a handful of people over 50 years old. What the market was saying is you are well paid now for a reason – this career will most likely be over by age 50. And that’s exactly what happened to me (except I was 43 years old when it did).

The lesson learned?

High returns come with high risks. Sometimes the risks are not obvious, which makes them all the more dangerous.

People

In my 15 years at Merrill Lynch I met a number of great people. Bob Farrell was Merrill Lynch’s head of technical research for about 25 years. Over that period Bob was consistently ranked the number one technical analyst in the annual Institutional Investor survey. Bob was not only smart; he loved what he did and was very approachable. One day I asked him what was his greatest challenge (a great question to ask anyone). His answer I still remember today. He said his greatest challenge was to think of one or two good investment ideas a year and then to think of five or six good ways to explain them. Why five or six I asked him? His answer was most people don’t listen (or hear) the story until the fourth or fifth time.

Don’t be afraid to approach senior people in your firm. Most will be happy to spend some time with you. The reality is someone did that for them many years ago and it is their way of giving back.

Personal Growth

You only get to eat from the buffet what you take away.

Most companies are committed to the personal growth of their employees. In my case there were many opportunities in my career path for personal growth. Most of the time the opportunities were there but it was up to me to seek them out.

The widespread use of computers at work only started in the early 1980s. I took the time to take courses to learn how to use them. I can remember typing one of my first memos in Excel (I was a very slow learner). I took selling, communication and management courses. The benefit of these courses reaped some immediate and in all cases longer term benefits. As I mentioned earlier I took my CFA between 1992

and 1994. What I didn't tell you is that I took the CFA Level 1 in 1986 and failed (yes, I, a master of the universe, failed!). Failure is a fact of life. Failure happens because either we make mistake or we run into adversity. Good advice is to learn from your mistakes and try to avoid adversities. "If you don't learn from your mistakes, you are destined to repeat them again."

Most companies (and all that I have worked for) encourage your personal growth. They make you a better employee, a better person and a better asset for the firm. The sad fact is that many employees have to be coerced to use some of these resources. Rather than being coerced, seize the initiative. The companies are paying you to become a better person. View it as a gift, not as a condition of employment.

The Risks

Here are some of the risks:

- > Loss of Perspective
- > People
- > Financial Dependence

Loss of Perspective

This is one of the great challenges in life, especially in an industry that comes with high returns. The temptation on Bay Street and one of its greatest risks is to adopt a master of the universe mentality.

The term masters of the universe was first used in Tom Wolfe's book *The Bonfires of the Vanities*. He used it to describe employees on Wall Street who raised their "perceived" value far above their "actual" value. They let it all go to their head and conducted themselves accordingly. They came to believe their compensation was strictly due to their ability where sometimes location had a lot more to do with it. Just because they were well paid does not entitle them to have "perceived" competence in other areas. They were in the right place at the right time and were well paid at a result.

A good story to share.

In 1984 I was paid the highest bonus of my career. In those days, bonus cheques were handed out rather than direct deposit as is done today. I had a lunch on that day and on the way back I thought I better deposit the cheque. There were six people in the teller line but no one at the bank machine. I had just got a bank card but I had never used it. Being in a hurry I thought I would use the ATM. Insert the card, PIN number, deposit to chequing account, enter the amount, REJECTED. Stupid machine, did the routine again, REJECTED. Thoroughly annoyed, I joined the line (which was now 10 people). Impatiently (after all I was a master of the universe and I had more important things to do), I finally got to the front of the line. I told the teller the problem (didn't she know I was a master of the universe I asked myself). She politely told me it was rejected for security reasons. The maximum allowable deposit was \$75,000; my cheque was above that amount. It hit me all of a sudden. I was overpaid (I did not tell anybody though!). I took the cheque and used almost the full amount to pay down my mortgage.

The lesson learned?

I share this story as a way of showing you there is a great temptation to let our successes go to our head. Among my friends, I was probably one of the highest paid individuals. That included lawyers, doctors, bankers, etc. It was, however, the brokerage business that paid well. I was fortunate to have a good seat at a great party. I don't say this to be negative, but rather to remind us that one must remain realistic and level headed when the good times roll (and the same applies in the tough times!).

People

Politics are a fact of life especially in the work place. Whether you work in the mail room or the corner office, politics exist. Once you have accepted this, try to figure whether you are good at it or not. I don't think it is realistic to say that you aren't going to play the game. Rather decide how you are going to play it. In my case it took me about 25 years to figure out that I wasn't good at it. I hope it doesn't take me another 25 years to realize I should listen to my wife who is "politically" more discerning than me.

People will disappoint you. Sometimes people will disappoint and hurt you through their own incompetence. There will be other times, people because of their own agendas, will hurt you. A good lesson to remember is not to burn your bridges, especially on Bay Street, which is a very small community.

A good story to share.

Earlier in my career, I was fired. It would have been easy to be bitter and bad mouth the person who did it. Instead I bought him lunch a year later, and told him over lunch that he did me two favours – he hired me and he fired me. I also told him we could close the loop if he introduced a prospective client to me. To his full credit he did, and while the prospect did not become a client, I left with a good feeling (and I hope he did too).

The lesson learned?

Never burn your bridges. Carrying a grudge will not only impede your progress, it will also eat away at you and it can eventually make you a very unhappy person.

Financial Dependence

The normal path when it comes to money is the more we make, the more we spend; the more we spend, the more we want; the more we want, the more we need. In a "normalized" income environment, say teaching, it becomes readily apparent this is not sustainable. Bills mount up, the credit cards become over extended and reality quickly sets in.

In the brokerage industry incomes can become grossly inflated in the good times. Life styles adjust to these "good times" and become over extended.

A good story to share.

A friend of mine's son (John) graduated in 2006 from a four-year business program at a well known Canadian university. To his credit, he landed a job at a well known brokerage firm with a starting salary of \$75,000 plus an indicated bonus of another \$75,000. Not bad for a 22 year old just out of university - \$150,000 in his first year of work.

Flush with this financial blessing, John decided he wanted a car as a reward for his new job. His choice was a Porsche, but having no capital, he leased it for about \$800 a month or about \$1,400 a month when you include insurance, gas and maintenance. His father tried to talk him out of it but to no avail.

Last fall, through no fault of his own, John was let go. The firm was downsizing and he got caught in the crossfire. The payments, however, continue and he is now trying to unload the lease.

The lesson learned?

I have seen so many examples like this over my 35 years, especially with guys. Don't do it. Start slowly with your fixed expenses. John could have leased a Honda Civic for about a \$350 a month. The monthly savings could have put in a savings account and in a couple of years he would have been in far better financial shape to lease the Porsche (with a good down payment) or better still, purchase it for cash.

3.3 The Lessons Learned

The following are three important lessons I have learned over the past 35 years:

- > Important to Know
- > Important to Recognize
- > Important to Remember

Important to Know

It is important to know:

- > Who You Are
- > Planning and Patience

Who You Are

It is important to know who you are. Practicing your core values every day will allow them to become part of who you are on the inside and what you represent on the outside.

Planning and Patience

It is so important to remember planning and patience. My story about Russ best illustrates this. Opportunity met preparation resulting in a great outcome.

There is no point in being patient though if you haven't prepared and planned well.

Important to Recognize

It is important to recognize:

- > Return Versus Risk
- > People's Character

Return Versus Risk

It is important in life to take some risk. Once you no longer take risk you are no longer growing and the world starts to pass you by. Use your current base as a stepping off place to take additional risk to expand your horizons. The returns are personal growth, meeting new people and dealing with new challenges. It keeps you excited getting up every morning.

People's Character

There are no perfect people in this world. Everyone has their own agenda. Sometimes their agenda will coincide with yours and they will have your best interests in mind, but there will come a time when their agenda takes precedence. Don't take it personally – it is a fact of life.

Important to Remember

It is important to remember:

- > Personal Values
- > Career Versus Job
- > A Balanced Life

Personal Values

This is extremely important in my personal walk. You must start off knowing who you are and what you stand for. Integrity must be at the top of the list, but other values like empathy, patience, respect and self-control are extremely important.

Career Versus Job

Too often we think “The harder I work the better I will be paid.” Within certain parameters this is true. For instance, if you work hard at serving hamburgers at McDonalds, you will be paid at the high end of the range for serving hamburgers, but you are stuck in a salary range for serving hamburgers.

Jim Rohn in his series, *The Art of Exceptional Living* states it so very clearly: “Work harder on yourself, than you do on your job.”

A Balanced Life

Most people, when asked, would define one of their objectives in life is to live a balanced life. People want to do well at work but also want to enjoy the fruits with their family. Somewhere along the way the train comes off the rails. For most of us, recognition of an unbalanced life comes when it is too late. Why do we have a 50% divorce rate today? One of the reasons is that we become too focused on ourselves. To live a balanced life there has to be give and take, not just take.

Chapter 4: Getting Started

The key is to continue making yourself a more attractive person by the skills you have, the disciplines you have, the personality you've acquired, the character and reputation you have established, the language and speech you use—all of that refinement makes you more attractive to the marketplace.

Jim Rohn

Outline

- > Establish Your Personal Values
- > Develop Your Personal Skills

One of my strategies in life is to develop goals and plans. Now I will be honest, I have never formally sat down and written out my goals and plans. It wasn't really needed thirty-five years ago. Today I think it is. Today, the world is changing far more quickly and the world is a more competitive place. Stop and ask yourself this question, "What am I doing to improve myself?" If the answer is nothing, ask yourself why not?

Reflect upon Jim Rohn's quote: "Work harder on yourself than you do on your job." Don't just get a job; begin to develop a career. Don't follow those who live a life of quiet desperation. Rather follow those who value finding a professional hobby. And grab a good seat!

4.1 Personal Values

Here are some suggestions to help you establish your personal values:

- > Create a Personal Mission Statement
- > Discover Your Passion
- > Take Some Risk
- > Expand Your Comfort Zone

Create a Personal Mission Statement

I have come to realize a permission statement is fundamental if you want to take control of your life. It is your blueprint for the life you are going to lead. To be effective it must be in writing. This is not an easy task but if you do it, I believe you will be off to the races.

By putting it in writing, you accomplish the following:

- > It requires you to ask yourself some tough questions requiring honest answers
- > It allows you to flush out your core philosophies, values and skills
- > It provides a benchmark that you can measure yourself by
- > It provides clarity and accountability
- > It provides a simple to understand statement of who you are, which you can share with others

Your personal mission statement should include the following:

- > Your core philosophies
- > Your core values
- > Your dreams
- > Your plans
- > What are your strongest skills?
- > What are your weakest skills?
- > What do you like doing?
- > What do you not like doing?
- > What makes you unique?

Do this simple, yet challenging exercise, and I believe you will not only become more successful in life; you will also enjoy it a lot more. Albert Einstein knew this when he said: "Success is not the key to happiness. Happiness is the key to success."

Discover Your Passion

I know discovering your passion is easier said than done. The best way to discover your passion is to have an open mind to change and be willing to take some risk. There is no better time to do this than when you are young.

Here are some suggestions to help you discover your passion:

- > Get involved in activities outside the classroom
- > Talk to people in careers that interest you
- > Get involved in philanthropy

A good story to share.

A good friend of mine entered the Queen's Commerce program in 1970. His parents had "coached" him to enter business but his heart was not 100% sold on their advice. In second year he applied and became a part time news reporter for the local radio station. In year three he moved into broadcasting the local hockey team's games and by fourth year he was working almost 20 hours a week at the station in addition to his full-time university classes. When he graduated, he joined the station

as a full-time employee and five years later transferred to Toronto to work at The Sports Network in its early days.

The lesson learned?

My friend found his passion and turned it into a job he truly enjoys. Taking some risk, planning, patience and part-time work experience all played important parts in the ultimate outcome.

Take Some Risk

You will not likely find your passion without taking some risk. I am not sure how it is done today, but the scoring in figure skating competitions used to have compulsory and free skating marks. Life is the same – there are compulsory and free skating marks. For most of us, a post secondary education (and getting good marks) is an important compulsory part. But life is so much more than what you learn in the classroom. The true leverage, enjoyment and ultimate fulfillment in life comes from the free skating. Free skating allows you to find your passion.

One key point in taking risk – you must not be afraid of failure. And you will fail! I will tell you some of my greatest accomplishments have occurred when I have successfully worked through my failures.

A good story to share.

My third son Blair last summer worked at an accounting firm in Toronto. While he liked the people and the pay (and the home cooking), he hated the work. He was bored. The company liked him and asked him back for his first co-op term. Despite my advice (and pressure), Blair turned down the job. He applied for jobs that he thought would better challenge him and more importantly interest him. His job selection meant sacrificing compensation in the near term, for the experience to help him discover his passion and ultimate career selection in the long term.

The lesson learned?

The lesson for me? Blair was right and I was wrong. The lesson for Blair? Sometimes you have to go ahead with your gut despite the advice from others telling you otherwise.

At a commencement address Robert Pritchard said it well, "Try everything once, and if you don't like it, don't do it again."

Expand Your Comfort Zone

Staying in your existing comfort zone comes with risk. It is human nature for most of us not to like change, but change is an important part of life.

When I say to expand your comfort zone, I am not talking about radical surgery, but rather small incremental "sorties" like a military campaign. Not all sorties will produce fruit, but they will provide good learning experiences.

John Maxwell talks about growth and change, "You can't grow without change, but remember you can change without growing."

A good story to share.

At his mother's suggestion, my son Ted and his mother enrolled in a Toastmasters International course. Toastmasters International is a nonprofit educational organization that operates clubs worldwide for the purpose of helping members improve their communication, public speaking and leadership skills.

The lesson learned?

Ted greatly improved his public speaking skills, and as a side benefit, he got to spend some "quality" time with his mother.

Fred Smith, author of the bestselling book, *Breakfast with Fred*, wrote the following about being in your comfort zone:

Something in human nature tempts us to stay where we're comfortable. We try to find a plateau, a resting place, where we have comfortable stress and adequate finances. Where we have comfortable associations with people, without the intimidation of meeting new people and entering strange situations. Of course, all of us need to plateau for a time. We climb and then plateau for assimilation. But once we've assimilated what we have learned, we climb again. It's unfortunate when we've done our last climb. When we have made our last climb, we are old, whether forty or eighty.

Don't stop your mind growing when your body is still young. Old age will come too quickly and you will miss so much of life.

4.2 Personal Skills

I recommend the following:

- > Start a Personal Growth Library
- > Develop a Mentor Network
- > Organize Your Finances

Start a Personal Growth Library

One of my three core philosophies in life is my commitment to my personal growth. To accomplish this growth you have to be prepared to work at it. The best I know to accomplish this objective is to have a personal growth library. In today's world your library must go beyond the traditional library of hard cover books.

Here are some materials on personal growth I recommend:

- > Books
- > Ezines
- > Teaching CDs
- > Speeches

Books

I asked my sons for a few of their favourite books. Here is their six-pack:

The 7 Habits of Highly Effective People by Stephen Covey

Covey's best-known book, has sold more than 15 million copies worldwide since its first publication in 1989. He promotes what he labels "The Character Ethic": aligning one's values with so-called "universal and timeless" principles.

Never Eat Alone by Keith Ferrazzi

In his insightful bestseller, Keith Ferrazzi makes the point that relationships are one of the most important keys to success. Of course, we all know relationships are highly significant in our lives – but Ferrazzi really takes the concept to the next level, organizing his entire career and lifestyle around relationships.

Think and Grow Rich by Napoleon Hill

At Andrew Carnegie's bidding, Hill studied the characteristics of these achievers and developed 15 "laws" of success intended to be applied by anybody to achieve success. *Think and Grow Rich* condenses these laws further and provides the reader with 13 principles in the form of a philosophy of personal achievement.

The 80/20 Principle by Richard Koch

In his book, *The 80/20 Principle*, Koch focuses exclusively on how to succeed personally as well as professionally, to make a good life as well as a living - while doing less. He pioneered the idea that we can achieve more if we relax, enjoy life more, and focus on the few things that matter uniquely to each individual.

How to Succeed in Anything by Really Trying by Lyman MacInnis

Lyman MacInnis offers the essentials for anyone ready to work their way to the top. Advising on topics from networking, leadership, conflict resolution, negotiation, to never embarrassing yourself when addressing a crowd, and even how to give and take advice, *How to Succeed in Anything by Really Trying* offers some great common sense and a wealth of simple knowledge.

Failing Forward by John Maxwell

Maxwell discusses how "the difference between average people and achieving people is their perception of and response to failure". This book contains a lot of great insights and pearls of wisdom about the process of learning and life.

Ezines

Ezines are another great source for developing your personal growth. An ezine is an automatic email sent out either daily or in most cases weekly. It is free, as the individual or organization sending them, use them as a way of getting their products and services in front of potential clients. Here are some of the ones I recommend:

Smart Brief by the CFA Institute (www.smartbrief.com)

This is a daily ezine sent out every weekday around 6:00 am. It highlights about a dozen investment stories written in the previous 24 hours in the major newspapers around the world.

Sales Caffeine by Jeffery Gitomer (www.gitomer@salescaffeine.com)

This is a weekly ezine written by Jeffery Gitomer and his team. The way Jeffery puts it "I provide the best free sales advice on the web." It includes lots of good marketing ideas.

Jim Rohn International by Jim Rohn (www.jimrohn.com)

This is a weekly ezine written by Jim Rohn's team. It includes lots of good material written on personal growth, strategic planning, etc.

Teaching CDs

Teaching CDs are another great way of learning the concepts of personal growth. I am in the car a lot and I use the time as my "automobile university." Listening to CDs plays an important part of my ongoing commitment to make myself a better person.

Here are some suggestions:

Lessons on Leadership by John Maxwell

Lessons on Leadership consist of John's best teachings on leadership. The 24 CD set provides valuable insights on such vital topics as Leadership Development, Success and Teamwork.

The Art of Exceptional Living by Jim Rohn

The Art of Exceptional Living is one of the best guides that show you how to begin living life. You don't have to be a super-achiever or unusually creative. You don't have to endure great obstacles. You don't even have to do exceptional things. You just have to do ordinary things exceptionally well.

Success Master Academy by Brian Tracy

Success Mastery Academy is a 16 CD set focusing on many aspects of personal growth. It is a must for anyone looking for success in business...relationships...life!

Speeches

Here are three well known speeches I recommend reading:

Stanford Commencement Address by Steve Jobs	June 12, 2005
Harvard Graduation Address by Bill Gates	June 7, 2007
Stanford Commencement Address by Oprah Winfrey	June 15, 2008

Develop a Mentor Network

When we are young, we think of mentorship as coaching from wise knowledgeable, grey hairs that are much older (and supposedly wiser) than us. It is good to have mentors like that but something that is not talked about is having mentors your own age. Vertical and horizontal mentorship are both important.

When it comes to horizontal mentorship here is an idea. Ask 3 or 4 of your friends if they would be interested in setting up a mentor group. Once you have your group in place, purchase on behalf of the group a teaching CD on personal growth. My suggestion would be Jim Rohn's *The Art of Exceptional Living*. Produced in the early 1990s, his message is timeless. Common sense, insightful thinking and some humour thrown in, make it a must hear. I wish someone had introduced me to something like this 35 years ago.

Get the group to agree to meet on a regular basis and listen to one of the CDs at each meeting. Discuss Jim's ideas and then go out for a couple of beers. When an issue comes up at work (or in life) that you need to talk to someone about, you will have a readymade support group!

Organize Your Finances

One of my favourite expressions is: "Dreams cost nothing, implementation gets expensive." In, *It All Starts with a Decision*, I stress to take control of your finances is a decision, followed by a plan, implemented with discipline and nurtured by patient. It is more complicated than that.

Once you have made the decision, here are three ideas to help you organize your finances:

- > Prepare a Budget
- > Itemize All Assets and Liabilities
- > Start a Savings Plan

Prepare a Budget

Tongue in cheek, I say preparing a budget is like going to the gym to stay in shape – not much fun but it can help avoid big trouble down the road. Most people do not prepare a budget, and of the limited number that do, most do not have the discipline to follow it. At least they don't until the money runs out!

Be in the minority and prepare a budget.

Itemize All Assets and Liabilities

I personally started this process 25 years ago. At the end of every year I do a thorough review of all our (my wife's and mine) assets and liabilities. I start by listing the assets and liabilities as either liquid or illiquid. Within the liquid assets I break them down into cash, bonds and equities as well as the cash surrender values of our whole life insurance policies. Within the illiquid assets I include our RRSPs,

long-term investments and real estate. I do the same for our liabilities, short-term and long-term (i.e., bank lines of credit and mortgages).

This provides a true picture of our net worth and liquidity.

Start a Savings Plan

In 2009, the Canadian government introduced a program called the Tax Free Savings Account (TFSA). Every Canadian 18 years and older can contribute annually \$5,000 to their plan. All money earned in the plan is tax free. The money can be withdrawn tax free at any time.

It is a wonderful gift from the government. A \$5,000 investment, reinvested at 4% annual return, will grow to \$11,000 in 20 years (at 8% it would grow to \$23,000).

I find the TFSA a wonderful instrument to teach young adults the basics of wealth management.

Here are some of the benefits a TFSA provides:

- > It is simple to understand
- > It is simple to manage
- > It eliminates taxes
- > It provides a sense of accomplishment
- > It is cashable at any time

Don't be concerned if you can't afford to put \$5,000 in each year. The process of learning how to save is more important than the actual amount saved.

Chapter 5: It's Time to Find a Job

You never get a second chance to make a first impression.

Oscar Wilde

Outline

- > The Changing Landscape
- > Personal Preparation
- > Job Interview Preparation
- > What Are Companies Looking For?
- > Typical Questions

5.1 The Changing Landscape

Here are some of the changes that I have seen take place over the last 35 years.

- > The old boy network does not work like it used to. When I grew up it was not unusual for my father to make a call to help me get a job. Of course, this is still done today but nowhere near like it was in the past. The "call" can sometimes get you the interview; seldom does it get you the job.
- > Interviews can have multiple loops. Companies have different departments of the organization interview potential candidates. Candidates will need different skill and mind sets depending upon who is conducting the interview.
- > Companies prescreen the applicants. In my day there was normally just one interview. Today companies usually employ two or three interviews before making an offer.
- > Companies today focus more on hiring for the right fit when making a job offer. In my era I believe there was less strategic hiring than done today.
- > It so important to research the company and the position before the interview. Start with the internet but don't stop there. Talk to people who you know in the industry. Use contacts you have made over the years, either from high school or university. Talk to friends. In short reach out to anyone you can think of who can help you.

5.2 Personal Preparation

Here are some suggestions for your personal preparation:

- > Get organized. Finding a job will be one of the greatest challenges in your working life. It requires a “battlefield” mentality. Your supply lines must be linked to where the battle is taking place.

I recommend you create a directory for all job search related material. Here are the sub directories:

- > Personal information
 - Personal mission statement
 - Reference letters
 - > Marketing Material
 - Resume
 - Create an “elevator talk” of who you are.
 - > Contacts
 - > Research material
 - > Meetings
 - > Weekly job report
- > Develop a personal mission statement. I discussed this in the previous chapter. Make sure you know what you like and don’t like; what you do well and don’t do well. Be able to discuss your successes and how you dealt with your failures.
 - > Develop a resume that talks to a recruiter. In most cases your resume is your first introduction to a potential employer. I recommend you get professional help in this area, but here are some of my thoughts:
 - > Keep it short – maximum two pages
 - > Make sure it flows
 - > Use functional headings
 - > Focus on your accomplishments
 - > Explain who you “really” are
 - > List some hobbies. They can be a good icebreaker
 - > Develop your own personal network (within it, a mentor group).
 - > Practice interviews with your family and friends (even your dog!). Tape them. Time them. Work on them so they become natural to you. I read recently Steve Jobs spends four to five weeks rehearsing his presentations when Apple releases new products. Why does it seem so natural to him? Preparation and practice.

5.3 Job Interview Process

Here are some of the “dos” in the job interview process:

- > Dress appropriately.
- > Be who you are. I know this can sometimes be difficult but in the long run it is your best interests to do so.
- > Maintain eye contact. Pay plenty of attention to your non-verbal behavior.
- > Listen to the questions and be concise in your answers. And make sure you answer the question!
- > Let the interviewer lead the conversation.
- > Obtain the correct titles of the people who interviewed you; send them thank you emails within two business days.

Here are some of the “don’ts” in the job interview process:

- > Don’t stop job-hunting – always have a Plan B. My father used to say: “The more oars in the water, the better chance of getting the boat to shore.”
- > Don’t burn any bridges – you may not be a fit with the job you are being interviewed for but the company might make you an offer elsewhere in the organization.
- > Don’t be impatient. Hiring the right person takes time and communication within the organization.
- > Do not ask about the money. That will come later in the process. If asked though, be prepared to state your expectations.
- > Don’t ever criticize previous employers or colleagues.
- > Don’t talk too much or interrupt. Both faults of mine in the past. Today, through recognition and hard work, I have better control over both.
- > Don’t ever be late for an interview. A good saying to remember is: “The latest you should be for a meeting is five minutes early.”

5.4 What Are Companies Looking For?

Of course each job is different, but here are some common requirements companies today are looking for when hiring new employees:

- > Companies are looking to hire individuals who have the same values as the company. This is hard, if not impossible to discover in one interview. That is why companies use multiple interviews.
- > Companies, for the most part, want to hire team players. The star system may have worked in the past but today there are many so many good candidates for each position that companies can afford to be more selective.
- > Companies are looking for candidates with a diversified background, especially when it comes to their academic background. Recruiters tell me they like to hire students who were prepared to spend an academic term at another university in a different country.
- > Companies want candidates who are prepared to take some risk and have done so in the past.
- > Companies are looking for candidates who are self-starters and want to establish a career with their company, not just a job. I recently read that only two percent of all employees require no supervision when they work. They are self-starters with a great work ethic; a rare combination in today's world.

5.5 Typical Questions

Here are some typical questions:

- > Why are you interested in this field?
- > Why are interested in this company?
- > Why are you interested in this position?
- > What is your greatest strength?
- > What is your greatest weakness?

Here are some of Bob's "outside the box" questions:

- > What book are you currently reading?
- > What are you currently doing to make yourself a better person?
- > What is the best lesson you have learned from a failure in your life?
- > How do you define success?
- > What is your value add?
- > What is your passion in life?

I ask these types of questions in the hope I can flush out who the real person is behind the mask. While the technical skills are important, I believe companies today want to know your personal skills; who you are, what you believe in, etc. They want to find the right fit when it comes to matching your character with the firm's culture.

My criteria when I hire someone would include the following:

Personal Values

- > What are your core philosophies in life?
- > What are your values in life?
- > Do you know who you really are?
- > What is your passion?
- > Are you prepared to take risk?
- > Do you have a sense of responsibility or entitlement?
- > Do you know how to have fun?
- > Do you have a sense of balance in your life?
- > How do you handle success?

Personal Skills

- > What are you doing to make yourself a better person?
- > What are you doing to make yourself a better potential employee?
- > Are you a self-starter? Is it part of your DNA?
- > Are you a team player?
- > Can you deal with failure?

I use the interview process as an opportunity to try to discover the applicant's core philosophies and values in life. I want to try to discover who they are; I want to know their character. Their skill sets are important but in my opinion in today's world, they are not at the top of my list.

Chapter 6: You've Got to Find What You Love

The ideal job is a professional hobby.

Robert Livingston

A final story to share.

I have never met Steve Jobs, but I believe he personifies a person who has found his professional hobby. A must read is Steve's Stanford University Commencement address he delivered in 2005.

The title of his speech was "You've got to find what you love." Steve shared three simple, yet real life stories with the audience.

Here is one of his stories.

Steve Jobs never graduated from college, but he sure learned a lot about life along the way. He attended Reed College for six months and then dropped out for financial reasons. Given the freedom to stop taking required classes, he began dropping in on the ones that interested him. One of those was a calligraphy class where he learned about serif and non serif typefaces. Ten years later, he took what he had learned, and incorporated it into the first Mac. It was the first computer with beautiful typography. Without Steve, we all might be using only Times New Roman today.

By being curious and following his intuition, he gained experiences that turned out to be priceless later. Here is part of what he said, "You have to trust in something – your gut, destiny, life, karma, whatever. This approach has never let me down, and it has made all the difference in my life."

He concluded with the following:

When I was young, there was an amazing publication called The Whole Earth Catalog, which was one of the bibles of my generation. It was created by a fellow named Stewart Brand not far from here in Menlo Park, and he brought it to life with his poetic touch. This was in the late 1960's, before personal computers and desktop publishing, so it was all made with typewriters, scissors, and Polaroid cameras. It was sort of like Google in paperback form, 35 years before Google came along: it was idealistic, and overflowing with neat tools and great notions.

Stewart and his team put out several issues of The Whole Earth Catalog, and then when it had run its course, they put out a final issue. It was the mid-1970s, and I was your age. On the back cover of their final issue was a photograph of an early morning country road, the kind you might find yourself hitchhiking on if you were so adventurous. Beneath it were the words: "Stay Hungry. Stay Foolish." It was their farewell message as they signed off. Stay Hungry. Stay Foolish. And I have always wished that for myself. And now, as you graduate to begin anew, I wish that for you.

Stay Hungry. Stay Foolish.

About the Author



Bob Livingston is a senior vice-president with McLean Budden in Toronto involved in their private client wealth management practice, managing portfolios for individual investors. Bob has spent over 35 years on Bay Street, both on the sell-side and buy-side.

In his current role, Bob has made many presentations on wealth management. In early 2008, Bob became involved in presenting to high school graduates, university students and young business people. Bob's presentations focus on the importance of personal growth and draw upon Bob's experiences as well as material written by John Maxwell, Jim Rohn, Stephen Covey and others. These gentlemen are leaders in the field of personal growth.

In early 2009 Bob began to write papers on his presentations and to date has written about a dozen papers on wealth management and personal growth.

When asked why he does it, Bob's answer is simple. "It expands my comfort zone, it gives me a way of giving back to the community, and most importantly, I am having fun doing it."

Articles Written

Wealth Management

It Starts With a Decision

Taking control of one's finances is a decision, followed by a plan, implemented by discipline and nurtured by patience. And it takes time. It is that simple. Bob discusses wealth management at the 101 level. He concludes with the simple example of how giving up a café latte a day for 20 years can turn into \$55,000.

Acquiring Your Wealth to Fulfill Your Dreams

Acquiring your wealth starts with defining your dreams, followed by taking control of your personal situation and then creating plans to fulfill the dreams. The plans must be executed with discipline and nurtured with patience. Bob discusses some of the common mistakes and concludes with five recommendations.

Managing Your Wealth to Fulfill Your Dreams

Managing your wealth starts with defining your dreams, followed by taking control of your personal situation and then creating plans to fulfill the dreams. The plans must be executed with discipline and nurtured with patience. Bob discusses some of the common mistakes and concludes with five recommendations.

Giving Away Your Wealth to Fulfill Your Dreams

Giving away your wealth starts with defining your dreams. As we approach the end of our life, assuming there is a well financed retirement in place, the only two options for our wealth is to leave it to our family or the community we live in. Bob discusses the difference between success and significance regarding wealth management. Success is about how we acquire and manage our wealth. Significance is how we give it away. Planning plays an extremely important part in this process.

Personal Growth

13:22

Bob discusses the important role grandparents play in being a mentor for their grandchildren. He discusses the importance of preparing a personal mission statement or what he calls "a blueprint for life." Grandparents who are: "a little bit parent, a little bit teacher, and a little bit best friend" can be so helpful in these roles.

A Tale of Two Cities

Bob discusses the two different cities children can end up in: a city called *Responsibility* and a city called *Entitlement*. He discusses the important role parents play in which city their children choose. He provides some recommendations on how parents can better raise their children to become responsible adults and avoid becoming an entitled one. And when children ask for their first cell phone, take a look at chapter 6.

A New Day Has Come

Bob has come to realize the importance of preparing a personal mission statement. A personal mission statement discusses who you are: your core philosophies, your core values; your skills; your likes and dislikes; and what makes you unique. He outlines the necessary steps to put one together and shares his own.

The End of the Beginning

Bob discusses some of the changes he has seen take place in the education system over the last 35 years. Marks are still important, but in today's world, more than marks are required. He strongly believes personal growth has become a very important part of the process and most students have not been taught it. Unlike his generation, plans and better communication are needed to have success in today's environment.

Shift Happens

Bob discusses some of the changes he has seen take place in the education system in the last 35 years. He shares with the reader his experiences as a parent: what he did right, what he would do differently; as his children headed off to university. He concludes with some recommendations for parents to help their children in this next and very important phase in their life.

Discover Your Passion

Bob starts off with the premise that you want to find a job (if possible) that you are passionate about. He talks about the benefits, the roadblocks and the risks of finding that kind of job. He concludes with some recommendations on how to enhance your personal growth: establish your personal values and develop your personal skills. A must read for young adults.

The Times They Are A-Changin'

Bob discusses his 35 years on Bay Street: his career path, his experiences, and the lessons he learned. He discusses the changing environment in the job market: "the low hanging fruit is either gone or has been relocated." He concludes with some recommendations to help the reader get started.

Three Coins from the Fountain

Bob contemplates if he could go back 35 years and start his career all over again, what three core philosophies would he take back with him? He uses the analogy that there are coins of knowledge called Wisdom and Ignorance in the Trevi Foundation made famous in the 1954 movie *Three Coins in the Fountain*. What three coins of Wisdom would he select from the Fountain? What coin of Ignorance would he avoid? What has been Bob's biggest challenge in his career?

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