DECISIVE

How to Make Better Choices in Life and Work Chip Heath and Dan Heath

Executive Book Summary Torrie Oliver



Introduction

Heath and Heath introduce the concept of decision making through examples of individuals and organizations who have made both excellent and poor decisions. Illustrating in the poor decision making process that there is a tendency to just look at what is right in front of us as we make a choice. This is referred to as a 'spotlight' effect due to the fact that just as a theatre spotlight illuminates a small section of a stage, decision makers tend to focus in on only one spot versus looking at what might be important just off to the sides (p. 2).

Heath and Heath investigate the flawed processes that are presently used to make decisions. These include following a 'gut' instinct or Benjamin Franklin's age old pros and cons list.. The suggestion is made that there are four reasons decision making fails but that there is a way to combat those reasons.

The Four Villains of Decision Making

Heath and Heath use the first chapter to outline what they refer to as the "four villains of decision making" (p. 18). A non-profit group, Hopelab, was working to improve children's health and was in need of a device to measure the amount of exercise children were getting. Rather than asking for proposals from interested firms, and then choosing whose was best, Hopelab contracted those firms to actually developed a paired down version of the device. The benefit being, they could choose the best parts of each and ask the firms to submit a refined device in a subsequent round of development. Heath and Heath have described how Hopelab was able to escape the first villain of decision making, narrow framing. They were able to widen their spotlight and look at more options rather than just this or that. Confirmation bias, is the second villain. Heath and Heath refer to research done in the 1960's around the harmful effects of smoking. People were more apt to read an article that suggestion smoking wasn't' harmful as that confirmed what they wanted to believe. Research would suggest that when businesses are collecting data or the purpose of decision making they collect data that supports what they already think versus contradictory evidence (p.12).

THE FOUR VILLAINS OF DECISION MAKING

- Narrow Framing
- Confirmation Bias
- Short-term Emotion
- Overconfidence

"People think they know more than they do about how the future will unfold."(p.17).

To illustrate the third villain of decision making, short-term emotion, Heath and Heath refer to the story of Intel's transition from being a memory product company to a microprocessor company. Andy Grove, president of Intel describes what a difficult process it was to change product focus when there was such strong historical context to the sale of memory products. He was plagued by emotions around what would happen if the company got our of memory products. Eventually he changed his perspective to look at the situation from his successors viewpoint, separating himself from his emotional reaction. From that vantage point, moving to microprocessors was the best option.

In looking at the last villain of decision

making, overconfidence, Heath and Heath describe the misdirection of a record company in the 1960's. Decca records had the opportunity to sign the Beatles to a contract but mistakenly believed that four piece groups with guitars were not the wave of the future in the music business. Essentially individuals and businesses make decisions based on what they think they know.



Normal Decision Making Process

You encounter a problem

You analyze your options

You make a choice

You live with it

The Villain that Afflicts It

Narrow framing makes you miss options

Confirmation bias leads you to gather selfserving information

Short-term emotion will tempt you to make the wrong one

Overconfidence about how the future will unfold

Now that the various reasons of failed decision making have been outlined, it is time to investigate what can be done to counteract these issues. Heath and Heath use the story of John Priestley, a 18th century scientist to illustrate what can be done to avoid the villains and make good decisions. Priestly needed to decide whether or not to go and work for Lord Shelburne. Despite being tempted by the money, Priestly was hesitant and sought other options to make more money, therefore avoiding narrowing framing. He

listened to opinions of both those who like Shelburne and those who did not so that he was not trapped by his own confirmation bias. He stepped away from his short term emotions by taking time to make his decision. He was also able to acknowledge the fact that he might be wrong and so overconfidence was not an issue in his decision making. Heath and Heath refer to the four steps that Priestley took to make the decision as the WRAP process of decision making.

"At its core, the WRAP model urges you to switch from "auto spotlight" to manual spotlight. Rather than make choices based on what naturally come to your attention—visceral emotions, self-serving information, overconfident predictions, and so on—you deliberately illuminate more strategic spots. You sweep your light over a broader landscape and point it into hidden corners." (p.24).

Heath and Heath delve into the WRAP model by considering what factors will "Widen Your Options" but not before illustrating how certain factions have made poor decisions through the use of a narrow frame. A study on teenagers found that their decisions were often around "whether or not" questions that really had no options at all. In Quaker's purchase of Snapple in 1994, no other options were considered except whether or not to buy Snapple. Another study found that only 28% of businesses even consider one other option when making a decision and in that choice 52% of them fail. Heath and Heath suggest that most businesses are making decisions in the same way that teenagers do, by asking whether or not to do something. Learning to guestion decisions around the "whether or not" frame would be a way to avoid the narrow frame and widen your options.

Considering the "opportunity cost" of something is another way to avoid narrow frame. Heath and Heath describe President Eisenhower's speech in which he commented on the cost of a bomber being equal to 30 brick schools. Considering opportunity costs or what else you could do with whatever you are making the decision on widens your options and gets you out of a narrow frame of thinking.

Another combatant to narrow frame is the Vanishing Options Test. In this scenario you imagine that you cannot

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Process:

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choose any of the current options that are on the table for consideration. This forces you to generate other options you would not have seen in a narrow frame.

"When people imagine that they cannot have an option, they are forced to move their mental spotlight elsewhere—really move it—often for the first time in a long while." (p.47)

Heath and Heath also introduce the concept of multitracking as a way to widen your options. Lexicon, a product naming company, uses a multitracking process to generate possible names for products. Rather than using a brainstorming process to come up with random names one after the other, teams are given the task to come up with names. One of the teams is even led astray as to what the product is so that narrow frame does not exist from the onset. The teams are producing names simultaneously instead of one at a time. Some ad designers use a multitracking process when they develop multiple ads at one time. The feedback they receive on all of the ads is used to tweak and change or dump an ad. This process allows the designer to not become too invested into just one design as they are not too emotionally attached to it. They can critique and criticize as they have other options to choose from. This is perhaps not the case with designers who produce one ad. They can't appreciate feedback, take criticism of their one idea as a personal reflection of themselves, and don't have a fallback plan. Heath and Heath are quick to point ou that although they are advocating for more choices it is not necessary to have a whole bunch. When researchers from Kiel University in Germany studied executive boards who had just one more alternative to choose from, they found that they made six times as many 'very good' decisions (p



It is important to realize that not all options are created equal. Heath and Heath caution against the creation of options that are not really options at all. Henry Kissinger's recollection of giving President Nixon policy making options in regard to European issues illustrates this. Kissinger speaks of giving Nixon the choices of "Nuclear war, present policy, or surrender (p.59). Although there was more than one option presented, two of them were not plausible. Multitracking is summarized by Heath and Heath as being "think and not or" when making a decision.

The last way to widen your options discussed by Heath and Heath, is that of finding someone who's solved your problem before. Sam Walton, the founder of Walmart was well known for traveling around the country to find ideas and solutions within other stores similar to his own. Behavior such as this resulted in his use of a central checkout line versus a departmental checkout. He was able to make decisions about how his store would function based on options gleaned by others.

Heath and Heath explore the idea that by looking within your own organization to find past problems that have been solved or decisions that have been made, you will find the process people use to solve and decide. By analyzing these decisions you can build a 'playlist' (p. 74) of questions that can aid in subsequent decision making. This concept was used by Persuasion Arts and Science, an ad agency, to develop a small ad campaign for a tiny chocolate frozen banana company. Persuasion Arts and Science used its playlist of questions to develop floor stickers to

"Why generate your own ideas when you can sample the world's buffet of options?" (p. 89)

lure children to the frozen food isle. Sale of the frozen banana treats skyrocketed. The playlist of questions allowed Persuasion's creative department to use a process from within the company that they already knew helped to make good choices for them.

Finally, as a last idea to widen your options, Heath and Heath refer to analogies. This the ability to look at one thing as it compares to another and stimulate options out of those similarities. Heath and Heath illustrate this with the story of Kevin Dunbar. A psychology professor who spent a year studying the work of micro-biology labs. In these labs he found that analogies are constantly used to work through problems of science. Scientists, for example, would use the working of one virus to understand how a new virus replicates. This is no more than finding someone who has solved your problem (p.81)

The process of "laddering up" (p.82) increas-

es the output of creative options by taking analogies to their maximum. This laddering process requires the problem solver to look at very similar situations at the bottom rungs of the ladder. As you move up the ladder you will see similarities as well but they require more imagination. Every move up the ladder takes you far away from your original analogy but stretches your imagination to creative options.

In a summary of the chapter, Heath and Heath review the antidotes to the narrow framing villain: avoid narrow framing with something like

the Vantions test; and find who's problem.



ishing Opmultitrack; someone solved your

broad

Heath and Heath advise to "Reality Test Your Assumptions" in order to counter the villain of confirmation bias. After having expanded our options it is really time to assess those options. But confirmation bias will change the way we assess what is best. We will lean toward the one we favor. The question is how to combat that tendency.

Heath and Heath suggest that disagreement is the first antidote to confirmation bias. Examples such as The Pentagon or Disney build in some type of devil's advocate or Gong Show method to their option development to question or even halt bad ideas. In some cases, companies even have teams assigned to prepare cases against some of their decisions. Heath and Heath refer to Quaker's buy out of Snapple which went poorly, losing Quaker millions of dollars. If Smithburg, CEO, had heard just one voice of dissention perhaps he would not have moved blindly into a poor decision.

The concern here is that people will take a stand in their opposite thought and a decision will not be reached due to position taking. Heath and Heath make reference to Roger

Martin, author, who uses the question, "What would have to be true for this option to be the right answer? (p.99)" to work past the paralysis of opposite opinions. The question stops people from defending their position to thinking of real evidence that it will work.

Using probing questions in regard to the information or options presented will also let you consider the opposite and combat confirmation bias. Heath and Heath suggest that even doctor's suffer from confirmation bias in that they often make diagnoses from very limited information. They refer to Dr. Barbour, who expressed his use of specific questions to get more information before generating a diagnosis.

Assuming positive intent will also help to resist confirmation bias. Heath and Heath akin this to couples who have marriage problems. When you are angry to begin with you see every action and every option as wrong. When you look at those same things with positive assumptions you open yourself to new possibilities. Considering the opposite will safe guard you from confirmation bias.

you from confirmation bias.

"Because we naturally seek selfconfirming information, we need
(p, 114)"

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WRAP
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⇒ RealityTest Your
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⇒ Attain
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Before
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⇒ Prepare to Be
Wrong

To make better

"If we feel a whisker's or of preference for worth of preference do on option over another, we can be trusted to train our sponjight on favorable data." (p.95)

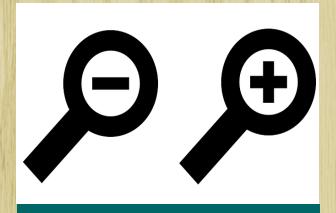
Heath and Heath offer another course of action to reality check your assumptions, the art of zooming out and zooming in. As an example, Heath and Heath look to those people who are planning a holiday. People look at the pictures and the amenities a destination has to offer. They react to those from an inside view as they start to formulate a decision about whether or not to stav there. Their next step is to then refer to the Trip Advisor site to see what other people's experiences where. That is their process of zooming out. Often when making those critical decisions in our life we trust our inside or impression of something over the outside view or the data showing the records of that it is necessary to have a people in similar situations. These are also referred to a base rates (p. 116). Heath and

Heath suggest that to reach that outside view, people need to consult an expert—someone with more experience at that thing then they have.

This idea of accessing the outside view is evident in the story of Brian. Brian has a lifethreatening disease which needs a high risk surgery to improve. Brian must decide if the surgery is worth the risk. In making the decision he accessed experts and anyone who could provide him with base rate information around the surgery and its recovery. Whereas his inside view took him only to his fear around the risky surgery and its possible

Heath and Heath propose close up of those base rates. An example of this can be found in the hunt for a good

bleak outcome.



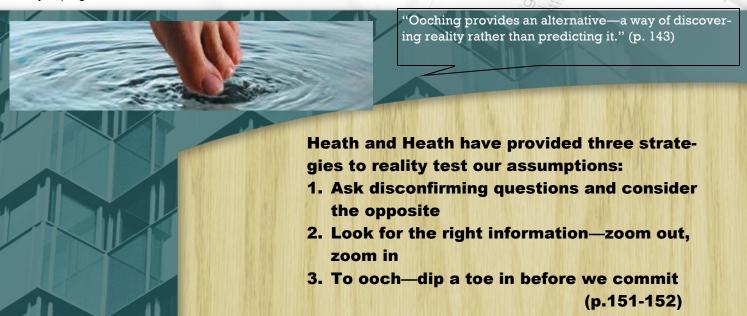
the place is pricey and that is the only reason for the poor reviews. The picture the reviews paints is very different in what the close-up reveals. Zooming in can therefore be an even closer look at the zoomed out view.

"To gather the best information, we should zoom out and zoom in. (Outside view + close-up.)." (p. 133)

As the final strategy to reality testing your assumptions, Heath and Heath introduce the idea of ooching. Heath and Heath explain that "To ooch is to construct a small experiment to test one's hypothesis (p. 134)." Take for instance, John Hanks who's company was interested in the development of wireless sensors but had customers who were unsure about the technology. He realized that he needed an ooch, to build a prototype that would test it first. Hanks ended up producing battery powered sensor to read carbon monoxide level in the Costa Rican jungle. It was successful so he was able to reality test what he thought would be true before ever jumping in full force. Heath and Heath also refer to it as

dipping a toe in (p. 137). Heath and Heath describe numerous examples of ooching: trying your hand at volunteering before you try a career; cognitive, behavioral therapies; and designer prototyping.

Heath and Heath apply the method of ooching to interviewing in any business. The use questions and gut instinct to make a decision about how suitable someone is for a position seems to suggest predicting an outcome versus using an ooch, or a small sample of work to see if that candidate is suitable. Heath and Heath suggest, "why would we ever predict when we can know? (p. 153)"



To make better decisions use the WRAP Process:

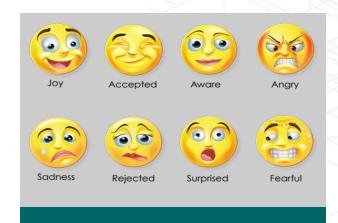
- > Widen Your Options
- > Attain Distance Before Deciding
- > Reality Test Your Assumptions
- > Prepare to Be Wrong



As Heath and Heath move through the antidotes to the villains of decision making they examine what can combat short term emotion. To introduce the concept they explore journalist Chandler Philips and his undercover account of being a used car salesman. In his account he describes how car buyers are overcome by the emotion they feel around a car and buy it for that reason. Heath and Heath compare Philips account to that of Andrew Hallam, who chose to use the telephone to buy his car. This left him at a distance from the pressure and the emotion of buying a car. At some point a choice has to be made and attaining some distance before making that choice will make for better decision making.

The first tool discussed to overcome some short term emotion is the 10/10/10 tool developed by Suzy Welch. Welch suggests that you should look at a decision from 3 different time frames: How will we feel about it 10 minutes from now, 10 months from now, and 10 years from now. (p. 160) The 10/10/10 questions help us to put our emotions in a future perspective where they are not so strong.

Heath and Heath investigate both exposure principal and loss aversion as



factors in emotional decision making. Research has shown that merely being exposed to something over and over again makes one like and prefer it over something else. Research has also shown that people find losing something more painful than they find gaining something pleasing. The authors apply this understanding to Max Lechvin who cofounded PayPal. When making the decision to expand PayPal from the PalmPilot application it was to the web based fund transfer site it has become. Lechvin was hesitant. Hesitant even though the move would take him from 12,000 customers to well over a million. He was stuck by his familiarity to the product he began with and his fear of losing the comfort he got out of that product. His short-term emotion was playing with his ability to make a good decision.

Distance is even attainable when you think of decision in terms of someone else. Heath and Heath give credence to asking questions such as: what would my successor do and what would I tell my best friend to do? Research indicates that as many as 25% of people would make a different choice for someone else versus what they would make as a choice for themselves.



"The goal is not to eliminate emotion. It's to honor the emotions that count." (p. 192)

"Define and enshrine your core priorities." (p. 186)

"To carve out space to pursue our core priorities, we must go on the offense against lesser priorities." (p. 192)

Heath and Heath propose that honoring your core priorities will also assist in attaining distance before a decision is made. The authors present the story of Kim Ramirez who was head-hunted for a job at a start up company in Boston. Ramirez went to visit the head quarters and was blown away by the opportunity she

was possibly entering into. Ramirez returned back to Chicago feeling that she needed to let her own company and her husband know her thoughts before giving a yes. Her own company wanted her to stay badly enough that they wanted to make a counter proposal to her. In sorting through all that was taking place so quickly, Ramirez found herself reflecting on what was at her core in regard to her work life. Concerned that this new move would uproot her family and require her to work longer hours, Ramirez realized that status and stock options were not at her core. Time and distance gave her an opportunity to work through that.

Heath and Heath examine how knowing your priorities will make decision making easier. Interplast is a surgeon volunteered program that runs in 3rd world countries to perform cleft palate closure procedures on children and young adults. At one point the board found themselves arguing over whether or not families and residents should be allowed to accompany the surgeons when they use their personal time to volunteer to do these surgeries. Both sides on the board felt like their was integrity attached to either decision so that couldn't be the decision making factor. However, when they finally go down to what is the core priority of Interplast, it was the fact that their patient is their customer versus the surgeon. That reframed their thinking and a decision could be made.

As easy as it sound to prioritize your core values, few seem to follow this principle. Heath and Heath suggest that his is due to the fact that individuals or companies rarely work out their priorities until something forces them to and that often other things push us away from those priorities. A study done by Pounds from MIT found that managers could verbalize what the priorities were but spent no time in a week working on those actual things. Heath and Heath refer to Collins' book, Good to Great, and consider what we can stop doing to make more time for the priorities.

What Do I Value Most? WhatAre My Priorities?

"We're using the word
'core' to capture the
long-term emotions
we've been discussing:
these are the priorities
that transcend the
week or the quarter. For
individuals that means
long-term goals and aspirations..." (p. 179)



Captain Abrashoff

Heath and Heath recount the story of Captain Abrashoff who took over command of the destroyer USS Benfold. He interviewed all of his crew and used their answers to produce a "stop-doing" list. This included figuring out a way not to repaint the ship so regularly. In find ways to stop doing this duty that encompassed so much of their time, the crew was able to commit more time to their priority of being ready for battle should that call come.

Heath and Heath introduce the final section of the WRAP process, Prepare to Be Wrong, by acquainting us with Byron Penstock. Penstock is an investor who uses a system called bookending to analyze whether or not a stock is worth investing in. The concept behind bookending in investing is that rather than predict the future price of a stock, lower and upper ranges of prices are predicted. In analysis of the stock, the closer it gets to the lower bookend the better a risk it will be, the more it approaches its lower bookend the less of a option it will. Penstock used this bookending process with the stock of Coinstar which owns the Redbox video



sales boxes at Walmart. His firm ended up with a return of about 75% in only 10 months. The authors comment on Penstock's dislike of using a target price to decide when to buy a stock. Penstock says he believes, "... it reflect a false confidence about the future (p. 198)." The fourth villain of decision making, overconfidence.

Heath and Heath admit that their purpose in reflecting on this story is not to have us buy stock, it is to take note of Penstock's attention to understanding that we can't *know* what the future will hold and therefore, can not depend on it.

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If we are willing to apply that system to the decisions we make, bookending a less desirable and more desirable outcome at either end, we will be prepared to deal with either end and all that might be in between.

Working backward and asking ourselves how our decision was a failure would help with bookending the less desirable end. Heath and Heath refer to psy-

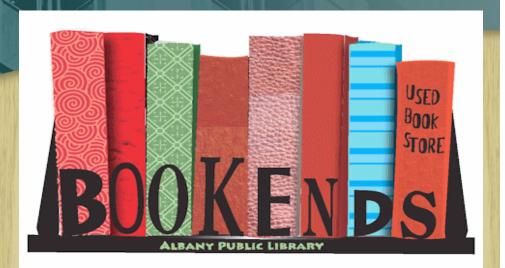
'The future isn't a point; it's a range: "

chologist Gary Klein's term "premortem". This term refers to imagining the death of a project before it happens and figuring out why before you have even begun. As the authors say, "The premortem is, in essence, a way of charting out the lower bookend of future possibilities and plotting ways to avoid ending up there (p. 203)."

Heath and Heath investigate how to place the other extreme of the bookend; the higher bookend. Minnetonka is a small company that invented the first liquid hand soap. In seeing how rapidly they were selling their product in test markets they were convinced that their future might to positive. So rather than ask themselves how their decision didn't go well, they looked at a scenario where their soap was top of the market and asked themselves the question how would they know they were ready for this. This process is called a "preparade". The preparade ensures that companies have, "the ability to handle the success (p. 208)."

Heath and Heath also consider that to establish bookends it is necessary to prepare for problems ahead of encountering them. The authors discuss how the process of "realistic job previewing" has helped lower the turnover rate of employees in jobs where they encounter unfriendly people or challenging situations. The preview process introduces employees to the Unpleasant parts of their jobs before they are even hired so that when they encounter them in their actual job scenario they are not shocked by it. This practice has been proven to lessen job turnover as much as 10% in only a year.

"To bookend the future means we must sweep our spotlights from side to side, charting out the full territory of possibilities. Then we can stack the deck in our favor by preparing for both bad situations and good."
(p. 215)



Heath and Heath round out the concept of preparing to be wrong by investigating the idea of tripwires. The authors introduced us to tripwires way back at the beginning of the book by talking about the rock band Van Halen. They had a tripwire written into their production contact that made them take notice of whether their crew had read their safety expectations carefully enough. If they had any brown M&Ms in the bowl in their dressing room they knew they had a reason to be concerned. The 'no brown M&Ms' clause gave them the tripwire they needed.

Heath and Heath speculate that as humans we go along on a kind of autopilot, making decisions and assuming we are right. A tripwire can effective snap us out of that autopilot sensation. As an example consider Kodak. They invented the celluloid film that made using cameras convenient for the masses and were instrumental in taking film into the era of color. However, when the world went digital they did not make a move. The authors propose that had Kodak set themselves some tripwires when they speculated about the possibility of digital photography in the 1960s, they would



not have gone bankrupt in 2012. Their tripwires could have been actions the company would have taken when digital photography showed growth in the market.

"...tripwires at least ensure that we are aware it's time to make a decision, that we don't miss our chance to choose because we've been lulled into autopilot ."(p. 226)

Heath and Heath provide some examples of tripwires that can be used. Psychologists Tversky and Shafir, noticed that when students were given a deadline to fill in a survey they were getting \$5.00 to participate in, 66% of them followed through. As soon as they were given no deadline, only 25% participated, even though they got the money with or without the deadline (p. 227). The authors suggest, therefore, that a good tripwire is a deadline.

Another tripwire is an actual partition of some kinds. Research indicates that when people put their cash designated to spending on the slot machines, in several different envelopes they gambles less than when they put it in one envelope. Heath and Heath offer that this is because boundaries are set by that physical partition.

"In short, tripwires allow us the certainty of committing to a course of action, even a tricky one, while minimizing the costs of overconfidence." (p. 231)



Heath and Heath summarize their WRAP process in the last chapter by really delving into what do you do with the aftermath. The authors discuss the reactions of people after a decision has been made and the effect on them has been realized. The advantage of the WRAP process is that it gives people a say in the decision and that the process is always consistent. People will take stock in that.

Heath and Heath present the work of Paul Nutt who analyzed group decisions and found that bargaining was a necessary part of making good group decisions. His work uncovered that bargaining leads to compromise and compromise "makes use of diverse opinions (p. 240)." This is important, as Heath and Heath have laid our for us, because bargaining allows for lots of options and there is built in devil's advocacy. Despite the fact that bargaining can be a slow process it can speed up implementation as people have bought in and no one is dragging their feet around putting the decision into action.

The authors also acknowledge that bargaining won't necessary make everyone happy but at least its fair and that speaks to people need for procedural justice. They are happy with the outcome as long as they believe the process under which the outcome was derived was fair to them personally and that they were given a chance to state their case and be heard.

Heath and Heath even go so far as to suggest that as Dave Hitz did as a decision maker, it is critical for self efficacy and self – criticism Those living with aftermath of the decision will find it



"comforting rather than anxiety producing (p. 245)."

Heath and Heath wrap up with the story of Matt
D'Arrigo, a young man who turned the illness of his sister and the death of his mother into an opportunity to start a nonprofit called ARTS—A Reason To Survive.
D'Arrigo developed this nonprofit to inspire underprivileged and sick children through art. His nonprofit was.

operating well in the San Diego area but D'Arrigo had always envisioned it being nationally recognized. In trying to decide whether or not expand the nonprofit, D'Arrigo used the WRAP process. D'Arrigo found a way to do AND not or, he reality tested his assumptions, he ooched into his ideas, he attained some distance, he bookended the future and then placed in a tripwire (p. 250). Heath and Heath say, "That's what a good decision process looks like." (p. 250)



Questions for Reflection:

- 1. Is the WRAP process a plausible one in regard to hiring practices within a school division? If so, what key characteristics are most important for consideration?
- 2. How are the concepts presented in the WRAP process reflected in Professional Learning Communities?
- 3. What, if any, would be the pitfalls of working through this process in the HR department of a school division?

Heath, C. & Heath, D. (2013) Decisive. Toronto. Random House



"Being decisive is itself a choice. Decisiveness is a way of behaving, not an inherited trait. It allows us to make brave and confident choices, not because we know we will be right but because it is better to try and to fail than to delay and regret." (p. 257)