

## IoNTelligence Brief | Newsletter 10 | January 2018



### Key Points

- **December's theme: Decisions**
- **Acceleration Tip: Keep a Decision Journal**
- **Thinking Tool: Probabilistic Thinking**
- **Read *Decisive* by Chip and Dan Heath and *Wait* by Frank Partnoy**
- **Philosophical Espresso Shot: What a TV Villain and a US President can teach us about making good choices**

Decision-making may be the single most critical skill we need to have a successful career and life. From the little choices we make (should I go to the gym after work?) to those that can sometimes define our lives (should I move to London?), our trajectory is nothing more than the sum total of our decisions and their results.

*Isn't it curious, though, that we never get any instruction in school or even from our parents as to how to make good decisions? Sure, Mom and Dad give us values, which*

should certainly influence our choices. But do they - or does anyone - teach us *how* to make a decision? We learn how to drive a car (a skill that may no longer be necessary soon) yet we're never taught how to decide (a skill that will *always* be necessary).

This month's theme, then, is meant to start a conversation on this critical skill. I've been studying decision-making for years and in this edition I've pulled together a critical habit to build, one surefire way to make more informed choices, three must-read books and a TED Talk thrown in for good measure. Let's get started ...

## Acceleration

### ***Want to improve your decision making quickly? Keep a Decision Journal***

People trying to get to "black belt" in decision-making will tell you that the single best reflex you can develop is to simply keep a log of the decisions you've made. *What does this look like?* When facing your next choice, record the following:

1. What the decision is about.
2. Any other alternatives you are considering.
3. The key reasons for your decision.
4. The choice you make.
5. What you *expect* to happen.
6. What *did* happen.

That's it. Sounds simple, but this routine will bring discipline, repeatability and measurability to your decisions. Once you write out why you made a choice in the way that you did, you can evaluate whether, in hindsight, you focused on the correct inputs and - perhaps most importantly - if you accurately predicted how things would play out. Keeping tabs on your forecasts (*I thought that getting that iPhone X would have made happier*) will help you avoid those errors in the future (and as all of you know, I'm [in the mistake-prevention business](#)).

**Conclusion:** Good decision-making is a skill you can build but, just like your tennis game, you need practice and feedback. Describing and then dissecting your decisions - even in a quick and dirty way - is the right play.

## Thinking Tool

### ***Don't get distracted by what's possible; decide around what's probable***

People sometimes define the correctness of a decision by its result: if you produced the right outcome, the decision was “right”. Actually, that’s wrong. While you may get lucky and land on aces from time to time, good decision-making over a lifetime requires you to focus on what's probable vs. what's possible.

In other words, bet on probabilities over results. If there’s one line you should remember about Las Vegas, it’s not that “what happens there stays there” but rather “the house always wins.” Suckers play the slots, while winners play blackjack - because there are simple rules to follow to increase your odds of success. One such rule is “Stick with 17” - even if you’ve seen a lot of high cards recently and “just know” that the next one is a low one. As the Texas Hold em pros will tell you, when you play poker and call a [pre-flop](#) all-in with pocket aces, you did the right thing - whether you won or lost the pot.

You can’t ignore the percentages and play hunches all of the time - even when you occasionally get it right. Over the middle and long term, you’ll get it wrong - consistently. This is why a process factoring in probable outcomes is the smarter habit to build; Just like a good question beats a good answer, a good process beats a good result. If you have a good process, you made the right decision no matter what happens after that point.

**Conclusion:** Hope is not a strategy. In order to consistently make good decisions, it's **more important to go through the right steps than to get the right answer** - and that starts with planning around what’s *likely to happen* over what *might* happen.

## Binge-Worthy

### **[Decisive](#) by Chip and Dan Heath (published 2013)**

If you read one book as you develop a decision-making system, this is it. In simple yet compelling prose, the Heath brothers (authors of another favorite bible of mine, [Made to Stick](#)) outline a 4 step process captured in the acronym WRAP.

**Widen Your Options** > we often think there are only two choices. Try to find others.

**Reality-Test Your Assumptions** > don't fall prey to confirmation bias. [Be like George Constanza](#) and consider the opposite.

**Attain Distance before Deciding** > Ask yourself: what would you tell your best friend to do in this situation?

**Prepare to be Wrong** > Think through what could go wrong by doing a [pre-mortem](#) or a Red Team exercise.

The vast majority of people either don't have a consistent decision-making process or rely on a basic "pros and cons" approach. This book will instantly vault you into the top 10% of decision-makers if you adopt any part of their thinking. The authors do an excellent job of making the book breezy and fun while arming you with a robust model through which to view your choices.

**Conclusion:** I would recommend that you build on this foundation to add other layers of questions that are specific to you, but one can do a lot worse than relying "just" on the WRAP frame.

**Pair this with:** [The Art of Thinking Clearly](#) by Rolf Dobelli (published 2013)

One of the best ways to make better decisions is to avoid falling prey to the cognitive blind spots we have. Unfortunately, these brain bugs - from loss aversion (we fear losing more than we crave winning) to confirmation bias (we unconsciously filter out information to prioritize data that supports the choice we have made or want to make) - are so hard-wired that the only way to *begin overcoming them* is to *become* aware of them. Enter this slim volume, which describes dozens of the most pernicious mental mistakes we regularly make each in three pages or less. Think of this book as a collection of brain snacks - but more like carrots than caramel corn.

**Wait: [The Art and Science of Delay](#) by Frank Partnoy (published 2012):** This is an interesting - and somewhat counterintuitive - take on the relationship between speed and sound decision-making. It's basically the antithesis to Malcolm Gladwell's *Blink*; Partnoy's argument is that the best at what they do get that way because they have trained themselves to react in a more considered (and slower) fashion to inputs. The most proficient baseball hitters, for example, swing later (a few milliseconds, to be sure) than average ones do. Similarly, legendary money managers Warren Buffett and Charlie Munger are very deliberate in their investment decisions and take a longer view as well; they take slower and fewer swings at the bat, so to speak.

**Conclusion:** The meta-idea here is that faster is not better - it's often worse. In this way, it dovetails neatly into a concept I've written about before that applies to Navy SEAL snipers as much as to weekend downhill skiers: [slow is smooth, smooth is fast](#).

**Pair this with:** Daniel Gilbert's TED Talk on "[Why We Make Bad Decisions](#)", where I got the (sounds-crazy-but-it's-brilliant) idea to ask strangers to help me make decisions.

## Philosophical Espresso Shot:

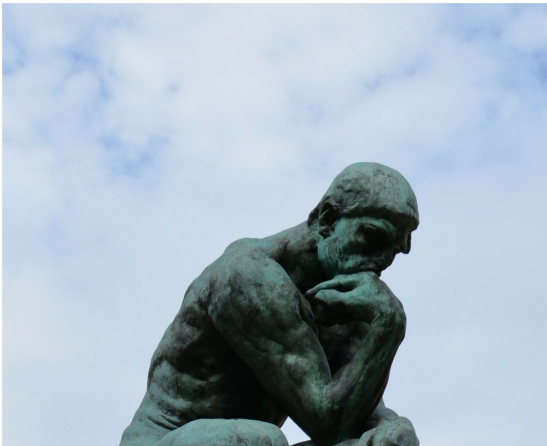
*"In any moment of decision, the best thing you can do is the right thing, the next best thing is the wrong thing, and the worst thing you can do is nothing."* (Theodore Roosevelt)

*"Not making a decision is a big decision."* Negan, "The Walking Dead"

## Last but not least - Check out the "Boiling the Ocean" Podcast:

### BOILING THE OCEAN

A PODCAST THAT APPLIES THE MANAGEMENT CONSULTANT'S TOOLKIT TO EVERYDAY PROBLEMS



HOSTED BY ION VALIS & MIKE ROSS

This podcast - a co-production with my good friend Mike Ross, former McKinsey consultant and now principal at [Juniper Strategic Advisors](#) - is an irreverent yet (hopefully) informative effort to apply consulting models to the more mundane challenges we all face in work and life. Along the way, we hope listeners learn some tools to take a new look at their problems.

BTO launched on January 6 and as of this writing we have six 25 minute-or-less episodes on topics ranging from our BFFs (our best and

favorite frameworks) and our top 5 travel hacks to whether or not you should bother with strategic plans (short answer: *yes, but ...*)

Look for it on [iTunes](#), [Google Play](#) or your favorite podcast player and be sure to join the [Facebook group](#) to get updates on the latest episodes as well as show notes. If you're feeling extra-generous, consider leaving a review or a rating, too!