



Leadership Lessons

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Mission

- Discuss how lessons in leadership can assist project managers execute their projects and manage their careers better
- Will discuss tenets of leadership, decision making, persuasion, communications, negotiations and lie detection



Incremental Advantages in History

- The importance of one bullet, one vote, one second, one word, and one inch
 - International security
 - The bullet that struck Ronald Reagan
 - History – One blond could have prevented the Holocaust
 - The right to bear arms hinges on a comma
 - Close elections
 - Securing valuable patents
 - Difference in mice and men in terms of genetics
 - Aviation
 - The Titanic
 - Apollo 11
 - Sports



General Leadership Lessons

- The importance of consistency
- Be who you are
- Focus on your strengths
 - Strive to become the best in the world in your field of expertise
 - Trying to strengthen your weaknesses will require huge resources and will not be sufficient to dislodge your entrenched competitors
 - Your body and brain change with repeated activity
- Measure yourself against a few metrics



General Leadership Lessons

■ How to increase your luck

- To boost your success rate, double your failure rate
- Be where your chances of success are greatest
- Have higher expectations of winning – confidence
- Become more extroverted – meet large numbers of people, behave in ways likely to attract other people, maintain contact
- Be open to new experiences – create, notice and act upon the chance opportunities in your life
- **YOU MUST BE SMART ENOUGH TO KNOW WHEN YOU ARE LUCKY**
- Believe that ill-fortune was actually a blessing – identify the silver lining
- Rebound from defeat – channel the adrenaline rush from defeat into pursuing new goals



General Leadership Lessons

- Denial is not a strategy
 - Respond rapidly to problems
 - **Success in life can usually be measured by the number of uncomfortable conversations one is willing to have**
- **Hiring considerations**
 - **The system should be the star**
 - Stars – supposed to know all of the answers – impedes research and decision making
 - Often worry more about acting smart than learning new things
 - There is a big difference between having great credentials and being a great contributor
 - Often more loyal to their careers, not their companies
 - **Intelligence is underrated**
 - **How well candidates understand your business**
 - **Judge candidates by the questions they ask**



Managing Employees

- Boomerang Effect

- If you want to nudge people into socially desirable behavior, do not let them know that their current actions are better than the social norm

- Electricity consumption research

- Fundamental Attribution Error

- When making judgments, we tend to over-attribute personal factors and under-attribute situational forces. People default to the individual as cause, instead of the situation as cause.

- Priests final right of passage
 - Salesforce



Managing Employees

- Methods to minimize cheating
 - Remove distances from filling out reports
 - Make employees believe that they are constantly monitored
 - Stress that cheating / stealing impacts cash flow



Management Consideration

- Trial Balloons

- Be careful about seeking advice from someone you intend to do business with once you implement your idea. No matter how close you think you are to your business associates, approaching them with a tentative business idea will shake their confidence in you and may cost you their *existing* business in addition to their future business.



Best Practices for Time Management

- Rationalize the number of things you do
- Determine your goals before the work day begins
- Do not be overly accessible
 - Dampens the self-reliability of your subordinates
 - Invites interruptions
- Do not multi-task
- How to harness technology
- Use deadlines
 - Check on perfectionism, create a sense of urgency, accelerate the pace of work, and force prioritization



Best Practices for Time Management

- Make your meetings more efficient
 - First Decision Effect
 - Distribute an agenda in advance
 - Schedule meetings in close proximity to one another
 - Calculate the cost of each minute
 - Hold the meeting over the phone
 - Make everyone stand
 - Meet for breakfast
 - Less risk of cancellation; customer is alert; less expensive; menu is simple; saves customer time in commuting



Decision Making

Conducting Fundamental Research

- Unfiltered
- *Subtle details and nuances* that get lost in second- or third-hand accounts
- Reports and canned presentations lack emotional content
- Reality
 - One dimension versus multi-dimension
- Second hand reports are dated



Decision Making – Taking Action

- The first rule of decision making is that one doesn't make a decision unless there is a disagreement
- Persian method of decision making
- Tom Watson Jr. – check and balance or IBM contention system
- To forestall the tendency to launch into decisions too quickly, use history to get a better understanding of “How did we get here?” before plunging into “What are we going to do?”
- Require examples and counterexamples – find out about the successes and failures; similarities and differences



Decision Making

- Consider Alternative Hypotheses – something as simple as merely forcing ourselves to list alternatives can improve the reliability of reasoning
- Imagine that your decisions may be spot-checked. People who believe that they will have to justify their answers are less biased than people who don't
- Reframe the question – ask questions in more than one way
- Remember the sample size – the bigger the sample size the more reliable the estimate
- Plan for the future and pre-commit – at the moment of purchase, we are more impulsive
- Always weigh benefits against costs – opportunity costs versus sunk costs



Decision Making – Taking Action

- Distance yourself (time) – irrationality dissipates with time, complex decisions work best if given time to steep
- Back of the envelope calculation – forcing numerical scrutiny slows down the irrational part of the brain
- Pick your spots – take more time to make the most important decisions
- Tell yourself to be rational in making decisions
- When you warn management of a problem, that problem should be accompanied by a proposed solution



Decision Making – Taking Action

- After the Bay of Pigs fiasco – President Kennedy did not attend initial meetings where new issues were raised for the first time – there would be less true give and take with the President in the room.
- Kennedy would also break his executive committee into two subgroups – each would work independently on a policy decision and reconvene for debate and cross-examination
- Must encourage everyone to speak about all issues – must not rely completely on experts



Decision Making - Managing

- Reporting - If a company decides that a particular metric is important, but is not yet able to collect it, it should be included on the report anyway with the notation “not available”. – Motivates people to figure out ways and systems to gather it.
- Have multiple scenarios in forecasting and probabilities of various scenarios occurring – don't want analyst to have to feel committed to a certain scenario.



Decision Making

- US Supreme Court - everyone speaks once before anyone speaks twice
 - Benefits of speaking last



Information Distillation

- Be aware of The Availability Bias
- Research has confirmed the tendency for people to base their judgments on information that is readily available to them or most emotionally vivid in their minds.
 - Can achieve concessions / information based on the vividness of information given



Information Distillation

■ Application of Availability Bias

- When interviewing people, do not overweight the comments made by the last interviewee
- If applying for a position, you want to be the last one interviewed
- If leaving a company (conducting negotiations, gathering information), you want to leave on a very positive note
 - Emotional Immune Defense System
- If you are hiring, collecting information, stagger the interviewers with your colleagues



Information Distillation

- **Problem with Internal Devil's Advocate**
 - The devils advocate has the potential to strengthen, rather than weaken, majority members' confidence in their original position, presumably because they believe they have considered – and subsequently dismissed – all possible alternatives
 - Devil's advocate cannot be:
 - A junior person
 - People with deep subject matter expertise
 - People that are overly empathetic
- **Disaggregate your assessment of competitors' strengths and weaknesses**



Selling

- The Commitment Error
 - Take advantage when situation is favorable
 - Additional businesses, raises
 - Coupons and customer loyalty cards
 - Return to a client after you have made a mistake
 - Ways to overcome consistency and commitment errors
 - Correct decision at the time it was made
 - Best information the prospect had at the time
- Ask prospect to list lots of reasons why they like your competitor's product or service
 - Ask an expert how they perform functions that they automatically make
- The most productive arguments use the future tense
- The power of "because"



Selling

- When you argue against your self-interest, you are immediately seen as trustworthy and the next thing you say will be viewed as credible
 - There should be linkage between the good and bad issues
 - When you disclose blemishes is crucial – MIT vinegar / beer experiment
- Try to sell when the customer is excited, when adrenaline is flowing
 - Bridge experiment



Selling – Prospect Theory

- People are about twice as loss averse as they are desirous of making gains.
 - Experiment – Auction a \$20 bill – Rule 1: Bids are to be made in \$1 increments; Rule 2 – The winner of the auction wins the \$20 bill. The runner-up must still honor his or her bid, while receiving nothing in return. The second best finishes last.
 - Frame the sales call in terms of what the prospect will lose if they don't make the purchase rather than by what they will gain if they do make the purchase



Selling – Other Issues

- Testimonials – Relatability is more important than stature
- You should not say that customers will get a special offer for free, but that they are getting something with a specific value for no extra cost – not “Receive a free security program” but “Receive a \$250 security program at no cost to you”
- It is good to portray the enemy as belittling your cause



Selling - Commitments

- Goals should be written down by person expected to honor the commitment
 - Doctors appointments
 - Retailers having customers fill out credit card applications
 - Mortgage applications
- Should be publicly declared to others
- Commitments should come from within
 - Restaurant reservations
- Get people to act impulsively
 - Groups
 - Sports
 - Religion



Nudging Past the Status Quo Bias

- Status Quo Bias – tendency to accept the status quo or default option
 - Takes effort to choose something other than the default
 - Also many people feel that defaults come with an implicit endorsement from the default setter



Information Distillation – Probability and the Conjunctive Error

- Telling stories is very persuasive
 - The conjunctive fallacy is more pervasive than the first law of probability
 - The first law of probability – the probability that two events will both occur can never be greater than the probability that each will occur individually



Information Distillation – Probability and the Conjunctive Error

- Linda is thirty-one years old, single, outspoken, and very bright. In college she majored in philosophy. While a student she was deeply concerned with discrimination and social justice and participated in antinuclear demonstrations.

Which of the following statements is more probable?

- Linda is a bank teller and is active in the feminist movement.
- Linda is a bank teller.



Negotiations

- Set the stage
 - Set pre-conditions
- Understand how decision rights work
- Demands are indicators of need – points of leverage
- Keep track of the issues and how they get resolved
- Opening offers
- Concessions management
- Other side must feel your pain – The Ultimate Game
- Post-settlement settlements



Information Distillation – Detecting and Responding to Lies

- Look prepared
- Signal your ability to obtain information
- Ask less threatening, indirect questions
- Gather information from multiple sources
- Set a trap
- Triangulate the truth



Information Distillation – Detecting Lies

- Infrequent use of “I”
- Use of shorter statements
- Vivid memory recall, more defensiveness
- Place objects between themselves and audience, disconnect between emotions and expressions
- Less eye contact, less wrinkles around the eyes, take up less physical space
- Change subject to gauge reaction



Tips for Communication

- Oversympathizing makes someone's mood seem ridiculous without actually ridiculing it
- By giving advance warning of an emotion, you inoculate your audience from it
 - Delivering good news – no advance warning
 - Delivering bad news – advance warning
- Dealing with slights and insults
 - Emotional Immune Defense System



One Final Tip For Selling

- Today budgets are tight, customers are experiencing severe financial difficulty
- Remember, the costs of your service are relative



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Get a copy of

The Power of Incremental Advantage


How Incremental Improvements Produce
Dramatically Disproportionate Results

- by David Wanetick

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David Wanetick teaches the
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Thank You!

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