

# 12 DECISION SITUATIONS



CONCEPTS IN THIS DOC TAKEN FROM THE BOOK *DECISIVE* WRITTEN BY  
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# 1. SHOULD I BREAK UP WITH MY BOYFRIEND/GIRLFRIEND?

**Widen Your Options:** Watch out for the “whether or not” framing of the decision. Are there other options you could consider? For instance, have you discussed the things you find dissatisfying? Could you get suggestions from friends who have navigated similar problems?

**Reality-Test Your Assumptions:** Could it be that you’re in a “vicious cycle” of thinking badly about your partner and, as a result of the confirmation bias, only seeing the negative or offputting things he/she is doing? Try keeping a “relationship diary” for a week; record every time that your partner does something nice for you or makes you feel good. If your list is long, it might make you reconsider breaking up; if it’s blank, you’ve got more evidence in favor of breaking up.

**Attain Distance Before Deciding:** Ask yourself, “What would I tell my best friend to do if he/she were in this situation?” And think about your core priorities: When you think about the kind of person you aspire to be, does your partner’s presence in your life seem to help or hurt your chances of growing into that person?

**Prepare to be Wrong:** It is especially important to “prepare to be wrong” when you are taking relationship advice from business-book authors. So if you do break up, go out of your way to do it kindly. You don’t want to make an enemy. (And, if 3 months later, you realize you’ve broken up with your soulmate, it’s best not to have burned the bridge...)

# 2. WHICH TV SHOULD I BUY?

**Widen Your Options:** Ask yourself the opportunity-cost question: What’s the next best thing I could do with the same amount of money? Challenge yourself with some variations on the TV theme (remember Shane Frederick deciding on stereos): For instance, would you rather have a brand new TV or a used TV from Craigslist plus the complete DVD collections of *The Wire* and *The Sopranos*? And don’t forget to consider some options that are even more dissimilar: Would you rather have an iPad? A weekend beach vacation? A box of Krispy Kreme doughnuts every week for the next two years?

**Reality-Test Your Assumptions:** Browse the internet and trust the base rates if reviews are available for your product. Don’t put your own impressions over the actual experience of hundreds of people who have bought the same model TV.

**Attain Distance Before Deciding:** You don’t want to impulse-buy a \$1,000 TV.

Remember the “Millionaire Teacher” who purposefully stayed away from car lots. If you want to go collect information from the nice salesperson at your local electronics supercenter, give your wallet to a friend to rein in impulse buys. Even after you decide what you want, impose a 3-day cooling off period on yourself. If you still choose to buy 3 days later, then you’ve probably made a good call.

**Prepare to be Wrong:** As long as you dodge the purchase protection insurance racket (see page 171), it’s hard to see how you could go very wrong here. Just kick back and relax with your TV (or your doughnuts).

### 3. I FEEL LIKE MY BUSINESS IS LAGGING BEHIND THE TIMES BUT I’M NOT SURE WHAT TO DO ABOUT IT.

(Note: We suggest that you start with “Reality-Testing” in this situation, because you’ve got a “feeling” that needs to be tested. If you’re wrong, and your business is in good shape, then you may not have a decision to make at all. Once you’ve Reality-Tested your fear, you can work through the normal WRAP process.)

**Reality-Test Your Assumptions:** Try Zooming Out and Zooming In. First, to Zoom Out, have an outside advisor compare your business to a set of comparable enterprises (thus creating a “base rate” sample). Where are you ahead and where are you lagging? Then, Zoom In by spending some time with your happiest 2-3 customers. How are they using your products/services? Also, pay a visit to 2-3 customers who have recently abandoned you in favor of a competitor. Why did they defect?

Encourage dissent by giving your employees a chance to air unvarnished opinions. They may be staying silent about problem areas for fear of alienating you. Give your team a chance to fill out an anonymous survey that asks openly about weaknesses. But don’t forget to ask disconfirming questions, too: “In what areas are we ahead of our competitors?”

### 4. SHOULD I LET MY ADULT CHILD MOVE BACK HOME?

**Widen Your Options:** This is not a thumbs up / thumbs down decision, there are almost certainly other options open to you: (1) Insist that they give it a shot on their own—with moving home as a fallback option if it truly doesn’t work; (2) Subsidize their rent in a separate place until they can support themselves; (3) Let them move home—and you move out. 😊

**Reality-Test Your Assumptions:** If you have friends who are in a similar situation with their adult children, then you've got experts to consult. Ask about their experience to develop your estimate of the base rates. Note that you probably don't need to "ooch," since you know what it's like to live with your child.

**Attain Distance Before Deciding:** What would you tell your best friend to do in the same situation? And think about your "core priorities" as a parent—particularly the long-term success and happiness of your child. Short-term, your emotions may make you want to accede to their request to not cause a fight, but what do you think would really serve their long-term interests?

**Prepare to be Wrong:** The risk here is that your child overstays his/her welcome and that living at home becomes autopilot. Could you set a tripwire? (Six months and then they start owing rent?) Or could you limit the "inertia" factor by, for instance, keeping some of their belongings in storage rather than moving them all home? And before your child moves home, make sure to get a "realistic job preview" from friends who've gone through the return-to-the-nest experience.

## 5. SHOULD I START MY OWN BAKING BUSINESS?

**Widen Your Options:** Find someone who has solved your problem—look for someone who has started their own baking or catering business and ask what options you have. (Among others, you could dive in head-first and do it full-time; you could moonlight; or you could work temporarily with another baker.)

**Reality-Test Your Assumptions:** Realize that you are in the grips of the confirmation bias. You want to do this, and so you are tempted to make every fact fit your theory. ("The neighbors always rave about my brownies—I just know I will be a success!") Be brave enough to seek out disconfirming information: (1) Talk to someone who tried and failed to start a baking business. (2) Have a blind taste-test with 10 college students in which they sample your goodies alongside those of several other local bakeries'; how do you rank? (3) Ooch: Set up a booth at a local farmer's market for a month and see how you do. Do you have repeat customers? Did you turn a profit?

**Attain Distance Before Deciding:** What are your core priorities? What would you regret more 2 years from now: Starting your business and failing utterly (with the attendant financial repercussions)? Or never trying it and always wondering "what might have been"?

**Prepare to be Wrong:** Do your premortem and parade. A premortem might help you clarify the risks of failure. For instance, could you avoid investing in expensive equipment until you know you'll have a steady stream of business? Don't forget to think about the upside, too: Suppose you landed a big holiday order—could you expand capacity quickly? (Do you have friends or relatives you could draft into service? Is there a commercial kitchen where you could rent space?)

## 6. SHOULD I EAT MEXICAN OR INDIAN FOOD TONIGHT?

Don't use WRAP, go with your gut. This is a situation where your intuition (about what food will satisfy you) is very well-trained.

## 7. MY HUSBAND WANTS TO QUIT HIS JOB. SHOULD I LET HIM?

**Widen Your Options:** Get him to multitrack: Have him list 3 options for other jobs he'd want, as well as 3 options to reconfigure his existing job. To generate the "reconfigure" options try the Vanishing Options Test: Imagine that quitting has been decreed impossible. He is stuck in his current role, with his current boss and co-workers, for 5 years. What would he do to make the best of it? (And could he try that game plan before quitting?)

**Reality-Test Your Assumptions:** Sometimes when people are dissatisfied with their jobs, any other option starts to look rosy by comparison. If your husband is fantasizing about another career, make sure he ooches first. (I.e., it may not be quite as easy to crack the "race-car driving" circuit as he anticipates.)

**Attain Distance Before Deciding:** What's the big picture here? Your husband's happiness is obviously important, but would this decision put another important value at risk (e.g., your kid's college education)? Ask him to do 10/10/10. No doubt he'd feel great in 10 minutes if he quit; but how would he feel in 10 months? (Especially if he hadn't yet found another job.)

**Prepare to be Wrong:** Rather than quit today, why not set a tripwire that would specify the conditions when it would be a no-brainer? For instance, "I'll quit as soon as I have another job lined up," or "I'll quit the next time I find myself at work at 10pm because of my boss's orders."

(By the way, check out our podcast "Decisive for Job Decisions" for lots more on this topic!)

## 8. I KNOW I NEED TO SPEND MORE TIME WITH MY KIDS BUT I DON'T KNOW HOW.

**Widen Your Options:** You need options; where do you find them? Well, this is the perfect situation to build a “playlist” composed of other parents’ smartest ideas. Talk to every parent you encounter—from work, or church, or the neighborhood—and ask what works for them. Then pick and choose the best ideas for your playlist.

**Reality-Test Your Assumptions:** Once you’ve compiled a list of options (e.g., a weekly “daddy date”), then ooch. Experiment with several and see which ones seem to work best for you and your kids.

**Attain Distance Before Deciding:** You’ve already identified your core priority: Namely, to spend more time with your kids. What you must worry about is the everyday pressures and stresses that interfere with your core priorities. (Recall the MIT study that found that no manager had engaged in any activity that corresponded with their top priorities!) Take inspiration from the USS *Benfold’s* List A/List B initiative—what day-to-day activities can you abandon (or delegate or outsource) so that your schedule has more breathing room? And to make sure that you don’t lose focus, try a version of Peter Bregman’s “beep” technique: Put a daily reminder on your calendar to ensure that a day doesn’t pass without you thinking about the issue.

**Prepare to be Wrong:** There is a chance that you will try your best and still fail to accomplish your goal. So set a tripwire for 6 months into the future: If, by then, you still haven’t managed to spend more time with your kids, be ready with a new (perhaps more dramatic) set of options: for instance, thinking seriously about a job switch, or negotiating to switch to a 4-day work schedule.

## 9. WHICH MUTUAL FUND(S) SHOULD I INVEST IN? THERE ARE SO MANY OPTIONS.

None of them. Sometimes the base rates are so clear that you are foolish to ignore them. (You don’t want to stay at the Polynesian Resort on the off-chance that your experience will be great.) For mutual funds, the base rates show that you will almost certainly retire poorer if you pick mutual funds rather than index funds. See our full rant on pp. 294-295.

## 10. I NEED TO DECIDE WHETHER TO HAVE BACK SURGERY.

**Widen Your Options:** Run the Vanishing Options Test: If you could not have surgery, what would be the second-best option: Physical therapy? Medication to manage the pain? Changing your lifestyle to put less stress on your back? There are lots of people who have been in a similar situation before: Make sure you know the full spectrum of options they explored.

**Reality-Test Your Assumptions:** Consult the base rates: How likely it is that the surgery would be successful? Are there factors that would adjust the base rates in your favor or against you (your age, the nature of your injury, etc.)? If you are leaning toward an option—for instance, in favor of the surgery—then be careful of the confirmation bias. Force yourself to confront disconfirming information: Ask a physical therapist or nurse, “When people are dissatisfied with their surgery, why is it? And how bad can it get?” And make sure to “zoom in”: Talk to someone (anyone!) who has undergone the same kind of back surgery. (If you have a choice, find someone who is as similar to you as possible.)

**Attain Distance Before Deciding:** What’s at stake in this decision for you? If your back problems are a perpetual nuisance, that’s irritating, but you should weigh that nuisance against the possible complications. On the other hand, if the problems are holding you back from a major source of satisfaction (a hobby that you’ve always loved, or the ability to hold your grandchild), then that shifts the calculus in favor of the surgery.

**Prepare to be Wrong:** What if the recovery is more painful and protracted than you counted on? Can you ensure that you could take off additional work without endangering your job? (Maybe you can schedule the surgery for the “slow time” in your business.) Also think about what you can do to forestall bad outcomes: For instance, could you start an exercise program 3 months before the surgery to strengthen your core in a way that will improve your chances of a smooth recovery?

## 11. I NEED TO DECIDE WHAT TO DO ABOUT SAVING FOR RETIREMENT.

**Widen Your Options:** Your goal is to have an appropriate amount of money when you retire, and you’ve got several options to accomplish that: E.g., find ways to take in more income; find ways to spend less; or find ways to save more today rather than tomorrow (to take advantage of compound interest). And millions of people are struggling with the same issue, so “options” are all around you. Go to any bookstore and check out the personal finance section.

**Reality-Test Your Assumptions:** Ooch and have a “retirement party.” Spend a couple of months living on the amount of money you’re going to have if you achieve your current target savings. If the test is painful, that may give you more motivation for beating back short-term emotional spending (see next topic).

**Attain Distance Before Deciding:** Saving money is a classic case where short-term priorities fight with long-term priorities. The desire for an iPad is visceral today; what’s less emotional is the desire to have enough money to fund 6 months of car insurance when you’re 68. An obvious strategy is to avoid temptation—stay away from situations (shoe stores, electronics boutiques, Amazon.com, etc.) where you’re tempted to make impulsive purchases. Less obvious is to choose how you give in to temptation: Can you run a List A/List B approach where you weed out the little things that drain your money? For instance, you might weed out a \$4 daily latte expense by buying an \$80 espresso maker at home, or you might swap in the 5pm Saturday matinee for the 8pm full-price movie.

**Prepare to be Wrong:** Set some goals that reflect the minimum amount that you need to put aside. Then set periodic tripwires to ensure that you’re hitting the mark. If you fail, be ready with a more draconian “Plan B” (e.g., moving into a smaller home or apartment) that forces you to save more.

## 12. WHAT SHOULD I DO ABOUT THE COWORKER I HATE?

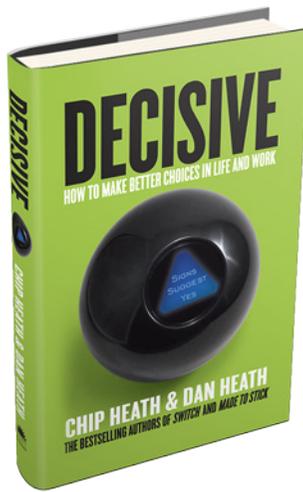
**Widen Your Options:** Right now, you are itching to do something, but you have no options. You need to dig some up. Try laddering: First, ask yourself if there are any bright spots with this person. Are there times when you are able to tolerate (or even appreciate) them, and if so, can you think of ways to replicate those moments? Second, ask your colleagues or friends how they’ve dealt with comparable situations; can you build a playlist of possible options from their advice? Note that the highest step on the ladder—analogy—doesn’t seem as relevant to this situation. (Though perhaps you could draw some inspiration from political science research on détente between antagonistic nations?)

**Reality-Test Your Assumptions:** Make sure you are assuming positive intent. Force yourself to replay the last 3 times your coworker really made you angry. Find a way to interpret their behavior as exhibiting positive intentions rather than as a manifestation of their evil core character.

**Attain Distance Before Deciding:** Once you have made a preliminary decision (e.g.,

perhaps you think you might confront your coworker about a particular behavior), try the 10/10/10 thought experiment. How would you feel about that decision 10 minutes later? 10 months later? 10 years? What do you think you would regret more a year from now: Taking action (with possible negative consequences) or not taking action (with a strong probability of continuing frustration)?

**Prepare to be Wrong:** Before you act, do a premortem. What if 6 months from now your actions have made your life substantially worse—why would that be? And what steps could you take today to forestall that nightmare scenario? And if you decide to engage/confront the person, make sure to give yourself a “realistic job preview” of that interaction. Take inspiration from the woman who mentally role-played the conversation with her boss for a raise.



The WRAP framework used in this document is drawn from the book *Decisive*, written by Chip Heath and Dan Heath.

The book was released in March 2013 and is available from any major bookseller.

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