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Lessons from the Hardwood

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When people ask me now if I miss coaching UCLA basketball games, the national championships, the attention, the trophies, and everything that goes with them, I tell them this: I miss the practices. I don't miss the games or the tournaments or all the other folderol. As Robert Louis Stevenson wrote, 'It is better to travel hopefully than arrive.'— John Wooden, UCLA basketball coach from 1948 to 1975

We all have our passions. One of mine is basketball.

Growing up, I was all about the players. Steve Nash, longtime point guard for the Phoenix Suns, was one of my favorites. His laser vision and speed allowed him to slice through defenders like a hot knife, ending in a precision pass and a basket. I tried to emulate his game every time I touched a basketball.

Today, I'm intrigued by coaches—the chess masters moving the pieces.

John Wooden, whose legacy will be forever felt throughout the basketball community, led the UCLA Bruins to 10 national championships—the most in NCAA men's college basketball history. He coached his teams to four undefeated seasons and won 88 consecutive games during their historic run in the 1970s.

Phil Jackson—whom I admire immensely for his unconventional yet undoubtedly effective approach—holds the record for the most titles as an NBA head coach. Jackson doesn't have enough fingers for the 11 rings he collected during his tenure leading the Chicago Bulls and Los Angeles Lakers—13 in total if you count the two championships he won as a player with the New York Knicks.

Both coaches had great players. John Wooden was blessed with Kareem Abdul-Jabbar and Bill Walton, who were unstoppable around the rim. Phil Jackson coached two of the greatest players of all time: Michael Jordan and Kobe Bryant. How hard could it have been to lead those teams to victory?

The focus and discipline required to consistently achieve that level of success in any sport is very hard to exercise. And coaches are just as critical as players. Wooden and Jackson were so successful because they were dedicated to their distinct coaching philosophies and to the processes they each employed to prepare their players for competition.

Lessons from the Indiana Rubber Man

Before I headed off to UCLA, my parents gave me John Wooden's book, *Wooden: A Lifetime of Observations and Reflections On and Off the Court*. Wooden wrote candidly and wholeheartedly about his philosophies as a coach and how they were defined by his values as a father, husband, teacher, and friend. He passed these values on to his players through his "Pyramid of Success," a framework he created after years of contemplation on what it takes to succeed in basketball, business, and life. In Wooden's words, "Success is peace of mind, which is a direct result of self-satisfaction in knowing you did your best to become the best you are capable of becoming."

The Pyramid of Success provided his players with a road map to develop the characteristics and traits that help define a successful person, i.e., to achieve peace of mind.

The two cornerstones of his Pyramid were industriousness and enthusiasm; in essence, work hard and love what you do. He coached his players in line with one of his favorite maxims: "Perform at your best when your best is required. Your best is required each day."

As a player he practiced what he would eventually preach. His style of play earned him the nickname “the Indiana Rubber Man,” due to how quickly he’d bounce up off the floor after diving for a loose ball.

When his players gave it their all in practice, it was a successful day. When they gave it their all in a game—even if they lost—it was a successful game. During practices, he focused on preparation and process, the things he could control. Every practice started and ended on time. Every drill was designed for a specific purpose. Every player was required to be industrious and enthusiastic. Every detail was drilled to exhaustion. He even insisted that players put their socks on correctly to ensure they didn’t bunch up around the heel. Bunching could cause blisters, and blisters hurt performance.

He knew that winning or losing was out of his control; he never discussed winning with his players, and he kept coaching to a minimum during games. His discipline, intentionality, and uncompromising focus on process, not outcomes, is what ultimately led to the Bruins’ success.

Guidance from the Zen Master

Phil Jackson also understood the power of process. His focus was on “building the muscle of the mind,” an approach influenced by his upbringing. As the son of ministers and, later, under the influence of Eastern spiritualities, he embraced mindfulness* and introduced its practice to the locker room and into his overarching coaching philosophy.

Jackson led group meditations with his players throughout each season, earning him his “Zen Master” nickname. His meditative exercises were designed to promote emotional strength and help his players calm their minds when things didn’t go as planned, like a bad call by a referee or an injury to a teammate. He preached that “when the mind is allowed to relax, inspiration often follows,” and in this state, players were more capable of approaching each moment, each play, with clarity, focus, and calm. This mindset helped create the best possible conditions for success come game time.

The value Jackson placed on fusing mental strength—tuning out “all the chatter in basketball”—with physical strength was foundational to his process and instrumental to his extraordinary track record.

What can investors learn from these legendary coaches?

Investors who dedicate themselves to understanding the fundamental principles that explain the behavior of their investment portfolios—and who continually reinforce and deepen their knowledge of those principles—will have a more consistent and rewarding investment experience. Why? Because similar to what Wooden taught his players on the court, a successful investment experience is achieved not by focusing on returns (outcome) but rather embracing the science of investing (sound fundamentals) and implementing those fundamentals through a disciplined process.

Phil Jackson’s approach, on the other hand, should remind investors that having a clear understanding of the principles of investing isn’t enough. Investors must also spend time gaining deeper insight into themselves and their emotional makeup. Why? Because markets regularly test their championship focus, making it hard for them to stay disciplined.

We don’t know when the next market decline will come or what its cause will be. We can’t predict the ebb and flow of the premiums that make asset class investing so rewarding. But we have been persuaded by the weight of historical evidence that the educational and coaching process we’ve put in place has prepared our clients to weather any storm.

Wooden instilled eight laws of learning into his players. In his words, those were explanation, demonstration, imitation, repetition, repetition, repetition, repetition, and repetition. Now you know why we reinforce the fundamentals of asset class investing regularly in this newsletter and when addressing any market-induced angst or delight. Rather than buy into the fear that comes with uncertainty about the future, we will remain mindful and disciplined, focused on what we can control, and resolute in attending to what is most important for our clients.

*For more on mindfulness, see Phil Jonckheer’s April 2017 *Asset Class*, “[Mastering Mindfulness](#).”