CHAPTER 1

Optimism, Entrepreneurship, and Raincoats

The Taki family holds a reputation for go-getting. Since I can remember, every Taki who has been president of our family business, Takihyo, has contributed both to the company and to everyday life. My grandfather, Nobushiro Taki, helped transform a once-rural town outside of Nagoya city called Gamagori into a resort town while growing the business. To support his philanthropy, my family and I would go every summer and spring to vacation in Gamagori. My grandfather built hotels and funded shrines and temples; he placed Gamagori on the map as a place for Japanese to rest and relax. Since Takihyo's inception in its humble beginnings, an empire has grown. In short, I had a lot to live up to. I was also the eldest of four boys in a culture of seniority, so it was understood that I would become Takihyo's next leader.

My early childhood was blessed with privilege. I won't hesitate to admit that I was born with a silver spoon in my mouth and could count on my family for everything. I grew up in the industrializing city of Nagoya. At that time, Japan was growing and becoming a part

of the modern world that only Europe and America were believed to occupy. However, with that growth of power came avarice; the ideologies underpinning colonial imperialism dominated not only in the West but also in the East. Not unlike Great Britain's colonialization of India and Pakistan, but perhaps most frequently aligned with NSDAP Germany's Blitzkrieg, Japan usurped foreign cities ranging from Nanjing and Shanghai to whole states such as Cambodia, Indonesia, Malaysia, and Vietnam to name a few. The ideological climate placed Japan in a political bind.

I am not a historian, so I will not delve further into historical details, but I think it fair to say that Japan—like so many Euro-American nation-states—took a wrong path. Regardless of Japanese objectives, the end of World War II ushered in a new time—not only for Japan's political development but also for its economic machine. These changes brought with them new realities of everyday life for the nation.

The Second World War changed everything for me. My life of privilege transformed from fond childhood memories into the terror of warfare. At the tender age of 10, I was forced to evacuate my home city of Nagoya-shi, as it had become a target for Allied carpet bombing. Although the area had been predominately agricultural, industry began to build manufacturing plants over the years, including those that were building the so-called meatballs[1] of the Second World War. Concurrent with airplane production came the risk and reality of Allied attack; because of this threat, children from all over the area were evacuated to various camps in the countryside far from the dangers of the war. Although I was terrified to leave, I didn't have a choice. In retrospect, leaving home at such a young age might have been one of the best things that could have happened.

At my camp, I learned to live on my own. I could no longer ask for whatever I wanted. I outgrew many of my childish behaviors there, simply because I worked with other children, cleaning and cooking, as well as tending to the animals and plants we would later consume. Although it took place early in my life, this experience opened my eyes to the world around me. I had never worked as a member of a

[1]During the Second World War, Allied troops referred to Japanese fighter planes as "meatballs" because of the large red circles painted on the wings.

team before this. I had only depended on my family for support; I had merely to ask for something, and it would magically appear. The camp put me on an even keel with everyone around me. I learned that my lifestyle had been different from many of the other evacuees. Not everyone had the advantages that I was fortunate to have. Although this view may seem self-evident, it hadn't been for me. The revelation was, to say the least, eye-opening.

I lived with people from varied demographics, including children from Japan's wealthiest and poorest families. This left an indelible signature on my worldview. I saw the distinctions in how people act and react with one another based on the interplay of diverse familial and socioeconomic backgrounds. Not everyone liked the same foods, wore the same clothes, or spoke the same way. Some were more apt to work by themselves, whereas others worked better within a team. Despite how fundamental these differences may seem, watching them in action—and having to cooperate with the others—led me to develop a more nuanced sense of leadership psychology. Learning to appreciate how different people really are, regardless of how narrowly the superficial factors of life may define them, helped me become who I am today.

The most important lesson I learned was that every problem I faced had a solution. This optimism fostered the hope to continue each day knowing that I would again live with my family and be in the comfort of my own home in the near future. I told myself that war and occupation *would* eventually end and that my stay at the camp was temporary. I knew that at some point, there would be peace again in Japan.

I learned the value of this optimism in the darkest of times. Besides, sitting around feeling sorry for myself was not an option: if I were to get bogged down wallowing in despair and fail to cook enough dinner, neither I nor some of the other evacuees would eat that night. The severity of the situation forced me to develop a sense of self-reliance that stayed with me for the rest of my life—thereby allowing reason and principles to guide me. As you will read later, I—like most people—have been dealt a number of unfortunate cards. However, the diligence and patience I cultivated in my early years prompted me to work through what I believe were the toughest challenges. Keeping an optimistic view of the future has enabled me to enjoy many successes—in both my corporate and personal life.

The war had ended by the time I was in fifth grade, and so I returned home. I matriculated into Taki Gakuen,[2] an elementary-through-college preparatory school that my grandfather had established but which, by that time, my father was managing. I had been reunited with my family for the first time in years; however, my stay there was not long. Neither my father nor I felt comfortable with my being a student at the school; we worried that others would think that I would be favored. My father also believed my enrollment might incite unethical behavior among the faculty—who might be inclined to give me better grades for less work because my father was the principal—or bullying from my peers. After a couple semesters, I transferred to Tokai Gakuen in the center of Nagoya.

Although the distance between my family's house and Nagoya was only about 7 miles, the train ride was terrifying for a little boy. The cars were cramped and uncomfortable, and mounting and dismounting was quite dangerous; it was a challenge for adults to get on and off the train without injuring themselves, so you might imagine the difficulty faced by a young child. After I discussed with my parents the concern that I could get hurt on these train rides, they decided to board me near the Tokai School. Although I did not live with my family anymore, the commute to school became much easier—and I was no longer worried about the crowded trains. I stayed in this boarding house until my sophomore year of high school when my father decided to relocate the family into the center of Nagoya city.

I rarely got to spend time with my family, except for short holiday vacations. Unfortunately, I could not live with them, and I was about to enter Keio University. My family's influence over me had therefore been somewhat absent. I spent the majority of the most formative childhood years learning to become independent and self-reliant at the evacuee camp and at boarding houses. Further complicating my family life was the fact that my father had always been very busy running Takihyo and our family's school. As a result, I did not have the opportunity to learn much from him other than an understanding of his work ethic.

[2] *Gakuen* means "junior high" in Japanese.

Although I had gone through the rigors of learning to become self-reliant at a young age, the kinds of problems that most adults face had yet to confront me. At Keio, I began learning about life through metaphor, academics, and my social life. I joined the university's basketball team, which was a year-round extracurricular activity. I wound up completing most of my exams on the road or between practices. I spent much less time in class because of this commitment, which forced me to learn how to structure my time. We practiced nearly every day, and we traveled all around Japan to compete. The stress of excelling both in my classes and on the court taught me more about myself and how to become more responsible than ever before. Yet I cannot take total credit for this process; I had the opportunity to be mentored by a brilliant team leader.

One of the most influential people in my life was my basketball coach, Mr. Taketomi. Not only was he a good coach, but he also had a mastery of leadership psychology. His three points about playing basketball are ingrained in my memory, and I've found it to be immensely fruitful to apply his leadership psychology to problem solving. His three points are as follows: first, when playing basketball—or any sport—you must bend your knees before you jump. If you don't, the height of the jump is greatly compromised. Because knee-bending allows the leg muscles to work in unison with the rest of the body, you can use this combined momentum and strength to catapult the body upward. This first tenet led me to understand a much more overarching principle: in more practical terms, knee-bending equates with logistical preparation. I learned that if I wanted to do something, I would have to make sure to bend my knees, to be prepared, to handle any foreseeable problems posed by various circumstances.

Second, Taketomi proposed that winning is impossible if you don't know the competition. This tenet covers more psychological ground than does knee-bending, but it is a part of the overall preparation in setting and accomplishing a goal. Learning about the opponent—whether it's in basketball or in a business venture—is a part of any winning strategy. And the better your understanding of what you're up against, the better your strategic results. In basketball, for example, knowing the opponent's offensive plays sheds light on how to prepare better defensive tactics. A good defense has more steals, rebounds, and

blocks—all of which result in the other team scoring fewer points, which in turn increases the chances of victory. Understanding one's opponent—whatever the situation—offers a psychological advantage over the competition.

The last but perhaps most important lesson I learned: without a loser, there is no winner. Losing always has a negative psychological impact in any sport or scenario. After training for so many hours, doing countless drills, and practicing painstaking strategic counter measures, raw skill and psychological toughness always seem to divide the winners from the losers. However, there are upsets in the real world. The beauty in Taketomi's theory is its inherent optimism. Even great teams lose. Hard work and dedication lead to victory, even if a victory reads as an "L" on the standings; staying optimistic and prepared yield the most promising results.

I found that I could apply these three points to almost any real-world situation by asking one simple question: What do I want to accomplish? A goal-oriented approach to problem solving has always offered me good results. Although there are countless ways to solve a problem, each task has only one goal. Throughout this book, I will reference the times I asked this question again and again, in every business venture. Although I cannot guarantee managerial success to every reader, I hope that my methods shed light on an alternative approach to problem solving.

Before I discuss my early work experience, I'd like to touch briefly on my first taste of international management and recruiting as Keio University's basketball team manager. Despite how young I was at the time, I was—and still am—eager to learn from others, regardless of who they are or what they represent. As a young Japanese man with an aim to make my basketball team the best, I looked for alternative leadership. Taketomi had been a great group leader, but basketball was relatively new to Japan—and I was looking for guidance from someone who had extensive experience playing in more competitive circles.

I read in the newspapers about a man named Leonard Craven. He had formerly been a basketball player for UCLA in the States. Well aware of UCLA's Division One standing and reputation, I started talking with Taketomi and a couple of our other coaches. I asked if it would be possible to hire Craven to help us with drills and plays,

as I was sure his experience could become a great asset. At the time, Craven had been stationed at Haneda Air Force Base, not far from Tokyo, so I went to Haneda in hopes of meeting with him.

I knocked on Craven's door, and we sat down and began discussing the possibilities of him coming to Keio to help train my team. Craven was incredibly excited about the idea, but he was unsure if it would hinder his capacities to fulfill his military duties. By the end of the conversation, Craven committed to asking his superior, who at the time was a two-star general in the Air Force.

Craven's commanding officer was incredibly excited at the prospect, and his opportunism worked in my favor. The general jumped at the idea of Craven helping to coach us; perhaps he hoped he'd receive a third star for working to make agreements of international cooperation on levels beyond the political. The following week, I returned to Craven's office to find a sign on his door: "Leonard Craven: Keio University Basketball Coach." I was surprised how well the whole situation worked itself out. Craven then became one of our head coaches until leaving his station at Haneda to return to the United States.

Despite this experience, however, I was hardly capable of running a business on my own at the age of 22. I needed more than what Taketomi taught me; although I had learned a lot from the game, playing basketball did not equip me to become a responsible adult. After graduating from college, my father asked my step-uncle, Chubei Ito, if I could have an apprenticeship at his company, Osaka-based Itochu. Although Itochu began as a yarn distribution company with strong familial ties to my father and thus Takihyo, Itochu eventually grew to become one of Japan's largest conglomerates. It included divisions that ranged from textiles to aerospace and nuclear energy. Whether it was my step-uncle's love or trust that got me there, I will never fathom; but I was (un)fortunate enough to assume many responsibilities immediately. One of my superiors had passed away and the other was transferred to another position within Itochu. My new superior expected me to accomplish the work of these two former employees along with handling my assigned position. Without much of a choice, I undertook these three positions simultaneously until we could hire new employees. My boss offered me a crash course in the business with long hours and heavy emotional strain. This was my first glimpse of the corporate structure.

However painful, this experience elucidated an integrated, more comprehensive take on problem solving. I learned that if the finances of a business needed work, the marketing sector could lend a hand. I also quickly figured out that different positions—although varied in their immediate goals and perspectives—were tightly woven in the overarching corporate structure. Most businesses appear to have separate divisions and purposes for different titles. In the end, however, if a company is failing, those different divisions and departments are likely not working together. Through my experience of having to shoulder the responsibility of three distinct positions consolidated into one, I observed firsthand the interconnectivity of corporate structure.

Around the same time, I met my first wife. Yoko and I were married the second year of my stay at Itochu. By the third year, we were blessed with twin boys. Although I loved my twins from the bottom of my heart, the timing made the last year at Itochu very difficult. I went to work early in the morning to return home and take care of the children with Yoko. In the first year after birth, the children slept a lot and had irregular feeding times—one at midnight and another at three in the morning. Sometimes one would get hungry at two in the morning and the other at three. Their cries woke Yoko and me; then one of us would feed one if not both of them. I loved them, but having twins was a much larger responsibility than I had previously imagined. I was in a state of constant physical fatigue. I hardly slept that last year at Itochu. Luckily for me, my father wanted me to return to Nagoya; after spending so much time away from home, I was happy about the change.

I left my apprenticeship at Itochu not only with knowledge of how the different arms of the corporate body fit together, but with two healthy children and a caring wife. This was a great time in my life; I had learned a lot about certain facets of how a successful business operates. Although I found this experience fruitful, my father was not ready to give me much responsibility upon my return. He wanted to test my newly found skills and show me how a business can work from the ground up.

For the first month, I worked in shipping and receiving. I packed and opened boxes. Although I was not in a position with a lot of responsibility, my father believed that it was necessary for me to understand more than just how different parts of the corporate structure

functioned; he wanted me to learn the day-to-day logistics firsthand. After that first month, he put me in charge of the import-export division. I primarily worked in warehouses, managing inventories and distributing incoming and outgoing products.

During the Second World War and the following occupation, Takihyo had to undergo a number of changes. The government had full control of industry, manufacturing, and distribution. Politicians decided that the nation should receive rations of food, clothing, you-name-it during wartime. As a result, Takihyo temporarily stopped wholesaling clothing. By the end of the war and the beginning of the occupation, those who survived returned to work for Takihyo but had little to do. The company then branched out to accommodate the employees by starting a nonclothing business—selling household goods like pots, pans, buckets, mops, brooms, and anything else that one could find at a local hardware store.

Near the end of the occupation, however, things settled back to normal at Takihyo. In 1953, the organization returned to wholesaling traditional Japanese kimonos and futon fabrics. We did not close down the other established divisions, but the wholesaling of textiles again became a main focus. When I started working at Takihyo's import-export division in 1959, I was responsible for all different kinds of inventory. However, my father could tell that I was not challenged by this post. He saw promise in what I had achieved at Itochu and he believed I could handle more responsibility.

My father went on a trip to Okinawa arranged by the Okinawan Chamber of Commerce. While there, my father committed to starting a joint venture with a landowner and a large department store chain called Yamagataya in Okinawa. The landowner would supply the property on which a factory could be built to manufacture clothing; the department store would help fund half of the venture, and Takihyo would fund the other half and manage it. After all the years of wholesaling Japanese textiles and kimonos, my father wanted to open a new operation in Okinawa to manufacture clothing made from our textiles division.

After I had been working for three months at Takihyo, my father asked me to go to Okinawa. I was taken aback, to say the least. "Why do you want me to go to Okinawa?" I wanted to know. He told me that it was because we were building a joint-venture company.

I then asked what kind, and the answer came back: "a sewing factory." Although we at first went back and forth a bit like the game Twenty Questions, my father ultimately left me in charge of the venture with no strings attached. I asked what he wanted to manufacture in the sewing factory and he replied, "I don't know. Don't ask any more questions because I don't have any more answers." As such, Father made it *my* job to figure out what to manufacture and where to sell it. With little knowledge of the textile business, I had to bend my knees a bit before making the jump.

The first move I made was to go to Okinawa. Some background on the political situation in 1959: America took control of the prefecture after winning the Battle of Okinawa in 1945. Until the Treaty of Mutual Cooperation and Security of 1972, Okinawa was considered American soil and was heavily populated by US Air Force bases. The United States signed Okinawa over to the Japanese with the 1972 agreement, but until 1975, the Ryukyu Islands (of which Okinawa was the largest) had been a home for many American Marines and members of the US Air Force. For that reason, I thought establishing a factory in Okinawa was geared toward international rather than domestic interests.

Since the beginnings of modern international trade, the United States has attempted to protect American business by setting up quota systems. There are countless restrictions on almost all goods coming into the United States. However, because pre-1972 Okinawa had been considered part of the United States, there was no quota—and the number of Okinawan garments that could enter the United States was unlimited. Although Takihyo was and is based in Japan, my father figured we could circumvent any governmental restrictions on importing Okinawan goods to the continental United States because the goods manufactured in this sewing factory were technically on US soil. At the time, the most stringent quota restrictions for a non-US business had been on cotton-based goods. However, the problem was further complicated and I needed to take a step back.

I asked myself, "What do I want to accomplish?" If I were to build a sewing factory to make any kind of clothing, what would be most lucrative? It had been rumored that the United States would return Okinawa back to the Japanese government; however, reintroducing Okinawa into Japan would have its consequences.

The standardization of the Japanese government over economic affairs would play a role in how a business could be run in Okinawa—the salaries of our employees would spike. Because the Ryukyu Islands had never been fully incorporated into everyday Japanese life before the war, the pay scales in Okinawa were much lower than in mainland Japan. The answer to my question yielded yet another question. After some deliberation, I figured out my plan.

I wanted to establish a branch of Takihyo that could bear the political winds of the time. If I decided to manufacture a particular product, I wanted labor costs to be minimal so that the factory's overhead could compensate for any changes in the Okinawan pay scales. If and when Okinawa became a part of Japan again, I also wanted the product's profits to compensate for changes in the Okinawan quota system. This would allow me to build a factory that could theoretically meet both long- and short-term goals.

Once I established these goals, it was much easier to come up with an idea for what to manufacture in the new factory. To overcome any future rise in manufacturing costs, the factory would have to produce something that had a low manufacturing cost and a higher gross margin. As I mentioned earlier, a number of people were involved in this venture, and they too were a part of this discourse. When I arrived at Okinawa, the factory was about 85 percent completed. The remaining 15 percent was our time to plan logistics and discuss what type of product we would manufacture. A lot of brainstorming occurred in that limited amount of time—so much so that a number of conflicts rose among us. On the second to last day of my visit, I told our partners, "Tomorrow we must decide on something to produce that meets our criteria." We would sleep on it and come to a decision the next morning.

The following morning I approached the rest of the investors with a somewhat atypical suggestion. I didn't propose that we make blouses or dresses made of cotton; instead I suggested making raincoats. Although in terms of its chemical makeup cotton is not the best fabric with which to make raincoats, it is the most commonly used. Raincoats also provided an easy answer to a complex question. Despite using little more material than dresses, raincoats appear far more valuable to consumers. People will pay much more for a coat than a dress—because the profit margins for the coats are that

much higher, I thought this venture could be self-sustainable despite Okinawa's inevitable return to Japan.

The partners asked me if I knew how to make raincoats. Of course, I had little experience and no idea. My father did not know either. He had been a part of the traditional Japanese garment industry, far from Western markets. I figured that I could use the rest of the time I had until the factory's completion to get these logistics in order. I had previously met Christopher Cheng from Hong Kong's Win Tie company through my father's close relationship with Chris's father. He was the first person who came to mind whom I could ask how to manufacture raincoats. Cheng was making denim jeans, so I assumed that he probably knew how to make raincoats out of similar materials. I also had heard that Cheng too had been interested in making raincoats for sale in the United States.

However, I was in for a letdown, because Chris had no idea; in fact, he had hoped that his father might have the answer. But because Win Tie had only made denim jeans since its inception, Chris's father didn't know how to make cotton raincoats either. However, he did make an interesting suggestion. He told us to go find a tailor from Shanghai in Hong Kong—because a good Shanghai tailor can make any garment! So Chris and I searched Hong Kong to find a couple of tailors who knew raincoats well. Chris took one to set up a sewing factory in Hong Kong, and I sent the other to work for us in Okinawa. Because the factory had yet to be completed, I wanted someone who knew how to make the raincoats for the sewing factory in a way that would maximize productivity and efficiency. I knew I wasn't in any position to organize how the plant should sew, and the person who did know should spearhead the sewing process.

I also needed to find a buyer. Because Takihyo had wholesaled only Japanese traditional garments, neither I nor my father had any idea where I could look to sell the raincoats. Takihyo had laid no tracks for my venture on American soil. I got on a flight to New York to try to figure everything out. On my first day there, I went to a large department store (I believe it was Macy's). I walked into the raincoat section and asked the salesperson where she happened to buy the raincoats in the store, because I thought she might know the supplier. She told me there was a buyer who had another office on another floor. So I went to the buyer's office, and after a brief conversation she kicked

me out. She asked me how long I had been in the raincoat business and if I had a sample. Since I had neither experience nor a sample, I was of no use to her.

The following day I returned to the buyer's office to ask her some more questions. For fear of bothering her too much, I kept it short: "Who do you buy your raincoats from?" She pointed me to a particular export company that had an office in New York. I went to visit the office and received the same questions as I had from the buyer at Macy's. I neither wanted to waste their time nor my own, so I left. Although my time in New York was a bit frustrating, I learned something new: how to bend my knees in a new environment trying to sell new products. In short, I learned that I needed to have a sample or a relationship to get things off the ground.

That same day, I went to the Japanese consulate in New York to get some advice. Because the Japanese government had been taking strides to develop economic relationships with the United States, I thought there might be someone to help me there—but no such luck. I spent the last day of my trip visiting an organization called Jetro USA. Known for its networking functions and business development support, I thought this organization would be my best bet. Unfortunately, I didn't get any help there, either.

After a long and hard day, I returned to my hotel room. I sat on the bed and stared at the wall while I tried to come up with a solution. Without any experience or history manufacturing raincoats, selling Takihyo-made raincoats was becoming a daunting task. Neither the government nor an organization geared toward business development could help me develop a sound strategy or business contacts. What made matters worse was that despite the fact that Takihyo was a well-known company in Japan, the name meant very little to an American working in the fashion industry. At this point, the only thing I could do was try to remain optimistic.

All of a sudden, after much tautological brainstorming, Chris Cheng called me on the phone. He urged me to come to Hong Kong to meet a man named Roger Spiegel. Spiegel had been the raincoat buyer for Best & Co., a department store that had recently declared bankruptcy and closed down. However, Spiegel wanted to continue his work buying raincoats for distribution in the United States.

Finally I had found the break I'd needed. Spiegel traveled to Hong Kong in search of a raincoat supplier in the Far East to jump-start his new wholesaling company. Since there was no competition in Hong Kong—and since Spiegel had also been starting his company from scratch—he was eager to come aboard to help with my raincoats as well as Chris Cheng's project to offer American consumers two different raincoats of high quality at incredibly low prices.

First, however, we needed to find a raincoat to emulate for production in Okinawa. We had no grand plans to introduce new innovations in raincoat design. Instead, we wanted to manufacture a product that looked and felt similar to expensive ones but that sold at a third of the price. Spiegel knew the fads and the staples of the business, so I asked him to bring me three different cotton raincoat samples. We chose one, and then had the tailor tear them at the seams to make fresh patterns. The patterns would guide us through the difficult part of putting the raincoats together; this would allow us to make the raincoats without coming up with a design from scratch. We could copy someone else's design, charge much less for labor, and sell the product at a more competitive price.

After its production, Spiegel labeled the raincoat Briarcliff. I think Spiegel chose this Western-sounding name because he thought it would add some credibility to the brand. He may have wanted consumers to associate the raincoat's name with Briarcliff Manor in upstate New York.

Of course, the design was not entirely copied; we did make certain modifications. We found that shortening the coat as little as an inch or two on the back could eventually yield enough fabric for another raincoat's outer shell. Because we were using less fabric, we lowered production costs and augmented profit potential. The search for new ways to meet competitive prices became something of a game rather than a challenge—and this kind of thinking allowed for creative ways to bring in more profit.

Unfortunately, once the United States returned Okinawa to the Japanese government, pay scales changed to become much higher than we had estimated when establishing the sewing factory. We had no idea that Japan would grow as quickly as it did, and we did not expect per capita incomes to rise so high. As a result of these changes, we had to close the factory and end the production of Briarcliff

raincoats. However, while it was up and running—and Okinawa had been under American rule—this venture grew to become very profitable. I was pleased with the results, and so was my father. I was ecstatic that everything had worked out despite the odds against me.

My career as an international entrepreneur began with this raincoat venture. I was fortunate that my father had put me in this position where I had to search for solutions to tough problems. Tackling these issues required me to develop a certain sense of managerial creativity; however, I give my sense of optimism credit for most of this accomplishment. This venture had been the most terrifying for me because there were times when I had no idea what to do. However, step by step, I came to a conclusion. With determination, good luck, and forward-thinking, I was able to make the venture a success. My basketball coach's teachings came in handy, too, as I was maneuvering my way through this new environment. I saw where I needed to put more of my energy in the future—how I could bend my knees a bit more. I developed a more complete understanding of how different methods of manufacturing a product could yield higher profit margins and saw firsthand how a little more preparation could yield dramatic positive gains. I have tried to carry these lessons with me throughout my career.

Optimism Is Intelligent

My father cautioned me, "You may be a peacock one day and a feather duster the next." In other words, we will all experience misfortune and failure at one point or another. However, we must remain optimistic rather than cynical as we contemplate the possible certainty of events going downhill.

Psychologists used to believe that cynics were somehow smarter than optimists. As the saying goes, "Optimists believe in the best of all possible worlds and pessimists worry that they may be right." For a long time, optimism was considered the

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hallmark of stupidity. Early psychologists believed that optimists were somehow naive, and that skeptics were somehow smarter. However, we've come to find that this is not the case—not even close.

A new paradigm called the Psychology of Optimism has emerged. The theory was first formulated by Professor Martin Seligman at the University of Pennsylvania, who found that well-rounded optimists are healthier, live longer, and are better able to cope with life challenges. Optimists, quite simply, live more fulfilled lives than pessimists. They are more equipped to relish the possibility of succeeding in the future; therefore, they can tackle today's problems with more confident expectations. The prospect of failure does not paralyze optimists' actions, whereas some pessimists opt to reject before *being* rejected because they fear failure. "I didn't really try" appears to excuse negative thinkers. These excuses, however, will only ensure that a person never succeeds. Optimists give their full effort and more.

One has to risk the possibility of failure to succeed. In the depths of the Great Depression, President Franklin Roosevelt's optimism lifted the spirit of the nation, giving Americans new hopes and dreams. After Roosevelt delivered his famous "The only thing we have to fear is fear itself" speech, I remember my father expressing his relief; he felt confident that the country was in good hands.

Optimists like Roosevelt are not starry-eyed space cadets. They don't believe "everything will come up roses." They recognize that harsh realities accompany worthy achievements. During the darkest days of World War II, Winston Churchill put up a poster in the war room that read: "There is no room for pessimism." When you have a mental choice you must—as the ditty goes, and as Tomio Taki believes—"Move your feet to the sunny side of the street."

The American Psychologist recently reanalyzed the mortality data for a group of children first studied by psychologist Lewis Terman in 1922. The research found that on average the most

cheerful children died earlier, and that earlier deaths might have been partially caused by a more careless attitude toward health. They were somewhat more likely to drink, smoke, and take other risks to their health.

Furthermore, particularly conscientious children lived longer, healthier lives on average. This makes sense, the article said, because "a conscientious person will probably head to the doctor at the first sign of trouble, avoiding later, more serious problems." The article continues: "People tried to generalize and say a trait like cheerfulness or neuroticism is good or bad, but, sometimes it's good to worry, and sometimes it's not—it depends on the situation." Thus, the researchers found that it's not so much the trait that's important, but knowing when to apply it to a particular situation. Perhaps the important thing is to remember to balance optimism with a grounded sense of reality. This thinking, however, is much older than modern thought. As Milton wrote in *Paradise Lost*, "The mind is its own place, and in it self can make a Heav'n of Hell, a Hell of Heav'n."

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