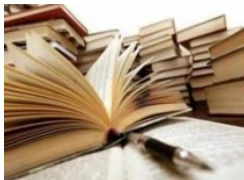


The Best Books I Read in 2020... and not all relate to Investing!

Synopsis

'These are not necessarily books on investing or stock market or even finance. But most will help refine your thinking edge or tell you something new.'



By Devina Mehra

Calendar **2020** is drawing to a close, and what a year it has been! One of the few pleasures that wasn't hit by this year's turmoil was reading.

Recently, someone asked me on Twitter about the best non-fiction I've read in 2020 and that set me thinking. Of the approximately 50 **books** I read this year, these are the ones that stood out (in no particular order). These are not necessarily books on investing or stock market or even finance. But most will help refine your thinking edge or tell you something new.

1. The Halo Effect & Eight Other Business Delusions *by Phil Rosenzweig*
Among the best books on how our thinking fallacies derail us, especially on cause and effect in business and investing. A number of characteristics we attribute to successful companies and corporate leaders (great strategy, customer focus, outstanding human resource practices etc) are all mostly due to the halo that is cast by the current excellent performance of these companies.

The corollary to that is that once performance goes down, suddenly the same strategies and leaders start to look not so good after all and plenty of holes can be picked in the very same attributes! This is the reason why many 'how to' books on corporate success (if you do this, this and this, you

will achieve success) like In Search of Excellence, Good to Great that talked of outcomes and prescriptions, did not hold out in the real world. The companies mentioned in these, more often than not, underperformed in both operations and stock market in the coming periods.

2. Alchemy: The surprising power of ideas that don't make sense written *by Rory Sutherland*, Vice-Chairman of Ogilvy's: The big insight of this book is that humans are less 'rational' than we think and hence 'illogical' advertising & marketing ideas can work brilliantly. Can changing the envelope in which you send a funding appeal for an NGO change the response rate? It can. Can restating the same facts differently change customer satisfaction? It can.

Too often we can be in the straitjacket of reason and logic where we are uncomfortable even with something that works when we can't explain why it works. The book gets you comfortable with trying something new - maybe even something that makes no sense!

3. The Everything Store – Jeff Bezos and the Age of Amazon *by Brad Stone*: It is

the Story of the building of Amazon. The Biggest takeaway: While the whole impression is of a great leader, Jeff Bezos and a linear growth rate for Amazon, the reality was very different. What actually happened was this: at every step of the way, Amazon took dozens of bets, lost a great deal of money in many of them and maybe one or two of them at every stage paid off.

4. The CEO Factory by *Sudhir Sitapati*: This was one that I almost didn't read, as I have little patience with wooly, jargon-filled management & leadership tomes. But this has pretty usable stuff on the way Hindustan Unilever actually does things – from production to advertising. For example, they've discovered that targeting advertising is a wasted effort for most products and getting the maximum eyeballs is the way to go. Many insights of this sort.

5. Confessions of a Pricing Man by *Hermann Simon*: A comprehensive look at pricing and the considerations that should go into it. From bundling/unbundling, impact of discounts to sales incentives, it is business through the prism of pricing. Written by a German ex-professor who has spent decades consulting in the field. Parts of it appear obvious when you think about them - as is often the case with a-ha moments in every field.

6. The Man Who Solved the Market: How Jim Simons Launched the Quant Revolution' by *Gregory Zuckerman*: The title is a bit of hyperbole, but the book is an interesting counter to more usual tomes on investing. It is about Jim Simons and the totally different approach to investing: of taking millions of bets with a small edge and a lot of computing power and where it led his firm.

7. Talking to Strangers by *Malcolm Gladwell*: His books have always been well-written, but some of the earlier ones were thin on the ideas front. This one is quite insightful about implicit assumptions we make when judging others – these can lead us to take a too negative view at times and at others, make it difficult to spot a liar or a criminal. There are many interesting asides into areas like what alcohol does to our judgment and memory.

8. The Brass Notebook by *Devaki Jain*: Fascinating memoir of a woman far ahead of her times. Candid too! A very confident voice talking about her life and times which also touches a number of famous personalities from Amartya Sen to Gloria Steinem to Julius Nyerere. While her work as an economist is touched upon only briefly, it still sets out how realities (especially, women's realities and those of the underprivileged) are often not recognised, named or dealt with by decision making. Easy reading.

9. The Book of Indian Essays: Two Hundred Years of English Prose by *Arvind K. Mehrotra*: An eclectic selection from essays on Colonialism & the Dandi March to personal memoirs to one on the various cries through the day on Calcutta streets. Essays used to be great favorites in my youth - revisited after long. This year did not get around to read some other genres like history, travel and science. Let me cheat a bit by adding two from late 2019.

10. The Early Indians by *Tony Joseph*: A book that is a must-read especially for those from the subcontinent. Absolutely Amazing! Pulls together findings from archeology, linguistics, genetics and a few other disciplines for a very lucid account of how homo sapiens came to the subcontinent and their journey thereafter. Very accessible and easy to read. Even more impressive when one thinks that Tony was a business journalist and editor of 'Business

World'. (Full disclosure: I used to write a column for him 20 years ago 😊)

11. Elephants on Acid and other Bizarre Experiments by Alex Boese : For those interested in the fun, or even wild, side of science like what would happen if you gave mega doses of LSD to elephants or would infants who are left to their own devices choose a well-balanced diet and others of this kind.

The experiments are weird and bizarre as one would expect but many are thought provoking too!

Happy reading and a happier 2021 to you all.

(Devina Mehra, Co-founder and Chairperson of First Global, is an IIM-A gold medalist and a bibliophile. Views are her own)

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