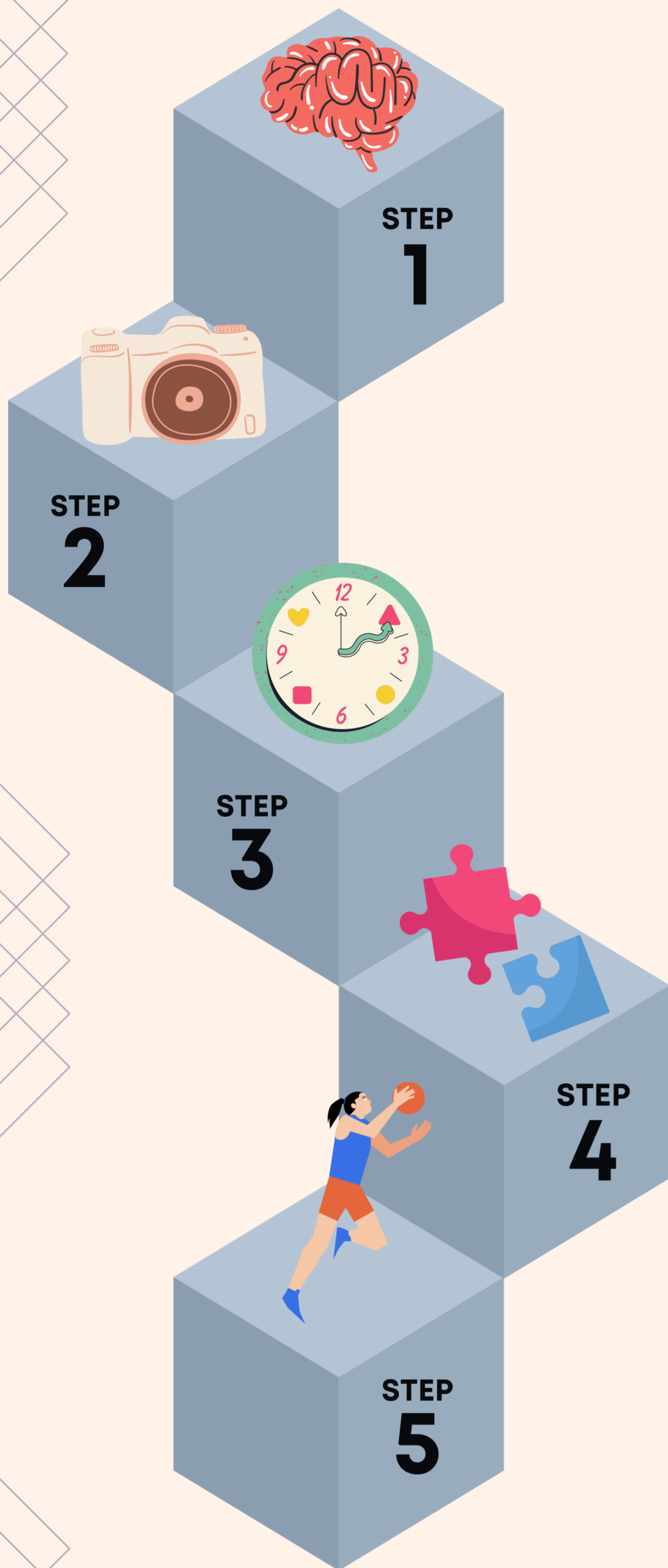


5 STEPS TO MAKE BETTER DECISIONS



Get your mind right

We are our own worst enemies. Produce better decisions by having the right mindset. Cultivate a long-term positive attitude, and watch your mind as you go through the decision-making process. On the trading desk on Wall Street, we approached trades with a “risk-neutral” mindset. (Humans are overwhelmingly risk-averse; some are risk-seeking.) Author Susan Jeffers recommends the mantra “I can handle it” to tackle fear. It may also help you actually handle “it” if need be.

Open your aperture

In business and on the battlefield, the human instinct is to tunnel-vision. Fighter pilots are trained ruthlessly to *not* fixate -- no matter how loud the alarm is. Navy SEALs cultivate situational awareness in all directions at all times. Your job at this stage is to collect information like a scientist yet explore the idea landscape like an artist. This applies before, during, *and* after the decision. Be sure to consider the broader context and finest details. Finally, be explicit about your assumptions, and test them. Poker champion Annie Duke proclaims that poor decisions are only poor based on their inputs.

Establish a timeline, then a process

Corporate decisions tend to follow Parkinson's Law. So put a timeline in place at the outset, especially with a group. Then, map out a process to yield a good decision by your deadline. What meetings do you need? What deliverable will you review? Lastly, insist that there be only one decision-maker. (Should it be you?) Others should contribute, but shared accountability is the proverbial “road to hell.” This also mitigates group-think.

Think strategically

Imagine how your opponent or customers will react to a given action. How will you respond? Play each imaginary game out, considering the probabilities and rewards of each. What are the key strengths, weaknesses, and interests of each party? This is the essence of strategy. Make sure to work back from your ultimate goal beyond this decision.

Meanwhile, litmus-test your decision with questions like: Is this a one-way door? (Bezos) How can we avoid being stupid? (Munger) If we fail, why would that be? (pre-mortem) If a village mystic told us the decision we had to follow, which feels right? As SEALs we sometimes asked ourselves, “If this were on the front page of the New York Times?” (*What other litmus tests make sense for you?*)

Trust yourself

If nothing else, go with your instincts. “Trust your gut” was one of the best pieces of advice I ever got from the Naval Academy. Your gut can at times take the most comfortable path, avoiding risk. But just as often, it “knows” the truth your brain is avoiding. To paraphrase Daniel Kahnemann, your gut is in the driver’s seat most of the time anyway.

Usually the dominant strategy in competitive situations is to make decisions faster than your opponent (OODA Loop).

Just take the shot. (You can handle it!)

BONUS 1: Avoid binary decisions

During mission planning, SEAL units develop at least three distinct “courses of action” (COAs) to accomplish the mission. This expands the idea space and allows for comparative analysis. Contrast this with binary questions like, “Should we buy *this* house” or “Should I marry *him*?”

BONUS 2: Plan for contingencies

Seneca would think of the worst ahead of time, and you should, too. Identify both the *likely* and the *catastrophic* things that could go wrong. Plan for how you will deal with them. This is distinct from a pre-mortem, since contingency planning is something you do after you have finalized a course of action; whereas, pre-mortems might change your COA.

