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35,000 Reasons Why You Need This Book

From the moment you open your eyes in the morning, you start making decisions. Should you hit the snooze button one more time or get started with your day? What clothes should you wear? Do you have enough time for breakfast, or should you get something on the way to work? On some days, these kinds of decisions are a breeze. On other days, it feels like every decision is a slog through enemy territory.

There's a popular statistic out there that states that we make 35,000 decisions every single day*. I can't seem to find the math behind this eye-popping number, but the reality is that we make many decisions on an average day. Some are inconsequential, but others can affect hundreds and thousands of other people. A decision to go into a new market could fail and result in loss of jobs.

Think back on your day today and go through the major decisions that took place in your life. As an executive, your entire job is to make decisions, especially at a strategic level. How comfortable do you feel in your process of making decisions? Does that process always work as expected? Do you even know what process is playing out in your mind?

It's also important to consider the seemingly small decisions. The morning coffee, what to eat for lunch, and what time you are going to the gym. These decisions may not seem as important as deciding who to hire for your team, but they can take up as much, if not more, mental energy. Worse of all, failing to make these seemingly small decisions can lead to

* "Basis for 'We Make 35,000 Decisions a Day' Statistic," StackExchange, accessed January 10, 2021, <https://psychology.stackexchange.com/questions/17182/basis-for-we-make-35-000-decisions-a-day-statistic>.

long-term stress. Think about how frustrating it can be to struggle to lose weight and the series of decisions that lead to this outcome.

This book is meant to help you take control of the most important decisions in your life. I say life because I think our professional and personal worlds are heavily intertwined these days. There's no point in making improvements to our decisions at work if our marriage is failing. The spillover from our personal life will eventually affect our work and vice versa.

I can't promise that you'll get better at all the 35,000 decisions (or whatever the actual number is), but even improving by 1% can be significant over a period of time. This is the philosophy behind one of my mentors, Alan Weiss*. If you improve by 1% every day, in 70 days, you'll be twice as good.

Making better decisions is great, but knowing how you make the best decisions is a game-changer. You're bound to come across situations that you have never seen before. It could be a tricky family dilemma or an ethical challenge. You can't prepare for every possible decision you will make in your life, but you can adopt frameworks that can be applied in any situation. The major framework is called the 3 Os, which we will explore in the upcoming chapters.

I love asking executives about major decisions that went well and wrong. As a side note, this is another theme for this book. I'm not just interested in the wrong decisions but the right ones. I want to know why something went right and how to replicate that instead of trying to fix "errors in judgment."

Some executives tell me that they don't have a formal decision-making process. They simply "go with their gut" or recollect that they "thought about it and then made a decision." In reality, there's always a process behind the scenes whenever we make a decision. We just don't know what it is, or we are unable to articulate it.

This opaqueness is my workday today, but it also limits you whenever you come across a decision that doesn't fit nicely into your existing mental models. If you think about work and your life, you could likely think about categories of decisions that seem harder to you. These categories may be affected by hidden biases that derail you without you knowing it.

* "Compound Interest," Blog, Alan Weiss, accessed January 10, 2021, <https://alanweiss.com/compound-interest/>.

In this book, my goal is to help you surface your hidden decision-making process and make some upgrades to it. You can adopt my 3 Os framework or take elements from it and make it your own. Either way, you should strive to feel more comfortable making tough decisions and increasing the speed you make them.

IT'S THE NOT THE QUANTITY BUT THE MENTAL BURDEN

When I was preparing to write this book, I became fascinated by that 35,000 number from the previous section. Everyone with whom I shared that number was also equally taken back. As I mentioned, it's a big number that might not actually be based on any hard evidence. However, this got me thinking about the costs of decisions.

We don't typically have to pay someone to make a decision. We can decide to have pasta or a burger for lunch, but we don't have to pay anyone if we make the wrong decision. Wrong, in this case, would be an afternoon slump or feeling guilty because we broke our diet. This decision in isolation doesn't seem like a big deal. It takes a few seconds, and then you move on with your life.

However, I realize that decisions on their own are rarely life-changing. There are exceptions to this, of course, such as deciding to marry your partner or accepting a job offer where you will have to move across the country. These are the exceptions that prove the rule. We don't make these kinds of decisions every single day. An executive will make more of these "significant" decisions in their day-to-day life, but they will also make smaller decisions.

The problem is that all decisions, large or small, can create a mental burden on our lives. They can tire us mentally of having to make decisions constantly. Think about how you feel after a long day at work filled with back-to-back meetings, complaints, and conversations. You get home, and you have to decide what to eat. This "simple" decision could feel incredibly hard, and you may end up browsing through the food delivery app for 15 minutes just trying to figure out what to eat. It's not that ordering food is hard but that your mental capacity for making decisions has been depleted throughout the day.

4 • *Bulletproof Decisions*

This is where the adage of “don’t make important decisions late in the day” comes from. For most of us, we get more mentally tired as the day progresses. Decisions that would seem trivial in the morning can seem insurmountable in the afternoon. There was a study done in 2011 that found that court judges made more positive rulings at the beginning of their day or right after a meal break like lunch.* If you’re going to face a judge for a criminal ruling, you should strive to schedule your meeting as early in the day as possible!

We can also see the impact of bad decisions play out in the corporate world every day. At the start of 2021, Intel had to replace its CEO after years of poor performance and losing the top position in the chip manufacturing business.† We shouldn’t even talk about the previous CEO being fired for having an affair with a subordinate. When executives make the wrong decisions, it doesn’t just affect them. These decisions are compounded further by each employee and reported under them.

The new Intel CEO has decided to retake the lead in the chip manufacturing space. This won’t be easy, especially as Apple is moving away from Intel with its M1 chip. TSMC continues to dominate the space, and other competitors are taking further market share from Intel. Regardless of what the Intel CEO decides, they will have to make the right decisions in an uncertain climate.

Another example of how bad decisions can compound in unexpected ways is Volkswagen. After five years of anticipation, they released the ID.3, their first answer to Tesla. Despite a 50 Billion dollar investment, the car was full of bugs.‡ Most of the fancy features touted in the roll-up weren’t there, and the engineers haven’t been able to figure out how to update the software remotely. This comes on the heels of the poorly launched Golf-8 and the cheating scandal for tracking diesel emissions.

It’s not all bad news for Volkswagen, as their ID.3 is starting to outsell Tesla in Europe. They are in the middle of a seismic shift trying to convert a hardware-driven car marker into a software-driven one. They are also

* “Extraneous Factors in Judicial Decisions,” PNAS, accessed January 16, 2021, <https://www.pnas.org/content/108/17/6889>.

† “Intel’s New Chief Has No Quick Fix,” *Wall Street Journal*, accessed January 14, 2021, <https://www.wsj.com/articles/intels-new-chief-has-no-quick-fix-11610562666>.

‡ “How Volkswagen’s \$50 Billion Plan to Beat Tesla Short-Circuited,” *Wall Street Journal*, accessed January 14, 2021, <https://www.wsj.com/articles/how-volkswagens-50-billion-plan-to-beat-tesla-short-circuited-11611073974>

outspending any other automakers and doing their best to catch up to Tesla.

Everything seems clearer in hindsight, and we can always look at other companies' mistakes and say, "that was a dumb decision." The reality is that sometimes things only make sense once you're outside the forest. When you're inside, you can also see trees for as far as the eye can see.

This book is meant to help you find a way through all the trees without using hindsight. Once you get better at it, you can then work with your team to help them make better decisions. We all know that strategy always looks perfect when formulated in workshops, but it can transform into something completely different once it reaches the person putting screws on the cars.

Bad decisions aren't just harmful to the person that made them. They create what I call the "Loop of Regret," which shows how "bad" decisions are compounded and the effects of being in this loop (Figure 1.1).

I put "bad" in quotes because we often don't know that a bad decision was made until after the fact. Nonetheless, "bad" decisions become worse decisions later on. The poor choices made at Intel limit what people down the chain can do. Their decisions will be worse merely by the limiting factor of the loop. Once you're in the loop, you have fewer options, emotions run higher, and you need high energy to escape the loop. A higher energy action is a CEO being replaced or divorcing your spouse.

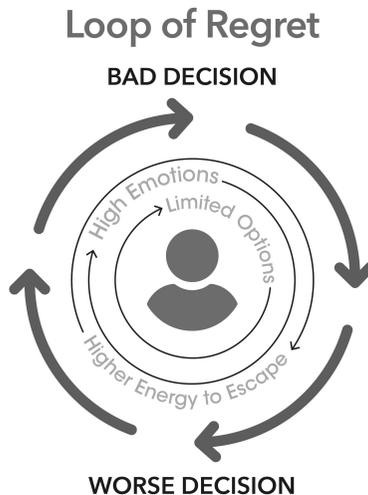


FIGURE 1.1
Loop of regret.

In some cases, you are forced upon a Loop of Regret. Think of any executive that took the reins of a company in trouble or anyone who's ever had to deal with a negative family situation. You can recognize once you're in this loop and then determine what high energy or "tough" decisions need to be made. These decisions are some of the toughest because there's usually limited upside, high risk, and the need to navigate through the emotions of everyone involved.

Going back to the mental burden of decisions, this is also why I can't separate personal work from work. Everything is interconnected, and we need to view it as a whole. If you improved your decisions only at work, you would still run into a mental burden whenever you had to think about your family, your health, what to eat, and other personal questions. It's common for me to meet executives who are doing quite well at work, but their personal lives are in disarray.

I'm interested in figuring out how to make the post-work food decision and every other decision easy. What do you need to do during the day that will make your decisions consistent and effective at any time? This is where we start talking about strategies for how to handle decisions. We'll group them into three major categories, and each category will have a different strategy or approach.

BEHIND THE DECISION: SEAHAWKS FAILED PASS IN SUPER BOWL 49

Before talking about the three strategies, let me introduce you to a special section in this book I'm calling "Behind the Decision." I will take you through different decisions across sports, work, and anything else that could serve as a lesson for us. Each of these sections will provide you with a few ideas to think about and internalize.

The first decision that I want to analyze is the infamous failed pass by the Seattle Seahawks in Super Bowl 49, which cost them the game and championship. The Seahawks were down four points with less than 30 seconds left in the game. They were on second down and the Patriots' one-yard (the other team). They had three attempts (second, third, and fourth down) to get the ball over the end goal and win the game.

You should also know that the Seahawks had the best running back that season, Marshawn Lynch. For most people, this means that giving

the ball to him and running it through the end goal was the most logical play. Instead, the Seahawks quarterback Russell Wilson threw the ball as a pass, and it got intercepted. Game over for the Seahawks.

Let's look at the options that could have taken place here:

1. Pass the ball on second down
2. Run it with Marshawn Lynch
3. Kick it for a field goal worth three points

Option three is out immediately since it wouldn't be enough to tie or win the game, and there wasn't enough time to get the ball back. Option two is what most people consider logical, and option one is what actually happened.

Let's look at some stats to see how likely option one or option two was to succeed. In that season, 66 passes (option one) from the one-yard line were thrown and intercepted one time which happened on this exact pass. This means that 65 passes had been thrown from the one-yard with no interceptions before this play happened.*

There's also a strategic point here. The Seahawks couldn't run the ball three times in a row. The Patriots' defense would adjust so they could run the ball once or twice at most. This meant passing the ball on the second down seemed like a good option. Passing the ball had three potential outcomes: scoring, incomplete pass, or interception. Two of the three options were good, while one option was catastrophic.

As we can see, passing the ball on a second down wasn't a crazy choice. It made rational sense and had a high probability of success. It just happened that the low odds of failure also meant complete failure. If the Seahawks got a chance to redo this play, it would still make sense to pass the ball. If that pass fails, they could run it in the third and fourth down.

The lesson here is that you can't let fear derail your decision-making. You need to make the best possible decision based on what you know (data and assumptions) and try to minimize the risks as much as possible. Make decisions based on an expectation of success and not failure.

* "Twitter," Twitter, accessed January 19, 2021, <https://twitter.com/SandoNFL/status/562134369025163265>

As a general note, this example is also the first time that we get to see the 3 Os framework in action. This framework stands for Outcomes, Options, and Obstacles. Read through the example again and look for these three elements in the Seahawks decision and how they handle each one.

3 STRATEGIES FOR DEALING WITH DECISIONS

There are three strategies for dealing with many decisions in our lives: problem-solving, the turtleneck principle, and the 3 Os. Each one has a different role, and while you can take any of them and improve your decision-making, adopting all of them is where the real power lies.

The first strategy, problem-solving, is exclusively focused on understanding the problem or questions you're trying to solve. The field of problem-solving has been around since the dawn of humanity. We are problem-solving machines, and you could even see evolution as a form of problem-solving, as species try to figure out how to adapt to their changing conditions.

I use the word problem solving because it is a widely recognized term, but don't get caught in its negative connotations. You could also use the same ideas to figure out how to innovate in your business or do new things. The reality is the best companies aren't just interested in solving problems. My best clients don't have "problems"; instead, they are doing well, and they want to learn how to do even better. Things aren't perfect, but they also aren't broken.

I think the same idea applies to people. We now hear of "first world problems" to describe the annoyances that some of us experience living in highly developed countries. Complaining about a late Amazon delivery may seem trivial when thinking about people who don't have access to running water or live in the middle of civil wars. Nonetheless, we'll use the term problem-solving, but it's merely a way of figuring out what we should be doing and where we should focus on our resources.

The second strategy, the turtleneck principle, is my own term for a category of decisions that only need to be made once. I named it after Steve Jobs, who famously only wore black turtlenecks to work. He decided what "uniform" he should wear and then simply executed that decision every

day. There are countless decisions like this every day that we don't want to make but feel forced to do.

On the personal side, these decisions could include what to wear, what to eat, when to workout, and what to watch at night. On the work side, they could include when your team meets next, where to get the latest information, and what to work on next. The common thread behind all of these decisions is that we can simply make them once and then schedule them into our lives. This reduces the burn and increases the likelihood of them actually taking place. This chapter could explain why you tend to procrastinate on going to the gym or tackle certain kinds of work.

The third strategy, the 3 Os, is the framework for the chosen few, the most important decisions can't be automated or tackled merely through problem-solving. You need to think about them, consider the options, and proactively tackle obstacles. I created a three step framework that you can adapt to your own needs. I'm skeptical of any framework that is highly complicated. I kept seeing decision-making frameworks that had nine steps and four sub-steps and would take three months. We need to make decisions quickly and effectively, and I think simplicity is the key here.

Beyond these three strategies, we'll also explore other ideas for integrating these ideas into your teams and your life. I also included a chapter on ethics, which tends to color some of the toughest decisions you will ever make, especially as an executive. Throughout the entire book, I'll do my best to include contemporary examples and decision breakdowns to show the ideas in action. My goal is for this book to be practical and relevant, not just a theoretical approach to making better decisions.

BEHIND THE DECISION: SWEDEN'S UNORTHODOX COVID-19 STRATEGY

As we learned more about the COVID-19 pandemic, every country started imposing lockdown restrictions that ranged from mild to one step away from martial law. One country that stood apart from everyone was Sweden. From the very beginning, they said they wouldn't impose sweeping restrictions and instead would rely on herd immunity to deal with the virus. The strategy was put forth by the Swedish Public Health Organization, and they defended it from internal and external criticism.

A key figure in the development of this strategy was Anders Tegnell, who said the following when asked about this approach,

“Sweden has gone mostly for voluntary measures because that’s how we’re used to working, and we have a long tradition that it works rather well. So far, it’s been working reasonably well.”*

By the end of March 2020, Sweden’s strategy looked quite good. Sweden had 3,700 confirmed cases of COVID-19 and recorded 110 deaths. In contrast, Italy had over 100,000 cases and 10,000 deaths, and Spain had 80,000 cases and 6,500 deaths. Even when taking into account the population size, the difference was staggering. While its neighbors lived under strict restrictions and curfew, the Swedes were going about their lives as if nothing was happening.

As you can imagine, things didn’t continue to go as well for Sweden. By December 20, 2020, COVID-19 deaths in Sweden had reached more than 8,000 or five to ten times their Nordic neighbors. In early January 2021, Sweden moved to impose a mandatory face mask restriction, limited school instruction, and close down non-essential shops. The king of Sweden, Carl XVI Gustaf, said that “we have failed” just before Christmas 2020. The one silver lining is that the Swedish economy wasn’t as severely affected as its neighbors but still saw “record level” contractions and drops.

The reasons for why the Sweden approach failed are only now starting to surface. We now know that wearing masks is quite effective in reducing the spread of COVID-19. We also know that there are high-risk activities that should be limited or canceled. We also know that people will adjust to their restrictions as long as they are clear. In Sweden, it was recommended to limit social contact, but people were being left to guess what this actually meant without specific restrictions.

For our analysis, we can see that Sweden made a drastically different decision than almost everyone else. They looked at the limited data in March 2020 and concluded that a severe lockdown wasn’t needed. They didn’t expect how the virus would spread within their communities or that other conditions would change around them. It’s hard to fault them for their actions, but there are lessons to be learned here.

* “No Lockdown Here: Sweden Defends Its More Relaxed Coronavirus Strategy,” CNBC, accessed January 25, 2021, <https://www.cnbc.com/2020/03/30/sweden-coronavirus-approach-is-very-different-from-the-rest-of-europe.html>

If you're not sure of the exact outcome of your decision, but you know that some of the possibilities could have severe negative consequences, you need to take stronger preventive action. This concept of preventing and contingent actions is one of my favorites, and I will explain it later on in the book. I learned it from one of my mentors, Alan Weiss, and I think it's a fantastic way of dealing with uncertainty.

YES, INACTION IS A DECISION

I also want to highlight an important element of any decision. It's sometimes easier to put off deciding while we "collect more information" or "sleep on it." Prudence is fine but remember that inaction is a decision. Even if we don't actively decide, we have already made the decision. Inaction can be one of the worst decisions because we don't control the outcomes. Simply letting things play out can be a stress-inducing recipe.

Do note that inaction is different from dealing with reasonable risk. Every day, we make decisions that put us in harm's way. We drive to work, we get on airplanes, and we interact with other humans. In any of these situations, we could face high levels of risk and even death. Car crashes, flying accidents, and even pandemics are around us all the time. If we only took action whenever there was no risk, we would never leave our house or even our room!

There are also situations where you gauge the risk of a decision, and you will conclude that the risk is worthwhile or low enough to deal with it. Think about fire safety. If a building or our home caught fire, it could be devastating. We don't live in paralysis at the thought that at any moment, we may find ourselves in the middle of a fire. Instead, we take reasonable actions by putting water sprinklers and fire alarms into our homes and buildings. If a fire takes place, we hope that these measures would be sufficient.

Inaction tends to be associated with highly emotional or uncertain decisions. Think about climate change and how uncertain and complex this challenge is. For most countries, it requires a seismic shift in the design of their economies. A country like Germany needs to figure out what to do with industries like coal, which makes up 35% of their energy sources as of late 2020. How do you shift all the workers and companies that operate in this space while also dealing with climate change?

The answers aren't easy, and it's much easier to do nothing than figure it out. Germany, to its credit, is doing their best to hit its emission targets. They have found ways of shutting down mines, finding work for laid-off workers, or offering them retirement packages. Germany has been in the process of phasing out coal for more than 40 years.

In your life, take stock of areas where inaction has been the primary decision. It's not helpful to beat ourselves up as to why we didn't do something. Instead, we need to look for patterns and try to uncover new ways of doing something. Ask yourself the following questions to better understand why these areas have led to inaction:

- Are there any obvious patterns in these areas? They could all be in your personal life or related to the same people or similar situations.
- Why was inaction easier than making a decision?
- Are there high emotions associated with this decision?
- Do I have a high level of confidence in the potential outcomes of this decision?

Inaction also gets tougher with time. The longer that we have been putting off a decision, the harder it can feel. This is similar to the Loop of Regret, where we will experience fewer options and higher emotions as time goes on. The first step is recognizing where inaction is taking place and then deciding what needs to happen to get out of this loop.

NOT EVERY DECISION HAS A HAPPY OUTCOME

It's also important to recognize that not every decision has a "positive" outcome. In fact, the hardest decisions that you will face will be choices between two "negative" outcomes. The goal isn't to always maximize happiness or to minimize pain. The goal is to make the right decisions based on all the factors involved. Some decisions will be right but will feel incredibly painful or hard.

Let's go back to COVID-19. It's easy to be an armchair quarterback and comment on the decisions made by governments. The reality is that every single government is forced to choose from two outcomes: saving lives or saving the economy. Lockdowns and restrictions save lives, but they

destroy the economy and the livelihoods of some people. The economic effect isn't felt consistently across everyone, but industries like restaurants and hotels suffered significantly.

I got a chance to work with the tourism side of the British Columbia provincial government and helped them sort through all their data to understand better how they should make decisions. They also wanted to share this data with their partners, including hotels, restaurants, and other major tourism businesses around the province. We designed a dashboard that would summarize the most important KPIs into a single page and help anyone understand how the pandemic affected the industry.

The numbers were released publicly, and they were bleak. Hotel occupancy in major cities hovered around 30%, travelers coming into the country were down to nearly nothing, and even residents weren't traveling within the province. This wasn't a surprise since that's exactly what the provincial restrictions were meant to do. For businesses in this industry, all the choices were hard. Without knowing when things would change, businesses were simply trying to survive by minimizing expenses and relying on government financial support, which the Canadian government rapidly deployed.

The best decision frameworks in the world wouldn't make the situation better. However, making better decisions can position them for success in the near future. What are the opportunities that are hiding in front of them? How will traveler behaviors change, and how can they adjust to them? Are there areas for innovation in how travel is expected?

These questions aren't usually a high priority when you're simply trying to run your business and make the most out of the current demand. The vacuum in travelers allows businesses to think about the future and how to best prepare for it. The impact of those decisions will be felt. The quality of decisions made today will become exponentially relevant in the next three to five years. I expect that we will hear stories of businesses that adjusted well to the pandemic and others that didn't.

In your personal life, hard decisions can also be the most important. Choosing to hit the gym or skip on dessert can feel hard, but it may be incredibly helpful in ten years when you're avoiding major health issues. Choosing to pass on a work opportunity to spend more time with your family can save your mental health and relationships. These are the decisions that we need the most help with because they are the ones that truly matter.

CHAPTER SUMMARY

- It doesn't matter how many decisions you make every day. Getting better at making the right decisions is one of the best ways to level up your work and personal life.
- The mental burden of making decisions is the same whether you're trying to choose what to eat or what market to enter next.
- Don't let rare possibilities derail your decision-making. Make decisions expecting success and adjust accordingly.
- Inaction is a decision. The issue is that you can't always control the consequences of inaction.
- Not every decision will have a happy or positive outcome, but that doesn't mean you shouldn't make them.