



**INTELLIGENT RISK**

Table of Contents

*Introduction*.....3

*What is Risk?* .....7

*Playing It Safe*.....10

*Taking Intelligent Risks* .....16

    R – Reframe Risk .....18

    I – Intelligent Risk Requires Knowledge.....22

    S – Seek Advice: But Don’t Live by It.....25

    K – Keep Score & Keep Going.....27

*Conclusion* .....29

## Introduction



Sergei Galitsky is what you could call barely a billionaire. That's because he has “only” been able to accrue a net worth of \$3.3 billion as of December 23, 2022. According to Forbes magazine, a company that tracks such things, there were 851 wealthier billionaires then. Everything is relative, of course, and reaching billionaire status is certainly a sign of some success.

Galitsky got his modest start in business as a wholesaler for a cosmetic supply company in 1990. He used what he learned hawking lipstick and perfume to open his wholesale cosmetics company in 1994. The eventual billionaire branched out into the food services industry when

he opened the first of many grocery stores catering to low-income and middle-class Russians in 2000.

By 2014, Sergei Galitsky's Magnit business conglomerate operated over 8,000 retail stores in 2,000 cities across the Russian Federation, selling cosmetics, groceries, and other items. He sold nearly all his interest in Magnit in 2018 for approximately \$2.4 billion.

So, how does someone go from a relatively entry-level position as a wholesale cosmetics salesperson to becoming one of the wealthiest people in Russia in such a short period? Certainly, this type of achievement must require a high degree of intelligence.

According to Galitsky himself, intelligence is absolutely no predictor of success. In fact, he doesn't believe it's required. However, he identified a common trait of successful business people when he worked for a bank as a young man.

“When I communicated with clients in the bank, who were businesspeople, I felt how intellectually weak they were. But I was impressed by the way they think. So these were people not of a smart mind, but rather of an adventurous mind. And this made a big impression on me.”

These were people that the impressionable young bank employee saw as not very smart. Yet they were successful and wealthy. His exposure to these people had a lasting impact on the young Galitsky, who longed to succeed in business.

For the business people he encountered, being adventurous and taking risks were more important for success than being smart or even starting out with a lot of money.

**As it turns out, taking calculated risks seems to be a hallmark trait of the uber-wealthy.**