

3

Script the Critical Moves

1.

A doctor was asked to consider the medical records of a 67-year-old patient who had chronic hip pain from arthritis. In the past, the patient had been given drugs to treat his pain, but they'd been ineffective, so the doctor was forced to consider a more drastic option: hip-replacement surgery, which involves slicing open the thigh, wrenching the bone out of the socket, sawing off the arthritic end, and replacing it with an implant. Recovery from hip-replacement surgery is long and painful.

Then came an unexpected break in the case: A final check with the patient's pharmacy uncovered one medication that hadn't been tried. Now the doctor faced a dilemma: Should he prescribe the untried medication, even though other medications had failed, or should he go ahead and refer the patient for surgery?

This dilemma, based on real medical cases, was created by physician Donald Redelmeier and psychologist Eldar Shafir, who used it to study the way doctors make decisions. When doctors were presented with this case history, 47 percent of them chose to try the medication, in hopes of saving the patient from going under the knife.

In a variation on the dilemma, another group of doctors were presented with almost exactly the same set of case facts—except this time, the patient's pharmacy discovered *two* untried medications. If you were the patient with the arthritic hip, you'd be thrilled—certainly two nonsurgical options are better than one. But when the doctors were presented with two medications, *only 28 percent chose to try either one.*

This doesn't make sense. The doctors were acting as though having more medication options somehow made medication a worse bet than surgery. But if 47 percent of doctors thought medication A was preferable to surgery, the mere *existence* of a second medication shouldn't have tipped them toward surgery.

What happened here is *decision paralysis*. More options, even good ones, can freeze us and make us retreat to the default plan, which in this case was a painful and invasive hip-replacement surgery. This behavior clearly is not rational, but it is human.

Decisions are the Rider's turf, and because they require careful supervision and self-control, they tax the Rider's strength. (Remember the radish/chocolate-chip cookie study from [Chapter 1](#).) The more choices the Rider is offered, the more exhausted the Rider gets. Have you ever noticed that shopping is a lot more tiring than other kinds of light activity? Now you know why—it's all those choices. This is important, because we encounter excess choice all around us. Consider three real examples of decision paralysis:

Scene 1: A gourmet food store. The store managers have set up a table where customers can sample imported jams for free. One day, the table showcases 6 different jams. Another day, 24 jams. As you'd expect, the 24-jam display attracts more customers to stop by for a sample—but when it comes time to buy, they can't make a decision. Shoppers who saw only 6 jams on display are *10 times* more likely to buy a jar of jam!

Scene 2: The office. The employees of a large company read over their 401(k) materials, ready to start saving for retirement. The human resources department has thoughtfully provided many investment options: domestic growth stock funds, domestic value stock funds, municipal bond funds, real estate investment trusts, emerging market funds, developed market funds, money market accounts, and more. Each category might have several choices within it. (Really complete 401(k) plans might offer dozens of options.) The extra options backfire, however, because for every 10 options offered, the employees' rate of participation goes *down by 2 percent*. Decision paralysis deters people from saving for their own retirement! And because many companies match employees'

contributions, employees may also be walking away from free money.

Scene 3: A local bar. It's speed-dating night. Singles meet a series of other singles one-on-one, spending perhaps five minutes with each person, in hopes of making a romantic connection. But decision paralysis thwarts even Cupid. Young adults who meet eight other singles make more "matches" than those who meet twenty.

Bottom line: Decision paralysis disrupts medical decisions and retail decisions and investment decisions and dating decisions. Let's go out on a limb and suggest that it might affect decisions in your job and life, too.

Think about the sources of decision paralysis in your organization. Every business must choose among attractive options. Growing revenue quickly versus maximizing profitability. Making perfect products versus getting products to market faster. Being innovative and creative versus optimizing efficiency. If you fold together lots of those tensions, you create a surefire recipe for paralysis. It took only two medications to fuzz the doctors' brains. How many options do your people have?

Think about your local school board. Every year, the problems and solutions multiply. You can just imagine the mental conversation: "Property tax revenue is falling, but the teachers need a 3 percent cost-of-living raise, and we can't forget about extracurriculars (cutting the marching band last year was a killer), but we must continue to invest in our new science magnet school—if it doesn't work, there will be egg on our face—yet it's ridiculous to consider any of this until we fix our crumbling infrastructure and address our overcrowded classrooms." For the frazzled school board member, it suddenly looks a lot more attractive to roll over last year's budget with a 1.5 percent increase on every line item.

As Barry Schwartz puts it in his book *The Paradox of Choice*, as we face more and more options, "we become overloaded. Choice no longer liberates, it debilitates. It might even be said to tyrannize."

2.

The status quo feels comfortable and steady because much of the choice has been squeezed out. You have your routines, your ways of doing things. For most of your day, the Rider is on autopilot. But in times of change, autopilot doesn't work anymore, choices suddenly proliferate, and autopilot habits become unfamiliar decisions. When you're on a diet, the habitual daily trip for Nachos Bell Grande is disqualified, and in its place is left a decision. When you've got a new manager, the way you communicate stops being second nature and starts being a choice.

Change brings new choices that create uncertainty. Let's be clear: It's not only options that yield decision paralysis—like picking one donut from 100 flavors. Ambiguity does, too. In times of change, you may not know what options are available. And this uncertainty leads to decision paralysis as surely as a table with 24 jams.

Ambiguity is exhausting to the Rider, because the Rider is tugging on the reins of the Elephant, trying to direct the Elephant down a new path. But when the road is uncertain, the Elephant will insist on taking the default path, the most familiar path, just as the doctors did. Why? Because uncertainty makes the Elephant anxious. (Think of how, in an unfamiliar place, you gravitate toward a familiar face.) And that's why decision paralysis can be deadly for change—because *the most familiar path is always the status quo*.

Many leaders pride themselves on setting high-level direction: *I'll set the vision and stay out of the details*. It's true that a compelling vision is critical (as we'll see in the [next chapter](#)). But it's not enough. Big-picture, hands-off leadership isn't likely to work in a change situation, because the hardest part of change—the paralyzing part—is precisely in the details.

In [Chapter 1](#), we explained why what looks like resistance is often a lack of clarity. The citizens of two West Virginia communities, unhealthy in their eating habits, underwent a major change when a couple of professors coached them to buy 1% milk. They didn't need a big-picture vision—no one needs convincing that “eating healthy” is an admirable goal. What they needed was someone who could

bring a noble goal within the realm of everyday behavior, someone who could cut through the bewildering array of potentially healthy choices and suggest a good place to start.

Ambiguity is the enemy. Any successful change requires a translation of ambiguous goals into concrete behaviors. In short, to make a switch, you need to *script the critical moves*.

3.

In 1995, Brazilian president Fernando Henrique Cardoso decided to privatize Brazil's railroads. He split the system into seven different branches (shades of Ma Bell) and auctioned off the rights to run them. Previous administrations had not invested much in the rail system, and at the time of the auction, it was a deteriorating mess. A study concluded that 50 percent of the network's bridges needed repair and 20 percent of them were on the verge of collapse. The technologies used in Brazil were far behind those in other developed countries. In fact, the rail system was still using twenty locomotives powered by *steam engines*.

A private firm, GP Investimentos Limited, decided to bid for the branch known as the "southern line," which ran through Brazil's three southernmost states. GP was high bidder in the auction in December 1996. After an interim period of management, the firm put one of its own executives, Alexandre Behring, in charge of the company, which was later renamed America Latina Logistica (ALL). When Behring took charge, he was in his early 30s—just four years out of business school.

Behring didn't have much to work with. ALL had only 30 million Brazilian reals in cash on its balance sheet. At one of Behring's first meetings, a mid-level manager beseeched him for 5 million reals to repair a single bridge. Though sympathetic, Behring knew that fixing everything that was broken would require hundreds of millions of reals. The needs were profound, but he faced an unyielding constraint: ALL's depleted bank account.

The railroad purchased by GP was in chaos, and when Behring and his team took charge, with new personnel and new priorities, more chaos was whipped into the preexisting chaos. The resulting decision paralysis should have been inescapable. And it likely would have been if Behring hadn't made clear exactly what needed to be done.

His top priority was to lift ALL out of its precarious, cash-strapped financial state. To accomplish this, he and his 35-year-old CFO, Duilio Calciolari, developed four rules to govern the company's investments:

Rule 1: Money would be invested only in projects that would allow ALL to earn more revenue in the short term.

Rule 2: The best solution to any problem was the one that would cost the least money up front—even if it ended up costing more in the long term, and even if it was a lower-quality solution.

Rule 3: Options that would fix a problem quickly were preferred to slower options that would provide superior long-term fixes.

Rule 4: Reusing or recycling existing materials was better than acquiring new materials.

The four rules were clear: (1) Unblock revenue. (2) Minimize up-front cash. (3) Faster is better than best. (4) Use what you've got. These rules, taken together, ensured that cash wouldn't be consumed unless it was being used as bait for more cash. Spend a little, make a little more.

This is what we mean by "scripting" the critical moves. Change begins at the level of individual decisions and behaviors, but that's a hard place to start because that's where the friction is. Inertia and decision paralysis will conspire to keep people doing things the old way. To spark movement in a new direction, you need to provide crystal-clear guidance. That's why scripting is important—you've got to think about the specific behavior that you'd want to see in a

tough moment, whether the tough moment takes place in a Brazilian railroad system or late at night in your own snack-loaded pantry.

You can't script every move—that would be like trying to foresee the seventeenth move in a chess game. It's the *critical* moves that count. Recall that, in West Virginia, the researchers decided to focus their campaign on milk because it was the source of the most saturated fat in the average diet. The researchers didn't offer suggestions about bread or soda or butter or potato chips. They scripted the *critical* move: Switch to 1% milk.

Similarly, Behring's four rules were focused on financial triage. He didn't have the luxury of long-term planning. He needed his people to move, immediately, in a new direction, in hopes that they could buy ALL enough time to make a fuller transformation. (Notice that he didn't say a word about other important issues such as employee morale or marketing or R&D.) By staying focused on the *critical* moves, he made it easier for his people to change direction.

In 1998, for instance, the company had to turn down business hauling grain because it didn't have enough locomotives. While its competitors were negotiating for new locomotives, ALL's engineers worked around the clock repairing old locomotives. (*Faster is better than best. Minimize up-front cash.*)

Also, ALL's engineers figured out a way to boost the locomotives' fuel capacity so they could operate longer without refueling. This reduced downtime, allowing more routes per locomotive, just as Southwest Airlines gets more flights per plane than its competitors because of its quick turnarounds at the gate. (*Unblock revenue.*) Engineers also found a creative solution to the nagging problem of damaged tracks, which limited a train's speed. Rather than purchasing new metal rails, which cost US\$400 per ton, they ripped up tracks at abandoned stations and installed them on active routes. (*Use what you've got.*)

Three years later, Behring's discipline was paying off. ALL's performance improved from a net loss of 80 million reais in 1998 to a net profit of 24 million reais in 2000.

Knowing what we know about the Rider, it's no surprise that Behring's strategy worked. Behring had scripted the moves that helped his people make hard decisions. What tires out the Rider—and puts change efforts at risk—is ambiguity, and Behring eliminated it. For every investment decision, his rules suggested the correct choice.

To see the power of this, let's return to the doctors and the patient with the arthritic hip. Imagine that the leaders of the hospital had scripted their critical moves, and that one of those moves was this: *Use invasive options only as a last resort*. Does anyone doubt that this guideline would have caused a big shift in the doctors' decisions?

4.

In the shaded area that follows, we present a feature that we call a “Clinic.” In each Clinic, we describe a real-world situation and challenge you to think about how to apply the *Switch* framework to create change. At the end of each Clinic, we give our own suggestions, but we encourage you to generate your own game plan before you look at ours. The Clinic is intended to be a kind of pause button, a chance to step outside the text and think about how to apply what you've read. We hope you find this a useful way to practice applying the framework. The Clinics are written to be sidebars—if you prefer to plow through the prose uninterrupted, you can return to them later.

CLINIC

Can You Get People to File Their Expense Reports on Time?

SITUATION Barbara, the controller of a consulting firm, is fuming again about expense reports. Why do people *always* turn them in late? The monthly due date was yesterday, and she's

still missing 38 percent of the reports. That puts pressure on members of her team—especially on Maria, the “expense czar”—because they’re expected to close the company’s monthly books on time and the expense reports are a necessary input to the close. Frustrated, Barbara starts composing a reminder e-mail, full of underlined words and exclamation points. (The “nag” e-mail has become a monthly tradition.) Why does she have to “shout” before people do what they’re supposed to? [This is a fictional situation that is inspired by a true story. *Many* true stories.]

WHAT’S THE SWITCH AND WHAT’S HOLDING IT BACK? The behavior Barbara wants is clear: Employees need to file their expense reports by the deadline. It’s not obvious what the barrier is. Maybe the process is sufficiently complicated that it paralyzes the Rider. Maybe the process is perfectly clear, but the Elephant always finds things it would rather be doing. Or maybe the reporting systems are so antiquated that the Path is one giant speed bump. Let’s attack on all three fronts.

HOW DO WE MAKE THE SWITCH?

- *Direct the Rider.* 1. Find the bright spots. Barbara should investigate her bright spots—the 62 percent of employees who file their expense reports on time every month. What are they

doing differently? Maybe they've handcrafted a set of techniques for logging expenses as they occur, so there's not a big pile at the end of the month. Once Barbara figures out the bright spots' tricks, she can get them to share their system with others. 2. Script the critical moves. It's possible that parts of the reporting process are confusing enough to cause decision paralysis. Maybe there's ambiguity about how to code particular expenses or how to allocate certain costs between clients. Barbara should observe a few laggards as they complete their reports. She won't know how to script the critical moves until she sees the confusion firsthand.

- *Motivate the Elephant.* 1. Find the feeling. Nobody who misses an expense-report deadline "feels" anything. Sure, Barbara chastises laggards via e-mail, but after they've received the nag note for the sixth consecutive month, it loses its sting. Barbara needs to find something people can care about. Or *someone*: After all, the company depends on people like Maria to close the books every month, and they'll be held accountable if they blow the deadline. So, in essence, the goal is not to file the report; it's to do Maria a favor, once a month. It may be easy to rationalize missing an administrative deadline, but it's harder to rationalize letting down a coworker who's counting on you.

- *Shape the Path.* 1. Tweak the environment. How easy are the expense-report forms to fill out? The accounting department should be obsessive about simplifying them, to the point of

preloading people's names in their reports and distributing empty envelopes for loose receipts. Think Amazon's 1-Click ordering. Every barrier that's removed makes the Path clearer.

2. Rally the herd. Many people may conclude, falsely, that *everyone* turns in the reports late, that lateness is accepted behavior. (Barbara's nagging e-mails may actually reinforce this perception. Why would she send them unless lots of people are slacking?) People are sensitive to social norms, so Barbara's e-mail should highlight the fact that almost two-thirds of reports are turned in on time. No one likes to hear that they're underperforming relative to their peers.

5.

When Alexandre Behring set up four simple rules for ALL employees to follow, they changed quickly. So did the West Virginians who were urged to drink 1% milk. But why did these changes need to be scripted? Wasn't it obvious to the West Virginians that they should be drinking 1% milk instead of whole milk?

Well, no, it wasn't. Not many people know that a glass of whole milk has the same amount of saturated fat as five bacon strips. That's not intuitive knowledge. Nor was it intuitive for any of Behring's employees at ALL to decide, "Yep, let's rip up old, abandoned tracks instead of purchasing new ones." When you want someone to behave in a new way, explain the "new way" clearly. Don't assume the new moves are obvious.

To see why this is so important, consider a campaign that is essentially the "antimatter" version of the 1% milk campaign—a campaign that, while well intentioned, systematically ignores or reverses every smart component of the 1% milk intervention. What

would such an antimatter campaign look like? It might look very much like the U.S. government's Food Pyramid.



The Food Pyramid, which specifies the types and quantities of food that make up a healthy diet, is the perfect example of how *not* to change people's behavior. It's worth considering for a moment, because what dooms the Pyramid could doom your efforts to create change in your life, as well.

Let's start with the pyramid shape. A pyramid signifies hierarchy, yet no hierarchy is evident in the Food Pyramid. The first version of it displayed rows of food, one row on top of the next, with grains at the bottom and oils at the top. Some people interpreted this arrangement to mean that oils were the most important food group. (Whoops.) The revised version, shown here, abandoned that construct for vertical-ish streaks of color intended to eliminate any implied ranking. What this means is that the pyramid structure itself *has no meaning whatsoever*. The Food Pyramid might as well be a Food Rhombus or a Food Rooster.

Look at it again—its meaning is almost completely opaque. What do the streaks mean? The only meaning that can be gleaned quickly comes from the stick figure dashing up the side. The meaning is clear enough: "You should exercise." The answers to more meaningful questions—How much? How often? What kind?—aren't as easy to infer, which of course adds more ambiguity.

To learn what the Food Pyramid has to say about food, you must be willing to decipher the Pyramid's markings. If you make the effort, you'll find that each streak of color represents a class of food. For instance, the yellow streak (the tiny one near the middle) is

“oils,” and the orange streak (on the far left) is “grains.” If you dig even further, you’ll find that with every color streak comes a recommendation. For instance, the USDA advises that adults consume about 5 to 7 teaspoons of oil each day.

Quick, how many teaspoons of oil did you consume today?

Quick, how many “ounce equivalents” of grain did you have today?

Can you imagine any message that would be less effective in changing people’s eating behavior? The language and concepts here are so hopelessly abstracted from people’s actual experience with food—which consists of things like buying groceries and ordering hamburgers at restaurants, not tabulating grain portions—that the message confuses and demoralizes: *I can’t understand this stuff.*

As an analogy, most of us have internalized the rule of thumb to get the oil in our cars changed every 3 months or 3,000 miles. It’s transparent and actionable, like the 1% milk campaign. What if, instead, the auto industry publicized its version of the disastrous Food Pyramid—say, a Car Rainbow, where each color of the rainbow represents a different diagnostic test. (Pink would warn you not to let your engine oil exceed a certain “sludge threshold.”) Jiffy Lube would be out of business in months.

OK, the Food Pyramid is almost too easy to pick on. But the lessons here are serious and practical. If you are leading a change effort, you need to remove the ambiguity from your vision of change. Granted, this is asking a lot. It means that you’ll need to understand how to script the critical moves, to translate aspirations into actions. It’s not good enough to ask your team to “be more creative” or to “tighten up on the purse strings.” That’s like telling the American public to “be healthier.”

In a pioneering study of organizational change, described in the book *The Critical Path to Corporate Renewal*, researchers divided the change efforts they’d studied into three groups: the most successful (the top third), the average (the middle third), and the least successful (the bottom third). They found that, across the spectrum, almost everyone set goals: 89 percent of the top third and 86 percent of the bottom third. A typical goal might be to improve

inventory turns by 50 percent. But the more successful change transformations were more likely to set *behavioral* goals: 89 percent of the top third versus only 33 percent of the bottom third. For instance, a behavioral goal might be that project teams would meet once a week and each team would include at least one representative of every functional area.

Until you can ladder your way down from a change idea to a specific behavior, you're not ready to lead a switch. To create movement, you've got to be specific and be concrete. You've got to emulate 1% milk and flee from the Food Pyramid.

6.

How far does this theory go? How much difference can specific instructions make? Let's subject the idea to the toughest possible test: Can you change child abusers by scripting some critical parenting moves for them?

In 2004, a study was conducted of 110 parents who had abused their children. Seventy-three percent of them had assaulted their kids—hitting or punching them with their fists. Twenty percent had engaged in even more violent assaults, resulting in broken bones or severe lacerations.

The parents tended to blame their abusive behavior on their kids. "They'll say, 'I had to discipline my child this way because he's so rotten and he won't listen,'" said Beverly Funderburk, a research professor at the University of Oklahoma's Health Sciences Center. The parents believed that they'd gotten a "bad kid," or a stubborn one, and that violence was the only way they could get their kids to obey.

The mission of Funderburk's team was to change these parents, to stop their abuse. If you think that sounds naive and even hopeless, you're in good company. That's also what Funderburk worried about when she first began the work.

She practices what's called parent-child interaction therapy (PCIT), which tries to disrupt the escalating cycles of coercion and

frustration that characterize abusive situations. In the first step of PCIT, parents are given an assignment: “We want you to play with your child for five minutes a day. Here are the rules: You’re going to devote 100% of your attention to them, you’re not going to answer the phone, you are not going to teach them their ABCs. You’re just going to enjoy them.” The parents are incredulous that five minutes will accomplish anything. “For goodness’ sake,” said one parent, “I spend every minute of every day on this child.”

At first, these five-minute play periods take place in a laboratory setting. The parent and child sit in an empty room with only a table and chairs. Three or four toys are put on the tabletop. The parents are instructed to let the child lead the play session, and they’re forbidden to give commands, to criticize, even to ask questions. Letting their child direct the action is incredibly difficult for them.

During the play session, a therapist watches the parents through a one-way mirror and gives real-time coaching by means of an earpiece. Funderburk describes a typical interaction:

The parent and child might start coloring, and the parent tries to play along by coloring on the child’s paper. The child objects. So we tell the parent, “Okay, get a separate piece of paper and imitate what your child is doing.”

If the child is coloring a rainbow, the parent colors a rainbow too, saying, “I’m coloring a rainbow just like you. You’re using green, I’m going to use green.”

And some kids, if they’re particularly oppositional, might reach over and grab the parent’s green crayon yelling, “I want that.” And we teach the parents to say, “Okay, I’d be *happy* to share that crayon with you ... in fact let me put all the crayons over by you so you can reach them all.”

Or perhaps the parent says, “I’m going to color my rainbow with pink now.” And the child says, “Pink is ugly, don’t do pink!” If the child has been particularly nasty we may just ask the parents to ignore the comment, but otherwise we coach the parents to agree with their child, “You’re right! Pink is not a good color for the rainbow! I think I’ll do red.”

We try to get the parents to bend like a reed. Whatever the child is doing, the parent offers no resistance, so the child has nothing to fight against.

An abusive parent typically finds the five-minute exercise utterly exhausting. (And you understand why—the parent’s Rider has to supervise every single moment.) Funderburk and her colleagues demand that the parents practice the same set of behaviors (called “child-directed interaction”) every day, whether in the lab or at home, so that the behaviors gradually become instinctive. The more instinctive a behavior becomes, the less self-control from the Rider it requires, and thus the more sustainable it becomes.

Parents are taught skills that feel unnatural at first. They are taught to look for opportunities to praise their kids’ behavior. (“I like how hard you’re working.” “Good job. You’re being very kind to that doll.”) They are taught to simply *describe* their child’s behavior, so that the child feels noticed. (“Oh, look, now you’re putting the car in the garage.”)

Later in the program, after parents have become better at having short positive interactions with their kids, they are taught how to give commands so that their kids will listen and obey. They are taught a very specific formula for a command—combining a command with a reason so the command doesn’t feel arbitrary. (“Johnny, it’s almost time for the bus to come, so please put your shoes on now.”)

Funderburk and her team at the University of Oklahoma studied 110 parents who had abused their children. Half of them were randomly assigned to take 12 sessions of PCIT, and the other half were assigned to take 12 sessions of a form of angermanagement therapy, focused on helping them control their emotions—the standard treatment for abusive parents. After the therapy sessions concluded, the parents were tracked for 3 years. Across 3 years, 60 percent of the anger-management-therapy group committed another act of child abuse. In contrast, only 20 percent of the PCIT parents re-offended.

PCIT did not eliminate the problem: One in five parents abused his or her kids again. But, from the perspective of behavior change, the results are staggering. Most of us believe in our hearts that child abusers are irredeemably flawed. Who could hit a child other than someone who is disturbed in some basic way? It simply boggles the

mind to think that the behavior of child abusers could be altered by only twelve sessions of therapy concentrating on such simple instructions.

Funderburk said, “In my experience, the physically abusive parent has the same goals as a normal parent; it’s their method and their ideas that are wrong. They think that their child is woeful, because they told their 3-year-old to just play in the front yard, and then he wandered off into the street. And they don’t understand that a 3-year-old might forget an instruction, or might not have that kind of impulse control, so they think they have to punish the child *for his own good* because he was disobedient and dangerous.”

Earlier, we said that what looks like stubbornness or opposition may actually be a lack of clarity. The PCIT intervention suggests that child abuse, too, may be partly the result of a lack of understanding, a lack of clear instruction or guidance on what to do. This is not to excuse the parents’ behavior, of course. It is simply to point out that simple scripting has power beyond what any of us could have predicted. Even child abusers become pliable in its presence.

7.

In 1995, the same year Brazil’s president Cardoso announced the privatization of the railroads, a group of high school students in Howard, South Dakota, started plotting a revival. They wanted to do something, anything, that might revive their dying community.

Howard and surrounding Miner County had been shrinking for decades. Farm and industrial jobs had slowly dried up, and nothing replaced them. The median price of houses in Howard was only \$26,500. The population was about 3,000 and shrinking. The county had the highest elderly population per capita in South Dakota, and it also had the highest rate of youth outmigration in South Dakota, meaning that when young people got old enough, they left and didn’t return.

“We’d been in decline for ninety years,” said Randy Parry, a longtime resident who taught a business class at the local high school, coached the varsity basketball team, and ran an ice cream parlor on the side.

At Howard High School, the students had just finished reading a book about the death of rural communities in Iowa. The students said, “That’s us, it’s just seventy years from now,” according to Parry. “So in class they started asking, ‘How could we change this?’”

Imagine the decision paralysis in this situation. Think of how many factors influence a town’s health: its history, its demographics, its location, its economic base, its weather, among countless others. The problem was simply too complex for anyone to solve. And it wasn’t for lack of motivation—there wasn’t one person in Miner County who wouldn’t have jumped at the chance to help rejuvenate the community. The Elephant herd was ready to move. But where? What can a few people do to restore an entire *county*?

The students started investigating the situation, designing a survey and distributing it to a sample of Miner County’s 1,000 registered voters. One finding in particular disturbed them: They discovered that half of the residents were shopping outside the county, driving an hour to Sioux Falls to shop in larger stores.

If Miner County was going to be reborn, its economy would need a boost. Most of the things that would boost an economy—investment, entrepreneurship, immigration—were out of the students’ control. But they had uncovered one thing that was very much in their control: spending money locally. They had found their first rallying cry: Let’s keep Miner dollars in Miner County.

Parry urged the students to present their findings to the community. The students accepted the challenge and began to put together a presentation.

The students’ newfound interest in revitalization dovetailed with the efforts of others in the community. A group of other Miner County citizens had been hosting a series of meetings intended to get county residents talking about the future. They held five gatherings, some in the high school and some in people’s homes, and they invited a cross section of residents: farmers and

businesspeople and ministers and retirees. They challenged each other: What can we do to energize Miner County?

The issues raised were all over the map: *Why does our town look so shabby, with rusty cars on the street? Why should a farmer get a subsidy when a businessperson doesn't get a subsidy? Why don't we have a more thriving Main Street?* Many of the issues were TBU, unsolvable by the community. Many required investment, but with a limited pool of tax dollars to draw from, it wasn't clear where they'd find the money. But there were a few things they knew they could take into their own hands.

A gas station owner in the town of Fedora, population 150, complained that residents years ago had cut down a lot of diseased trees—stumps were still littering the area, making Fedora look run-down and sad. The group of concerned citizens decided to deal with the stumps in Fedora. One Saturday, farmers carrying chain saws rode into Fedora on their tractors and loaders. Other residents made sandwiches and cookies for the workers. In a single day, the group dug up four hundred stumps.

Kathy Callies, who was heading up the kitchen crew that day, said it was amazing to see fifty people, ages ranging from 5 to 95, come together to do something for their community. Callies recalled that by the end of the day, "People felt like, 'Look at what we did in a day.' And when you've dug up stumps together and you start to realize you have shared ideas about what you want the community to be, then things start to happen." (Notice that the log-clearing day had powerful Elephant and Path elements, as well. The flush of victory—of making a difference—gave the Elephant strength to continue. And the strong support of the community made the Path feel less difficult. It's easier to make a long journey when you've got a herd around you.)

The community began to rally around the movement. Callies remembered the day that Phyllis, a civic-minded woman in her 80s, dropped by the office where the community boosters were meeting. Phyllis announced, "I've been waiting for you to call me. I thought if you needed my help, you would call. But then I realized that 'Oh, they're all too busy to call!' So here I am." On her refrigerator at

home, Phyllis had posted a cross-stitch that said “Screw the Golden Years.”

When the high school students were ready to unveil their recommendations, eighty-five residents gathered in the high school gym to hear the presentation. Among them were the top leaders of the towns in Miner County: the school boards, the city councils, and the county commissioners.

The crowd listened attentively to the high school students. Parry said, “You could hear a pin drop.... People said, ‘I can’t say no because I want to make this a place where these kids can come home someday.’ Because the other option is we sit here and keep watching things decline, so pretty soon all that will be left is the dust.”

The students had prepared an impressive array of spreadsheets and charts and graphs. But they’d also simplified the complex data into one simple, surprising fact: They’d calculated that if Howard residents spent just 10 percent more of their disposable income at home, they would boost the local economy by \$7 million.

The audience was impressed, and the presentation worked better than anyone expected. The students had scripted the first critical move for Miner County, and the locals responded immediately, consciously spending more of their money in the county. A year later, South Dakota’s Department of Revenue released an astonishing number: The amount of money spent in Miner County had increased by \$15.6 million, more than twice the increase the kids had expected.

The change began to snowball. Suddenly, because the county was collecting more taxes, money was available to fund the other proposals the local groups had considered. And in the years following the students’ presentation, the tax receipts kept climbing, which enabled the community to tackle even more ambitious problems. Later, Howard and Miner County received \$6 million in grants from various foundations to fuel the transformation. Randy Parry left his teaching job and became a full-time revitalizer-in-chief. The town of Howard became the host to twenty-first-century

businesses such as an organic beef producer and a wind-turbine repair shop.

“It all started small,” said Parry. “It’s like when I took over the basketball team at the high school. They were just coming off of a losing season and you couldn’t get people to come into the gym. But then you start to win and a few people come, and then more people come. And then we started winning a lot.” To date, Parry has discussed the rebirth of Miner County with community leaders from thirty-three different states.

8.

A railroad and a South Dakota small town. Both crumbling. Both with a dense thicket of problems and no real resources to use in untangling them. In each situation, an unlikely leader emerged—a young man fresh out of business school and a high school basketball coach. And both succeeded by formulating solutions that were strikingly smaller than the problems they were intended to solve. (We’ve seen this asymmetry before, in the stories of Jerry Sternin in Vietnam and Bobby the troubled teenager.)

The challenges facing Miner County were big and sprawling: the decline of an industrial base, the aging of a population. The citizens understood these challenges well, but the knowledge was TBU—true but useless. It was paralyzing knowledge.

To the Rider, a big problem calls for a big solution. But if you seek out a solution that’s as complex as the problem, you’ll get the Food Pyramid and nothing will change. (The Rider will just spin his wheels trying to make sense of it.) The Rider has to be jarred out of introspection, out of analysis. He needs a script that explains how to act, and that’s why the successes we’ve seen have involved such crisp direction. *Buy 1% milk. Don’t spend cash unless it makes cash. Shop a little more in Miner County.*

We all hear a lot of “common sense” wisdom about change: People don’t like to change; people resist change; people are set in their ways; people are stubborn. But here we’ve seen something else

entirely: railroads made profitable, towns reborn, diets changed, and child abusers reformed.

Clarity dissolves resistance.

Point to the Destination

1.

Crystal Jones joined Teach For America in 2003. She was assigned to teach the first-grade class at an elementary school in Atlanta, Georgia. The school had no kindergarten, so for many of the kids, Jones would be their first teacher.

At the beginning of the year, the skill gaps among her students were daunting. She said, “I had two or three students who could recognize kindergarten sight words, and I also had some that couldn’t even hold their pencils. The ones who had never been to school—their basic behavior wasn’t where it needed to be for them to be in the classroom. I had students that, of course, didn’t know their alphabet or their numbers.... They were all on different levels, and no one was really where they needed to be for first grade.”

Jones felt confident that she could elevate the kids’ abilities. She could create great lesson plans and activities (she could script the critical moves). But to what end? How do you show a roomful of first graders where they’re headed and why going there is worth the effort—in terms they can understand?

Well, here’s a way *not* to do that, from another Teach For America teacher, who reported her goals for the year as follows:

With respect to reading for the school year, I administered three diagnostics: CWT, Assessment of Comprehension, and Monster Test. Using the CWT, I identified my classes’ average as grade level 1.5 in September. My goal is to increase my students’ word identification so as to ensure a class average of 3.0. Upon analyzing the results of the Assessment of Comprehension, I identified my classes’ average as a 41% in September. My goal is to increase my students’

comprehension so as to ensure a class average of 80%. Using the Monster Test, I identified my classes' average score as Semiphonetic/Phonetic. My goal is to increase my students' phonics and spelling skills to Transitional.

That ambitious and specific set of goals was probably quite useful to the teacher in her planning. But it obviously won't be useful in lighting a fire in the hearts of first graders.

Crystal Jones, in contrast, knew that if she wanted to motivate the kids, she had to speak their language. At the beginning of the school year, she announced a goal for her class that she knew would captivate every student: By the end of this school year, you're going to be *third graders*. (Not literally, of course, but in the sense that they would be at third-grade skill levels.)

That goal was tailor-made for the first-grade psyche. First graders know very well what third graders look like—they are bigger, smarter, and cooler. You know the feeling you get when you're admiring the grace and power of an Olympic athlete? That's the feeling first graders get about third graders.

Jones chose the goal carefully. She knew exactly what the third-grade standards in Georgia required, and she knew where her kids were starting. She genuinely thought she could close the gap.

One of her first efforts was to cultivate a culture of learning in her classroom, calling her students "scholars" and asking them to address one another that way. When people visited her classroom, she introduced her class as a group of scholars and asked them to define the term for the guest. They would shout, "A scholar is someone who lives to learn and is good at it." The scholars were encouraged to go home and share what they learned with their families.

One day, a scholar was called out of the classroom for administrative reasons, and some of the others in the room started groaning. In most classrooms it would have been a groan of jealousy—*Get me out of here, too*. Jones realized, to her surprise, that it was a groan of pity—*That kid is going to miss some "scholar work."* At that moment, Jones said, "I knew I had them."

By springtime, the kids' test scores had reached second-grade level. So Jones threw a graduation ceremony right before spring break. For the rest of the year, the kids took great pleasure in referring to themselves as "second graders." And by the end of the year, over 90 percent of the kids were reading at or above a third-grade level.

These were some of the same kids who, nine months earlier, didn't know the alphabet.

Crystal Jones's challenge is reminiscent of what Jim Collins and Jerry Porras, in *Built to Last*, their great study of long-lived business organizations, memorably called a BHAG: a Big, Hairy, Audacious Goal. Henry Ford's BHAG early in the twentieth century was to "democratize the automobile;" Wal-Mart, in 1990, set the goal of quadrupling in size to be a \$125 billion company by the year 2000. Collins and Porras defined a BHAG as "an audacious 10-to-30-year goal to progress towards an envisioned future," and their research showed that setting these big, motivating goals was a practice that distinguished lasting companies from less successful ones.

In creating change, though, we're interested in goals that are closer at hand—the kinds of things that can be tackled by parents or middle managers or social activists. We want a goal that can be tackled in months or years, not decades.

We want what we might call a *destination postcard*—a vivid picture from the near-term future that shows what could be possible. That's the missing piece of what we've discussed so far. We've seen the importance of pursuing bright spots, and we've discussed ways of instructing the Rider *how* to behave, but we haven't answered a very basic question: Where are we headed in the end? What's the destination?

Crystal Jones provided a great destination postcard: *You'll be third graders soon!* Notice that the goal she set for her students didn't only direct the Rider; it also motivated the Elephant. It was inspirational. It tapped into feeling. Collins and Porras knew that goals should have an emotional component—a BHAG shouldn't just be big and compelling; it should "hit you in the gut." To a first grader, becoming a third grader in nine months is a gut-smacking goal.

2.

Women with breast cancer flew to San Francisco to be treated by Laura Esserman, a surgeon and an associate professor of surgery at the University of California at San Francisco (UCSF). Patients loved Esserman for her warmth and empathy. She gave out her personal cell phone number to her patients, and she sometimes sang patients to sleep in the operating room as their anesthesia took effect.

Esserman's human touch was in sharp contrast to the usual treatment afforded women diagnosed with breast cancer. As if the diagnosis itself weren't frightening enough, women were often bounced around from place to place during the treatment cycle, adding stress. In a typical progression, described by a Stanford case study, a woman first notices a lump on her breast during a monthly self-exam. Anxious, she calls a doctor and waits a few days (or weeks) for an appointment. The doctor confirms that the lump should be examined, so the patient is referred to a radiologist at another facility to get a mammogram. Getting the results of the scan takes another agonizing few days.

The mammogram shows something suspicious, so she is referred to a surgeon, who meets her and again verifies that the lump is present. Unfortunately, the mammogram images didn't arrive at the surgeon's office before the visit, so there's another delay while radiology is contacted. The surgeon conducts a biopsy, which is sent to the pathology department to determine whether the growth contains cancerous cells. The woman is sent home to wait by the phone for the answer.

If cancer is detected, she undergoes surgery, and then the surgeon refers her to a radiation therapist for radiation treatment and to a medical oncologist for chemotherapy. Radiation and chemotherapy are conducted at different sites with different booking procedures and delays. In an attempt to smooth the process, a patient might have to collect her own records, films, and pathology slides and carry them around herself, sometimes even within the same hospital. The sequence might take weeks to unfold, and all while the woman is wondering, *Am I going to live through this?*

This anxiety-filled process appalled Laura Esserman, and she had a vision of how it could be different. What if there were a breast care clinic where a woman worried about a lump in her breast could walk in at the beginning of the day and walk out at the end of the day with an answer—either knowing that the lump was no problem, or if it was a problem, having a treatment plan already in hand?

The main barrier to this vision was the lack of coordination among medical departments. If they could be integrated more tightly, then weeks of agonizing waiting could be eliminated, the patient would not have to leave the building, and the experience would be designed around the patient's needs, not the departments'. That was Esserman's destination postcard, and it was an admirable one.

But as an associate professor at a large university medical center, Esserman was far down the totem pole, with few resources at her disposal. Even if she could start a breast care clinic, she would never be able to hire or fire the people who might work for it, and she couldn't even set their salaries. The medical departments, such as radiology and pathology, controlled the purse strings and the resources. The two most commonly used descriptions of the medical school at UCSF were "bureaucratic" and "political." "The departments have money, and the departments have turf, and you can't bring them together," said Meredith Mendelsohn, who became Esserman's chief administrative director.

Esserman said, "The radiation oncologists report to radiation oncology. The surgeons report to the School of Medicine. The medical oncologists report to medical oncology. The nurses and staff report to the medical center. The psychologists and social workers report someplace else. So it's an organizational challenge to make people feel like they belong to something." Because Esserman wielded so little institutional power, her best assets for creating change were her own tenacity and her ability to sell a vision of what breast cancer care could be.

Esserman and Mendelsohn started small. They set up the Breast Care Center to operate for four hours one day per week. They cajoled the medical departments to start working together in more

integrated ways. It took practice, and it took persistence. “Radiology, which does the mammographies, works like a train station,” says Mendelsohn. “If your appointment’s at 12:15, you’re seen at 12:15 and that’s how they operate.” But Esserman’s goal was to build treatment around the patients’ needs, and those needs weren’t always predictable enough to conform to radiology’s schedule. Esserman worked with the radiologists to figure out how to create some flexibility in their traditionally rigid processes.

“We couldn’t take up too much of radiology’s time,” said Mendelsohn, so they figured out how to improvise. “Dr. Esserman would see the patient in the morning, and she was the only doctor that would do it—she was the guinea pig—and then she would send them off, say ‘Go have lunch. Go shopping. Come back at 1:00.’ And during lunch time she would go to radiology, where she and the radiologist would sit and look through all of the images and decide what needed to happen next.”

For the first year, the Center stuck with the one-day-per-week model. Then, once the work was going smoothly, Esserman expanded to two days per week. More surgeons started to get involved, and then nurses, and counselors, and support staff, and the snowball began.

Eventually, the Breast Care Center achieved enough success that it was offered an entire floor in a new cancer center being constructed by UCSF. “Where’s radiology?” asked Esserman when she saw the layout. The cancer center master plan assumed that the radiology department would remain in its old building. But that would have made Esserman’s “everything under one roof” vision impossible. So she agreed to give up one-third of the Breast Care Center’s space to make room for a mammography unit on the same floor. (Onlookers were shocked—academic departments usually fought hard to secure space, and Esserman was giving up some of hers!)

Now Esserman had two powerful assets: a proper home for the Center and a staff who increasingly embraced her vision for a new kind of care. Patients flocked to the Breast Cancer Center. From 1997 to 2003, the number of patients seen per month skyrocketed from 175 to 1,300. In time, the Center became a major source of

revenue for UCSF and a recognized national leader in breast cancer care and research. The Center evolved to be the place that Esserman described in her destination postcard.

Here's how Esserman describes the way the patient's experience looks today:

When a patient comes into the Breast Care Center, I can walk around the corner and look at her films that day. While she's in the room, we can do a biopsy and get the diagnosis in five minutes. We have a gynecologist on staff that specializes in fertility issues for women with breast cancer, and I have a psychologist and genetic counselor on staff that is one of the nurse practitioners. The patient stays in the same place and doesn't need to go anywhere.

The Breast Care Center also has a relaxing healing garden and a café that serves coffee. The boutique sells not only the usual flowers and gifts but also wigs and scarves for patients undergoing chemo.

"For the first time," said Esserman, "we put the woman at the center."

3.

When you describe a compelling destination, you're helping to correct one of the Rider's great weaknesses—the tendency to get lost in analysis. Our first instinct, in most change situations, is to offer up data to people's Riders: *Here's why we need to change. Here are the tables and graphs and charts that prove it.* The Rider loves this. He'll start poring over the data, analyzing it and poking holes in it, and he'll be inclined to debate with you about the conclusions you've drawn. To the Rider, the "analyzing" phase is often more satisfying than the "doing" phase, and that's dangerous for your switch.

Notice what happens, though, when you point to an attractive destination: The Rider starts applying his strengths to figuring out *how to get there*. For instance, after Esserman announced her "under one roof" vision, her team could start thinking through the implications of that: *Let's see, we'll never pull that off unless we have access to radiology, so we'll need to give up square footage to them ...*

You have a choice about how to use the Rider's energy: By default, he'll obsess about which way to move, or whether it's necessary to move at all. But you can redirect that energy to helping you navigate toward the destination. For that to happen, you need a gut-smacking goal, one that appeals to both Rider and Elephant. Think of Esserman's "under one roof" vision or of Crystal Jones's challenge to her kids to become third graders.

Goals in most organizations, however, lack emotional resonance. Instead, SMART goals—goals that are Specific, Measurable, Actionable, Relevant, and Timely—have become the norm. A typical SMART goal might be "My marketing campaign will generate 4,500 qualified sales leads for the sales group by the end of Q3'09."

The specificity of SMART goals is a great cure for the worst sins of goal setting—ambiguity and irrelevance ("We are going to *delight* our customers every day in every way!"). But SMART goals are better for steady-state situations than for change situations, because the assumptions underlying them are that the goals are worthwhile. If you accept that generating 4,500 leads for the sales force is a great use of your time, the SMART goal will be effective. But if a new boss, pushing a new direction, assigns you the 4,500-leads goal even though you've never handled lead generation before, then there might be trouble. SMART goals *presume* the emotion; they don't generate it.

In looking for a goal that reaches the Elephant—that hits people in the gut—you can't bank on SMART goals. (There are some people whose hearts are set aflutter by goals such as "improving the liquidity ratio by 30 percent over the next 18 months." They're called accountants.) In the 1980s, a major study of corporate change efforts found that financial goals inspired successful change less well than did more emotional goals, such as the goal to provide better service to customers or to make more useful products. According to the researchers, "Effective visions expressed values that allow employees to identify with the organization.... One manager at a glass company suggested, 'it's hard to get excited about 15% return on equity.'"

Destination postcards do double duty: They show the Rider where you're headed, and they show the Elephant why the journey is worthwhile.

CLINIC

How Can You Get Corporations to Avoid Short-Term Thinking?

SITUATION Judy Samuelson heads a policy think tank within the Aspen Institute called the Business and Society Program. It's committed to fighting "short-termism" in the business world. Samuelson points out that it's hard to solve global problems (global warming, poverty, energy needs) without the help of the business sector. After all, some businesses have more resources than entire countries. But businesses with a short-term focus can't afford to tackle long-term problems. Samuelson recounts a conversation with the CEO of a huge financial services firm. He tells her that he would like to be involved with the big issues of the day, but he points to the 90-day calendar posted on his wall and admits, "This is my reality." Translation: The public markets are forcing him to adopt a quarter-by-quarter focus. How can Samuelson—the leader of a small nonprofit—possibly influence such massive forces? How can she fight "short-termism"? [This is an actual situation, ongoing as of 2009. We'll discuss some of Samuelson's strategy along with some of our own thinking.]

WHAT'S THE SWITCH AND WHAT'S HOLDING IT BACK? We want executives to act with a longer-term mindset. So what's stopping them? First, there's a big Rider problem here. We hope your radar went off when you read the phrase "short-termism." It's useful as a one-word summary of the problems that Samuelson is fighting, but to provoke change, we've got to script the critical moves. (A "long-term mindset" isn't a behavior.) Second, there's a Path problem: The culture of the stock market encourages short-term thinking. Interestingly, the Elephant probably isn't the villain here. Most execs would probably prefer, all things being equal, to have a longer-term focus. That means motivation probably isn't our obstacle. Finally, let's be realistic: Samuelson is seeking a *massive* change. We can't expect to generate a magic-bullet solution. But big changes can start with small steps. How can we improve Samuelson's odds?

HOW DO WE MAKE THE SWITCH?

- *Direct the Rider.* 1. Script the critical moves. Samuelson finds a way to translate her big-picture goal into specific behaviors. One insight: Let's convince executives to stop giving quarterly earnings guidance. Backstory: Investors know the bizarre Kabuki dance of earnings guidance, but other people may not. Each quarter, a public company "sets expectations" for the earnings per share it will deliver in its next quarterly financial report. Then, when the company files its report, a miracle

occurs: The company announces that it beat the expectations by a penny per share! Oh, glory! The markets find this little game inspiring, but none of it is required by law. A company could simply file its quarterly financial reports without any advance expectation-setting. In other words, Samuelson has located a *specific behavior that's within the control of the executive*. The expectations dance is the perfect symbol of short-term thinking.

2. Point to the destination. Samuelson should sell the vision here. How will life be different for the progressive CEO who rids himself of the burden of managing to the quarter rather than to the long term? What's the destination postcard?

- *Motivate the Elephant*. 1. Shrink the change. Note that by focusing on quarterly earnings guidance, Samuelson shrinks the change. It's an attainable first step on the road to long-term thinking. 2. Appeal to identity. Samuelson should play up the fact that the CEOs of some well-respected companies—GE, Microsoft, Coca-Cola, Google, and others—have already made this change. If other CEOs want to act like “forward-thinking CEOs,” this is the step they need to take.

- *Shape the Path*. 1. Build a habit. Remember the story of Donald Berwick and the campaign to save 100,000 lives? Berwick made it easy for hospitals to join the campaign. They simply submitted the hospital CEO's signature on a one-page form. At that point, Berwick's team swooped in to help the hospital build the new habits. What if Samuelson could make it that easy to

join a “No Earnings Guidance” campaign? Her team should offer a simple checklist of things to address (including legal, PR, and operational issues) and support the companies as they change. 2. Rally the herd. Some CEOs are reluctant to discontinue earnings guidance. They worry that investors will think it’s a signal that the company is in trouble and will hurry to sell off their stock. Samuelson could help CEOs counter this perception by organizing a “Drop the Guidance” day on a certain date. That way, the timing of the announcement would be less conspicuous. Also, by linking together business leaders who are intrigued by the idea, Samuelson could encourage a bandwagon effect. As we’ll see later, behavior is contagious.

4.

Destination postcards—pictures of a future that hard work can make possible—can be incredibly inspiring. The first graders dreamed of being third graders. Laura Esserman’s team imagined a new kind of breast care clinic that would cater to the needs of the patient.

But what if your team isn’t inspired?

What if, in fact, members of your team are secretly or not-so-secretly resistant to the vision of the future you’ve articulated? This introduces a new enemy: rationalization. For instance, surely we’ve all made a New Year’s resolution to “Be healthier.” We conjure up a mental image of our future selves—fit and svelte—and we like what we see. But, deep inside us, the commitment isn’t there. A few days after January 1, we get hungry, and we see that gorgeous bag of Cheetos in the pantry.

There’s no question what the Elephant wants: a big mouthful of Cheetoian goodness. And when the Elephant wants something

badly, the Rider can be trusted to go along—what choice does he have?—and he may actually begin to formulate rationalizations to excuse the breach. *Well, we did eat that salad last Thursday. And for Pete's sake, we bought 1% milk at the grocery store! We don't want to go overboard on this diet. A few Cheetos is a reasonable reward for good behavior.* And presto! We eat the Cheetos! Even more impressive than that, we'll still be convinced, in our heart of hearts, that we're being healthier.

A big-picture goal like “Be healthier” is necessarily imprecise, and that ambiguity creates wiggle room for the Elephant. It makes it easy to rationalize failure. One response to this dilemma is to set super-prescriptive goals. Your firm might announce, “We will boost revenue by 14.2 percent this year.” Certainly, that's much better than just urging employees to do their best. But although numbers themselves are wiggle-proof, the way we deal with numbers isn't. For instance, if your firm achieved a 12.3 percent increase in revenue, do you really think anyone would get fired? Or is it more likely that a compelling rationalization would smooth over the discrepancy? *Team, in this economic climate, we should consider 12.3 percent a huge victory!*

The danger is present in our personal lives, too. Imagine that, in hopes of reining in your alcohol consumption, you set a goal of drinking no more than one glass of wine per night. Well, let's face it, there will come a night when your Elephant is going to crave more than one, and that's when the boundaries are going to get fuzzy. You'll “honor” your one-glass rule—by filling your glass all the way to the brim. Or you'll mentally trade an extra drink now for a zero-drink night in the (speculative) future. We're all loophole-exploiting lawyers when it comes to our own self-control.

If you're worried about the possibility of rationalization at home or at work, you need to squeeze out the ambiguity from your goal. You need a black-and-white (B&W) goal. A B&W goal is an all-or-nothing goal, and it's useful in times when you worry about backsliding. Maybe your B&W goal for your alcohol consumption could be “No wine ever.” No wiggle room there. And what if we changed our New Year's resolution from “Be healthier” to “Gym

every day” or even “No more Cheetos”? Those goals leave nowhere to hide. Either you’ve got damning orange Cheeto dust on your fingers or you don’t.

Note that B&W goals—“No more Cheetos,” “No wine ever”—are not inspiring at all. They’re 100 percent restrictive. Furthermore, they are scripting critical behaviors rather than painting a picture of a destination. Is it possible to combine the emotional power of a destination postcard with the rationalization-squashing strength of a B&W goal? Yes, and to see how, consider the case of British Petroleum (BP). In 1991, BP announced a B&W goal that shocked its employees who had spent years in the oil industry. It was the multi billion-dollar equivalent of “No more Cheetos.”

5.

For most of the twentieth century, oil explorers had trusted their gut, which worked out well, because their gut was pretty smart and oil reserves were largely untapped. In the 1960s, Jim Vanderby, one of the great BP explorers, went to Egypt. The first four or five holes he drilled there were dry. His superiors at BP sent him a telegram and told him to stop trying. He didn’t get the telegram, or so he claimed. Regardless, he drilled again, and on his next try in the Gulf of Suez, he tapped into the world’s first multibillion-barrel oil field.

BP’s good fortune continued in the 1960s and 1970s, with huge discoveries such as Prudhoe Bay in Alaska (1968) and Montrose in the North Sea (1971), among others. Toward the late eighties, though, the mega-hits slowed down. “What was changing was that fields were getting more difficult to find,” said Pete Callagher, a senior leader at Amoco, which merged with BP in the late 1990s. “The older fields were *huge*, visible on 2-D seismic technology. Targets became smaller and more difficult to see. So the skill sets changed.”

As the landscape changed, BP’s strategy evolved. In 1989, its leaders locked onto the exploration doctrine that would guide them for the next fifteen years. They would focus only on *big* fields and

stop competing for the smaller ones, thereby avoiding competition with hundreds of smaller competitors. They also decided to attack costs. At that time, BP was considered by many to be the world's most effective exploration company. Even so, BP's leaders believed it was spending far too much on exploration. They committed to slash exploration costs from \$5 per barrel to \$1. People inside the company thought this goal was outrageous.

To reduce costs so drastically, BP needed to minimize the number of "dry holes" it drilled. The historical success rate for drilling a new well was roughly 1 out of 8. BP's rate was much better: 1 out of 5. To cut exploration costs from \$5 to \$1 per barrel, though, it would have to go from "good" performance to unprecedented performance. (Some said *impossible* performance.)

Researchers at BP began to investigate past explorations. One thing they studied was whether explorers were good at predicting the success of their wells. They reviewed wells that had been drilled over a 10-year period and found that, on average, explorers' predictions were extraordinarily accurate. Their average prediction was that a well had a 20 percent chance of hitting, and on average, 20 percent of wells actually hit.

But the averages concealed some fascinating biases. For instance, when the explorers gave the well a 20 to 70 percent probability of hitting, their predictions were pretty accurate. But when the explorers predicted a greater than 75 percent chance of success, the wells hit nearly all the time. Also, wells that had been given a 10 percent chance of success actually had more like a 1 percent chance. So the explorers' instincts about the wells were correct—they knew the good ones from the bad ones. But there was information, especially for high-and low-probability wells, that they weren't using.

Traditionally, the explorers had been salesmen for their wells, pressing top management for the green light to drill. In the 1980s, they had learned that the way to sell management was to use the tools of risk economics—in particular, the concept of *expected value*.

Expected-value calculations are bulletproof in situations where the risks and returns are well understood. If I flip a coin, you can

feel confident that you have a 50 percent probability of winning. But what are the odds of hitting a gusher? And if you hit one, what's the payoff? Those are subjective estimates. When you feed subjective estimates into an expected-value calculation, a precise number pops out, giving the illusion of scientific certainty. ("Our expected value for this well is \$112.8 million. It's a no-brainer—let's drill it.")

It didn't go unnoticed among explorers that if they really wanted to drill a well, they could simply tinker around with the math in a spreadsheet. If they jacked up the hit rate or the payoff, the expected value obediently inflated. (This tinkering probably wasn't malicious or even *conscious*. Remember, when the Elephant really wants something, the Rider can be trusted to find rationalizations for it.)

More subtly, the use of expected value made people think about drilling as a numbers game. As Jim Farnsworth, a top leader in BP's exploration unit, said, "Explorers think in terms of risk probabilities. People get so caught up in the numbers that they think, 'Well, if we drill ten of these 1-in-10 wells, we'll hit at least one of them and we'll all make a lot of money. But when you do the analysis, you realize that something that is 1 in 10 *never* works, so it's a false sense of statistical clarity."

The odds-playing gave everyone a false sense of comfort. *Hey, if we drill some dry holes, one of the other holes will hit and make up for it.* Explorers were like venture capitalists, hoping for an eBay or a Google to bail them out of an otherwise lousy portfolio.

If you were an executive at BP, hoping to cut your exploration costs by 80 percent, your first mission would be to remove this false sense of comfort. The ambiguity in the goal is allowing rationalization to creep in. So how could you change your team's behavior so that every single drilling operation is taken seriously? How could you leave your team's Riders with nowhere to hide?

Consider the alternatives for your new strategic rallying cry: "We'll double our strikes!" "No more dumb holes!" "Let's maximize expected value!" Some of them sound promising, but notice the fudge room in all of them. "No more dumb holes" would be easy for

any competent Rider to dodge. Would any self-respecting explorer think he was drilling a *dumb* hole? “Doubling strikes” is better, but there’s still room to rationalize a lot of dry holes. And as for “maximize expected value,” well, let’s just move on.

Ian Vann, BP’s head of exploration at the time, figured out a way to eliminate the fudge room. He announced his new vision: “No dry holes.”

None.

Explorers were irate. They thought the goal was preposterous. Their leaders were asking the impossible. Dry holes had always been a normal and acceptable part of doing business. Remember, the number of dry holes outnumbered successes by a factor of 4. Now Vann was defining them as failure.

“No dry holes” was a painful B&W goal. Probabilistic predictions had always provided a cover for failure. As Jim Farnsworth said, “We wanted to get away from the language of probability, from people hiding behind a notion that if a 1-in-5 well didn’t work, ‘I told you it was 1 in 5 so I was right.’ ‘No dry holes’ was an attempt to make people go to the absolute extreme limit, to make sure they’d looked at every piece of data and done the right analysis.”

As explorers began talking about “No dry holes,” they started taking off their explorer hats and putting on their geologist hats. Lots of things had to go right to create a productive oil field, and geologists had previously devised different tests to evaluate every geologic feature: Was the right carbon-rich substrate available to form oil? Was there a harder, impermeable base layer underneath the oil to capture and contain it if it formed? Even if the oil had formed at some point in geologic history, could subsequent underground pressures or temperatures have degraded the oil?

The idea of eliminating dry holes prompted geologists to become more systematic about mapping and aggregating the information they had. They color-coded maps—green for aspects that might support an oil field, amber for areas where information was missing, and red for clear counter indications. Then they overlaid the color-coded maps on top of one another, each layer representing a

different geologic test. They decided to drill only in regions that were green on every conceivable dimension.

“No dry holes” was effective in stamping out two kinds of rationalizations for poorly conceived drilling operations. One was “learning”—the convenient notion that even if a particular well doesn’t hit, the team will learn so much from the process that future operations will be more successful. Vann said, “I can give you a hundred examples where people made a mistake because they didn’t use knowledge they already had, for every one example where we learn something that is valuable for next time.” The other common rationalization was that certain wells had “strategic value.” Callagher said, “The last defense of the charlatan is always that something is ‘strategic.’ ‘This is a strategic well, so we have to drill it.’” “No dry holes” removed the fudge room. A well might be strategic, or it might not be, but either way, it better not be dry.

David Bamford, BP’s chief geophysicist during much of this period, said, “I can think of several examples of where technical teams knew a proposed well would be dry and yet senior management wanted to drill it because of pressure from government or business partners.” Previously it was hard for front line people to object to these decisions. When your manager is the only one who knows what the “partner pressure” consists of, how can you possibly raise a credible objection?

The “No dry holes” goal boosted the confidence of the frontline employees. The Exploration Forum—the peer group accountable for exploration decisions—became more outspoken and pushed back on “strategic reasons” to engage in low-probability explorations. After all, the strategy was “No dry holes,” not “No dry holes unless drilling helps to placate an important partner.” The strategy had changed in a way that gave lower-level employees an equally credible voice in the decision.

The B&W goal worked exactly as the management team had intended. When BP left nowhere for people to hide, its people stopped trying to hide. They tightened up their analyses, and they made fewer “play-the-odds” decisions. They got serious about using

every available scrap of data in their decisions. And they toughened up their resistance to governmental and partner pressure.

By 2000, BP's hit rate was an industry-leading 2 in 3. That's *triple* the success rate of 1989. BP was still hitting dry holes, but the goal had stirred improvements that many had considered impossible. BP transformed itself when it eliminated its own wiggle room. *When we drill a hole, it better not be dry.*

Note that the leaders at BP didn't say, "Two out of three—that's close enough. Let's celebrate!" Every dry hole was a failure, and there was no dodging it. Because they couldn't easily excuse failure—*It was strategic! It was a learning opportunity!*—they were left with only one choice: Drill smarter next time.

6.

If you worry about the potential for inaction on your team, or if you worry that silent resistance may slow or sabotage your change initiative, B&W goals may be the solution. But, to be clear, you won't always need a goal that's so unyielding. Crystal Jones's call to become a third grader was not a B&W goal. Let's face it, if kids got third-grade-level scores on math and science but not on vocabulary, we'd all let them "graduate." Laura Esserman's vision for the Breast Care Center wasn't B&W, and it didn't need to be.

What is essential, though, is to marry your long-term goal with short-term critical moves. Esserman's vision was compelling, but it would have been empty talk without lots of behavior-level execution.

You have to back up your destination postcard with a good behavioral script. That's a recipe for success. What you *don't* need to do is anticipate every turn in the road between today and the destination. It's not that plotting the whole journey is undesirable; it's that it's impossible. To think that you can plot a turn-by-turn map to the end, like a leader's version of Mapquest, is almost certainly hubris.

When you're at the beginning, don't obsess about the middle, because the middle is going to look different once you get there. Just look for a strong beginning and a strong ending and get moving.

7.

The average investor might make stock-picking decisions by listening to Jim Cramer or reading news reports or compulsively watching CNBC. But big institutional investors, such as philanthropic foundations or teachers' retirement funds, get special attention from Wall Street. Historically, investment banks sponsored research departments as a free service to institutional investors. The exchange was clear: The bank hoped that if it made good recommendations, then the investors would use the bank's traders to buy and sell stocks, bringing in revenue for the bank.

Because research is, in essence, a lure for big investment dollars, it is taken very seriously on Wall Street. Every year, *Institutional Investor* magazine asks big investors to assess the research they've received. Based on those responses, the magazine ranks the research analysts in each industry and also provides an overall ranking for the research departments on Wall Street. These *Institutional Investor* rankings are treated like holy writ. They drive (huge) bonuses to individual analysts, and they attract customers to the banks with the best research departments.

In 1986, Shearson Lehman's research department ranked a humiliating fifteenth. Top executives at Shearson wanted a new leader, so they recruited Jack Rivkin, who had built Paine Webber's research department into a powerhouse. The execs' expectations for Rivkin were clear: Get us into the Top 5.

Rivkin's first impressions of the department were not promising. "When I got to Lehman, the research department was a mess. It got no respect." One of Shearson's top analysts, Elaine Garzarelli, said, "The department wasn't disciplined.... People did whatever they wanted to do. They didn't have to talk at regular meetings; they

didn't have to submit reports at certain times. Absolutely no mention was ever made of the *Institutional Investor* All-America team."

Rivkin made many formal changes to the department: He hired a number two, Fred Fraenkel. He successfully petitioned Shearson for a much larger staff and budget. He fired deadwood on the team. He changed the compensation system for the team.

These changes were vital, but ultimately, Rivkin had to influence the day-to-day behavior of the analysts on his team. As an analogy, consider a general manager (GM) running a baseball team. If you have more money at your disposal, you can sign more talented players. You can trade underperformers. You can offer your team a bonus for making the playoffs. These changes are important, but they don't directly influence the way players play. To do that, you need a coach.

Rivkin was both GM and coach. As a coach, he knew he needed members of his team to improve their work dramatically, and that meant he needed to script some of their early moves. He started by announcing that he expected analysts to initiate at least 125 client conversations per month. He required them to take notes on their conversations and post them to the internal network. Both the quantity and the quality of analysts' contacts became a matter of public record. One newly hired analyst said, "Once the report card on analyst contacts was electronically pinned up on a board, all the analysts began trying to get to the front section of the rankings; no one wanted to be near the end.... The analysts started asking one another: 'How do you make so many calls? Where do you find the time?'"

The 125-call benchmark jolted the department, snapped it out of its lackadaisical attitude. Most of the analysts began working 12 to 15 hours per day, nearly every day of the year. (Note the clarity of the instructions—this is Rivkin's 1% milk campaign.)

Rivkin also sought to build a team mentality in the department, fighting against the traditional culture of self-interested cowboys. He demanded that, when analysts were making presentations to clients, they cite their colleagues' work at least twice. "I don't want

to hear ‘I—I—I’ in the presentation. I want to hear ‘we,’ and I want to hear other people’s names.” The forced (at first) sharing of ideas and credit made the team as a whole better, but it also benefited the individual analysts by exposing them to information they otherwise wouldn’t have encountered.

Rivkin didn’t just script the critical moves—*Make 125 calls, and cite your colleagues’ work*—he also pointed to the destination: *We’re going to crack the I.I. (Institutional Investor) Top 5.* That was something everyone in his department understood and aspired to.

In fact, there was a joke that circulated in the department: “*I.I. or Die.*” But the aspiration was serious. Within eighteen months of the turnaround, a full 95 percent of one group of newly minted analysts broke onto the individual *I.I.* analyst rankings for their industry. Customers were noticing the extra attention they got from Shearson analysts, and for the first time, Shearson analysts were top-of-mind when *Institutional Investor* magazine called investors to ask who they relied on most.

The direction set by Rivkin prepared the department for a contrarian bet that left the department alone on Wall Street. It was a bet that would cement Shearson’s place in the *I.I.* rankings.

In 1988, a Shearson analyst began investigating a drug called Epogen, made by Amgen and distributed by Johnson & Johnson. Epogen is a synthetic version of a hormone called erythropoietin, which increases the body’s production of red blood cells. Red blood cells are responsible for ferrying oxygen to all the cells of the body. Epogen would give them a boost, making the drug the perfect treatment for various types of serious anemia—for example, in patients whose blood cells were damaged by chemotherapy. At the time, the drug was winding its way through the drug approval process. With its release imminent, stock investors began to make their bets on how the drug would sell, which would in turn drive Amgen’s stock price.

Other research departments had identified one major market for the drug, but Shearson analysts thought there might be others. Surely, they reasoned, there’d be other uses for a drug that increased red blood cell production. So they dived into the research

process. Fred Fraenkel said, “Every analyst and every assistant made calls. They called about 100 hospitals and pharmacies around the world, estimating the market potential for the drug. Once they had the data together, they knew Amgen had a multibillion-dollar drug on its hands. No research department could have possibly made this estimation with just one analyst and an assistant.”

Shearson’s analysts defied the conventional wisdom by predicting that Amgen had a blockbuster on its hands. Shearson’s team was so confident, in fact, that it published ads touting its findings in the *New York Times* and *Wall Street Journal*.

They were right. Epogen became Amgen’s first blockbuster drug and, at that time, was the most successful drug of the whole biotech industry. In 1990, Shearson was ranked at the top of the *Institutional Investor* All-America Research Team. In just three years, Shearson had leapfrogged from fifteenth to first.

The call on Amgen was something that Rivkin never could have anticipated, and it would have been pointless to try. He focused on what he could control: He provided a destination postcard (“I.I. or Die”), and he scripted some moves that would give his people a head start. He had the beginning right and the ending right, and when the Amgen situation popped up in the middle, the team was ready.

8.

So far we’ve learned a great deal about the Rider and his many strengths and weaknesses. On the plus side of the ledger, the Rider is a visionary. He’s willing to make short-term sacrifices for long-term payoffs (which is why he fights so often with the Elephant, who generally prefers immediate gratification). He’s a clever tactician, too—give him a map and he’ll follow it perfectly. But we’ve also seen plenty of evidence of the Rider’s flaws—his limited reserves of strength, his paralysis in the face of ambiguity and choice, and his relentless focus on problems rather than solutions.

Here's the good news: The Rider's strengths are substantial, and his flaws can be mitigated. When you appeal to the Rider inside yourself or inside others you are trying to influence, your game plan should be simple.

First, *follow the bright spots*. Think of the Vietnamese children who stayed well nourished against the odds, or the Genentech sales reps who racked up sales against the odds. As you analyze your situation, you're sure to find some things that are working better than others. Don't obsess about the failures. Instead, investigate and clone the successes.

Next, *give direction to the Rider*—both a start and a finish. Send him a destination postcard ("You'll be a third grader soon!"), and script his critical moves ("Buy 1% milk").

When you do these things, you'll prepare the Rider to lead a switch. And you'll arm him for the ongoing struggles with his reluctant and formidable partner, the Elephant.

Build Habits

1.

Mike Romano was born in 1950 and raised in Milwaukee, the youngest of four brothers. His dad was a handyman who fixed plumbing and heating fixtures. His mom had a commercial art degree; she stayed at home to raise the boys, taking jobs from time to time to pay the bills.

Romano had a temper. In high school, when he was 18, he got into a fight and threw a guy through a window. Afraid of what would happen in court, he enlisted in the army. He figured he was going to be drafted anyway. The court let him go.

Romano eventually ended up being assigned to the 173rd Airborne Brigade in Vietnam, an elite and well-respected unit of paratroopers. The soldiers of the 173rd had an open secret, however: rampant drug use. Others nicknamed them “jumping junkies.” Coming into the military, Romano had no real drug experience. He tried to keep his nose clean with the jumping junkies.

A few months after he arrived in Vietnam, a Claymore land mine detonated near him, and he was struck in his right hand, forearm, and foot. He was taken to a hospital in Camron Bay for recovery. That was where he first tried opium.

He quickly became hooked, like so many others around him. Even when he transferred to other hospitals, his supply wasn’t interrupted. He mostly smoked opium-laced joints, but it was also easy to find liquid opium and even opium chewing gum (not to mention other drugs, such as LSD and marijuana). His addiction

continued to torment him throughout his thirteen-month tour of duty.

Romano's fall into drug use was a typical story during the Vietnam War. The White House was so troubled by reports of drug use among soldiers that it commissioned a study to investigate the scope of the problem. The results were disturbing. Before the war, the typical soldier had only casual experience with hard drugs, and less than 1 percent had ever been addicted to narcotics. But once in Vietnam, almost half of the soldiers tried narcotics, and 20 percent became addicted. Demographics did not predict who would become drug users in Vietnam—race and class were irrelevant.

The drug use started early. Twenty percent of all users started in their first week in Vietnam, 60 percent within the first three months. Oddly, drug use did not seem to be triggered by trauma. The researchers found no statistical relationship between drug use and the difficulty of soldiers' assignments, or the danger they faced, or the death of friends. Unlike most soldiers, Romano started using opium because he was injured. For most soldiers in Vietnam, drugs were simply a fact of life, a part of the culture.

Government officials were terrified by what would happen when thousands of drug addicts began to return to America. Military and civilian leaders worried that the country's drug-treatment programs would be flooded, stretched far beyond capacity. They worried that vets might not be able to hold down jobs, that they might turn to crime.

Mike Romano was one of the people the officials were worried about. When he finally boarded his flight back to the United States in 1969, headed home to Milwaukee, he smuggled back with him a stash of opium-laced joints.

Then his life began to change. A week or two after his return home, he was driving with friends in town when he saw a girl he'd known in grade school. "Stop the car!" he said. He chased her down. She was working as a counter girl at a nearby drugstore. "I thought she was very beautiful," said Romano.

The two started dating. She caught on fairly quickly that Romano was an addict, and she put pressure on him to stop. He tried to quit

a few times, but each time he started to feel sick as withdrawal pains kicked in, and then he'd begin using again. Meanwhile, he started work—construction and house painting and other temporary jobs—and he started taking art classes at the University of Wisconsin at Milwaukee. He got a job there designing promotional posters for bands who played at the student union.

After a few quit-and-relapse cycles, he began to wean himself off opium, and within about a month he was clean. He hasn't touched opium since. What we see in Mike Romano's life seems like an almost impossible change story: an opium addict who recovered. Mike Romano was one of the lucky ones.

2.

Or was he? White House researchers continued to investigate the drug problem among returning soldiers, and a puzzle started to emerge. Following up with the troops who returned home, the investigators called them eight to twelve months after their return to ask about their ongoing drug use. During the war, 50 percent of soldiers had been casual users, and 20 percent had become seriously addicted, meaning that they used drugs more than once a week for an extended period of time and experienced withdrawal symptoms (chills, cramps, pain) if they tried to stop. But when the investigators conducted the follow-up, what they found blew their minds. Only 1 percent of the vets were still addicted to drugs. That was essentially the same rate as existed before the war. The feared, drug-fueled social catastrophe had not occurred. What had happened?

3.

People are incredibly sensitive to the environment and the culture—to the norms and expectations of the communities they are in. We all want to wear the right clothes, to say the right things, to frequent the right places. Because we instinctively try to fit in with

our peer group, behavior is contagious, sometimes in surprising ways.

Imagine that your job was to design an environment that would extinguish drug addiction. You could take drug-addicted U.S. soldiers, drop them into this environment, and feel confident that the forces within it would act powerfully to help them beat their habits. Think of this environment as an antidrug theme park, and assume that you can spend as much as you want to construct it. What would your theme park look like?

It might look a whole lot like Romano's neighborhood in Milwaukee.

You'd want to surround the former soldiers with people who love them and care about them—and who treat them as the drug-free persons they once were. You'd give them interesting work to do—perhaps designing posters for rock bands—so that their minds would be distracted from the joys of opium. You'd create well-publicized sanctions against drug use. You'd keep the drug economy underground, making the former soldiers sneak around to obtain and use drugs. You'd make sure their girlfriends gave them a hard time about their drug use. You'd set up social taboos so that the soldiers would feel derelict, even pathetic, if they kept using. You'd remove the contagious drug-using behavior from the environment—no more addicted soldiers around—and replace it with contagious drug-free behavior. And you would provide rich environmental cues—sights, songs, food, clothes, and homes—that remind the former soldiers of their prewar, drug-free identities.

The Milwaukee Theme Park: That's exactly why Mike Romano became a *former* addict. When Romano relocated to Milwaukee, his environment changed, and the new environment changed him.

4.

As the Romano story shows, one of the subtle ways in which our environment acts on us is by reinforcing (or deterring) our habits.

When we think about habits, most of the time we're thinking about bad ones: biting our fingernails, procrastinating, eating sweets when we're anxious, and so on. But of course we also have plenty of good habits: jogging, praying, brushing our teeth. Why are habits so important? They are, in essence, behavioral autopilot. They allow lots of good behaviors to happen without the Rider taking charge. Remember that the Rider's self-control is exhaustible, so it's a huge plus if some positive things can happen "free" on autopilot.

To change yourself or other people, you've got to change habits, and what we see with Romano is that his habits shifted when his environment shifted. This makes sense—our habits are essentially stitched into our environment. Research bears this out. According to one study of people making changes in their lives, 36 percent of the successful changes were associated with a move to a new location, and only 13 percent of unsuccessful changes involved a move.

Many smokers, for example, find it easier to quit when they're on vacation, because at home, every part of their environment is loaded with smoking associations. It's like trying to quit smoking inside a Camel advertisement—everywhere you look are reminders of the habit. There's that drawer in the kitchen where the lighters are stashed, the clay pot on the porch that's become an archive of ashes, the ever-present scent of smoke in the car and the closet. When a smoker goes on vacation, the environment recedes toward neutrality. That doesn't mean it's easy to quit, but it's *easier*.

It's unrealistic, however, to think that most of us can shift our environment so dramatically. If you're trying to change your team's habits at work, then yes, relocating your office would be a big help. Good luck selling that idea. What are some more practical ways to create a habit?

The first thing to realize is that even small environmental tweaks can make a difference—that's what we saw in [Chapter 8](#). Remember how Amanda Tucker rearranged her office to make it easier for her to listen to her employees? That was the first step in establishing a new habit. (Environmental tweaks can even *force* a habit, as we saw in the Rackspace example. When the call-queuing system was

thrown out, the customer-service staffers quickly developed the habit of answering the phone.)

But forming a habit isn't all environmental—it's also mental. It would be very difficult, for instance, to tweak the environment in a way that would *compel* you to learn how to play the piano. So how do you lay the mental groundwork for a new habit?

5.

Say that you've been putting off going to the gym. So you resolve to yourself: Tomorrow morning, right after I drop off Anna at school, I'll head straight to the gym. Let's call this mental plan an "action trigger." You've made the decision to execute a certain action (working out) when you encounter a certain situational trigger (the school circle, tomorrow morning).

Peter Gollwitzer, a psychologist at New York University, is the pioneer of work in this area. He and colleague Veronika Brandstatter found that action triggers are quite effective in motivating action. In one study, they tracked college students who had the option to earn extra credit in a class by writing a paper about how they spent Christmas Eve. But there was a catch: To earn the credit, they had to submit the paper by December 26. Most students had good intentions of writing the paper, but only 33 percent of them got around to writing and submitting it. Other students in the study were required to set action triggers—to note, in advance, exactly when and where they intended to write the report (for example, "I'll write this report in my dad's office on Christmas morning before everyone gets up"). A whopping 75 percent of those students wrote the report.

That's a pretty astonishing result for such a small mental investment.

Does this mean that simply by *imagining* a time and place where you'll do something, you increase the likelihood that you'll actually do it? Yes and no. Action triggers won't get you (or anyone else) to do something you truly don't want to do. An action trigger never

would have convinced college students to participate in an online calculus camp on Christmas Day. But, as the extra-credit study demonstrates, action triggers can have a profound power to motivate people to *do the things they know they need to do*.

Peter Gollwitzer argues that the value of action triggers resides in the fact that we are *preloading* a decision. Dropping off Anna at school triggers the next action, going to the gym. There's no cycle of conscious deliberation. By preloading the decision, we conserve the Rider's self-control.

The concept of preloading is easier to see with an example. Imagine that you are one of the college students in Gollwitzer's study. It's Christmastime, and you're at home. Your parents are doting on you, and your siblings are having an interesting conversation. The TV is on, the Christmas tree is lit up, and your elderly Chihuahua Fredo is staring at you adoringly. Let's not forget the food—turkey and dressing, pecan pie, chocolate truffles—and *Guitar Hero*, and naps, and the calls you're getting from old high school friends. Distractions are everywhere. So if you walk into this buffet line of stimuli and you haven't preloaded a decision about your extra-credit report—if you haven't told yourself, "I'll do this report in my dad's office on Christmas morning before everyone gets up"—you are sunk.

That's why action triggers have unexpected value. Gollwitzer says that when people predecide, they "pass the control of their behavior on to the environment." Gollwitzer says that action triggers "protect goals from tempting distractions, bad habits, or competing goals."

There are countless ways to use action triggers at work. If your salespeople are more motivated to close new business than to cultivate existing relationships, give them a "coffee and call" trigger. Tell them that whenever they pour their first cup of coffee, they are to place a check-in call to one of their most important customers. Or think about your employees who will be attending an industry conference. By the time they get back to the office, their e-mail will be so backed up that they won't be in the mood to share their learnings. So give them an action trigger—suggest that during the flight home, whenever the "OK to use electronics" announcement is

made, they type up some reflections for everyone on the team. Action triggers simply have to be specific enough and visible enough to interrupt people's normal stream of consciousness. A trigger to "praise your employees when they do something great" is too vague to be useful.

Gollwitzer has shown that action triggers are most useful in the most difficult situations—the ones that are most draining to the Rider's self-control. One study analyzed people's success in accomplishing "easy" goals or "hard" goals. With easy goals, the use of action triggers increased success only slightly, from 78 to 84 percent. But with hard goals, action triggers almost *tripled* the chance of success—goal completion skyrocketed from 22 to 62 percent.

To see how action triggers can aid people in difficult times, consider a study of patients recovering from hip-or knee-replacement surgery. On average, the patients were 68 years old, and they had been in pain for about a year and a half before the surgery. The surgeries initially make things even worse; they take such a toll on the body that the patients require assistance with the basic tasks of daily life, such as bathing, getting into bed, and even standing up. The road to recovery can be long and painful.

All patients aspired to get back on their feet as soon as possible, of course. But patients in one group were asked to set action triggers—for instance, "If you are going to go for a walk this week, please write down when and where you plan to walk."

The results of the study were dramatic. On average, action trigger patients were bathing themselves without assistance in 3 weeks. Other patients took 7 weeks. Action-trigger patients were standing up in 3.5 weeks. The others took 7.7 weeks. In just over 1 month, the action-trigger patients were getting in and out of a car on their own. The others took 2.5 months.

Gollwitzer says that, in essence, what action triggers do is create an "instant habit." Habits are behavioral autopilot, and that's exactly what action triggers are setting up. Here's the proof of the "instant habit" concept: One study showed that the single biggest predictor of whether women gave themselves a monthly breast

examination was if they had a habit of doing so. When another group of women who didn't have such a habit were asked to set action triggers, they ended up doing just as well as the women with longtime habits. By preloading a decision, they created an instant habit.

Action triggers are not foolproof, of course. Teens with a serious smoking habit, for example, did not reap any benefit from setting action triggers to quit smoking. Their nicotine-enhanced habit was simply too strong.

But even though action triggers aren't perfect, it's hard to imagine an easier way to make an immediate change more likely. A recent meta-study that analyzed 8,155 participants across 85 studies found that the typical person who set an action trigger did better than 74 percent of people on the same task who didn't set one.

Instant habits. This is a rare point of intersection between the aspirations of self-help and the reality of science. And you can't get much more practical. The next time your team resolves to act in a new way, challenge team members to take it further. Have them specify when and where they're going to put the plan in motion. Get them to set an action trigger. (Then set another one for yourself.)

CLINIC

How Can You Get Workers to Respect a New Safety Policy?

SITUATION Patti Poppe is a department manager in the General Motors automotive plant in Lordstown, Ohio, and she is struggling with how to roll out a new safety policy. Her department, composed of 950 people, is responsible for welding big pieces of metal onto the skeletal car frames. The work can be dangerous. The edges of the metal are sharp when they come

off the presses. If a worker puts his hand on an edge and leans against it, the metal will slice his hand. For that reason, gloves and protective clothing are essential. Also, welders wear goggles, but they are sometimes hurt when sparks fly into their eyes from the side. So the new policy prescribes goggles with protective side shields. The old safety policy was complex and filled with exceptions—for instance, a worker driving a forklift didn't have to wear safety equipment. Poppe says, "Everyone thinks they fall under the 'this doesn't apply to me' clause." She is determined to get everyone to take the new policy seriously. (This was a real situation.)

WHAT'S THE SWITCH AND WHAT'S HOLDING IT BACK?

Poppe wants the workers to protect themselves from lacerations and sparks. There are three potential barriers. First, the complexity of the old policy may have deterred some workers from embracing it. Remember that what looks like resistance is often a lack of clarity. Poppe needs to script the critical moves. Second, in any safety situation, a "macho" vibe often comes into play. That's an identity problem. If it seems manlier to ditch the goggles than to wear them, then the Elephant will resist. Third, social pressure is working *against* safety, because of the "this doesn't apply to me" sentiment. Poppe needs to flip that social norm. Also, might there be ways to use the environment to cue the right behaviors?

HOW DO WE MAKE THE SWITCH?

- *Direct the Rider.* 1. Script the critical moves. Poppe threw out the old complicated policy and boiled down the new safety policy to two specific behaviors: (1) Everyone is required to wear hard side shields and safety glasses. (2) No one can expose any bare skin (no shorts or short-sleeve shirts). That's it. Then Poppe found a way to make these rules very concrete. At an all-hands meeting, she hosted a safety "game show." A worker was called onstage to be the contestant; he was asked to assess whether a series of models was in compliance with the new safety rules. Some of the models violated the code in subtle ways, such as wearing safety glasses with one eyepiece missing. She invited audience members to help the contestant, and they shouted out answers, thereby rehearsing and absorbing the new behaviors expected of them. 2. Point to the destination. Poppe worried about rationalization, the excuse that "this doesn't apply to me." So she created a B&W goal to eliminate the wiggle room. If you were in the plant, you were required to follow the two rules, regardless of what you were doing. The rules applied to everyone at all times.

- *Motivate the Elephant.* 1. Grow your people. Macho men don't like to wear dorky safety glasses. Maybe Poppe could find glasses that look more like Bono's and less like a junior-high-school shop teacher's. That might make the change less of an identity threat.

• *Shape the Path.* 1. Rally the herd. By requiring everyone in the plant to wear the safety gear at all times, Poppe is flipping the social norm in favor of compliance. When you look around and everyone is wearing safety glasses, you are more likely to wear them yourself. 2. Build habits. Poppe added one final, inspired touch: She painted a large blue line around the plant and made the new safety policy effective anywhere inside the line. Also, at the entry points, she posted blue wooden men who are wearing the appropriate gear. By installing the blue line and the blue men, Poppe was basically introducing an action trigger. She was training the workers to think, *When I cross this line, that's my cue to put on my gear.* The action trigger helped make the behavior habitual.

[What happened: As a result of Poppe's innovations, injuries at the plant dropped 21 percent from previous levels (which were already among the best of manufacturers doing similar work).]

6.

Habits are behavioral autopilot, and that's why they're such a critical tool for leaders. Leaders who can instill habits that reinforce their teams' goals are essentially making progress for free. They've changed behavior in a way that doesn't draw down the Rider's reserves of self-control.

Habits will form inevitably, whether they're formed intentionally or not. You've probably created lots of team habits unwittingly. If your staff meetings always start out with genial small talk, then

you've created a habit. You've designed your meeting autopilot to yield a few minutes of warm-up small talk. The hard question for a leader is not how to form habits but which habits to encourage.

General William "Gus" Pagonis led the logistics operation for the Gulf War under President George H. W. Bush. Pagonis was responsible for moving 550,000 troops halfway around the world, along with all of their equipment. His team made the arrangements to serve 122 million meals, pump 1.3 billion gallons of fuel, and deliver 32,000 tons of mail. Even a Wal-Mart executive would get spooked thinking about this.

Needless to say, clear and efficient communication was essential. Every morning, General Pagonis held a meeting that started at 8 a.m. and ended at 8:30. No great innovation there, but Pagonis made two changes to the routine. First, he allowed anyone to attend (and he required that at least one representative from each functional group be present). That way, he could ensure a free and open exchange of information across the organization. Second, he required everyone to *stand up* during the whole meeting.

Here's Pagonis on the benefits of the stand-up meeting:

Early on, I discovered that making people stand up keeps the ball moving at a quicker pace. People speak their piece and then quickly yield the floor to the next person. On the rare occasion that someone starts to get long-winded or wax philosophic, an unmistakable kind of body language begins to sweep through the crowd. People shift from foot to foot, fidget, look at their watches—and pretty quickly, the conversation comes back into focus.... I can't recall the last time I had to crack the whip. The peer group has great power.

Pagonis was consciously creating a habit. *Any* meeting format he chose would have quickly become habitual. It would have been just as easy for him to enshrine a two-hour, seated blabfest. What's exciting here is not the existence of the habit, but rather the insight that *the habit should serve the mission*. When you've got 550,000 troops to relocate, you need focus and clarity and efficiency. A stand-up meeting won't guarantee any of that, but it will help, and it's "free"—it's not any harder to create than the blabfest would

have been. (Similar stand-up meetings are used in Agile programming projects in Silicon Valley, which place a premium on quick collaboration.)

How can you create a habit that supports the change you're trying to make? There are only two things to think about: (1) The habit needs to advance the mission, as did Pagonis's stand-up meetings. (2) The habit needs to be relatively easy to embrace. If it's too hard, then it creates its own independent change problem. For instance, if you're trying to exercise more and you decide to "create a habit" of going to the gym, you're really only renaming the core problem. It might be more productive to try to start by building an easier habit, like laying out your gym clothes before you go to bed or asking a friend who already works out to pick you up on his way to the gym.

Consider a one-year study of dieters conducted at Penn State University. A baseline diet condition led to weight loss of 17.8 pounds over the course of the year. That's an impressive result, but the drawback of many diet programs is that once the program ends, the dieters' old habits start to reemerge and their weight begins to creep up again. In this study, one warning flag was that only 36 percent of the people in the baseline condition rated themselves as "very full" or "extremely full" on the diet. How sustainable is a diet that doesn't make you really full?

Other dieters in the same study were asked to eat two cups of soup each day, in addition to their regularly scheduled meals. The two cups of soup were bonus food. These dieters lost 15.4 pounds over the year, and 55 percent of them rated themselves as "very full" or "extremely full." They didn't lose quite as much weight, but their odds of feeling full went up substantially. Eating two cups of soup is a classic supporting habit. It was an easy habit to implement—the researchers were simply asking the dieters to *eat more*. And it helped the broader mission—it helped the dieters feel full, which made it easier for them to control their portions at mealtime.

This focus on creating habits was used masterfully, in a totally different context, by Natalie Elder, an elementary school principal in Chattanooga, Tennessee. When Elder was first considering the job as principal of Hardy Elementary School, she asked to see a copy of the school's results on statewide tests. As it turned out, she didn't get to see the data until after she'd already accepted the job. Looking back, she joked that the school board tricked her into taking the job first.

When Elder finally saw the scores, she could not believe what she was reading. Hardy Elementary didn't just have low test scores; it had *the lowest* scores in the state of Tennessee. She wondered, "What have I gotten myself into?"

It was a brutal beginning, but things got even worse. On the first day of school, she had to expel a student. Every week, it seemed, Elder encountered a new form of bad behavior. In the classrooms, students were cussing at their teachers. (Remember, we're talking about 6-to-8-year-old kids.) Parents sometimes barged into classrooms in the middle of a lesson to talk to their kids. One parent was escorted out of the building in handcuffs after he verbally abused the cafeteria manager.

Elder's attempts to restore discipline in the school were met with resistance. "Parents were coming in and cussing at me, hollering at me. One parent tried to run me over with a car," she said. Elder wasn't facing a teaching problem or a learning problem. She was facing something much more fundamental. She said, "I knew I had to get control of the building before I could teach."

She forbade parents from entering the building during school hours without permission from her office. She suspended the chronic misbehavers in the classroom. She got the police involved, when necessary, to enforce the new rules.

But those actions were just a way of eliminating the really egregious behavior. Her real goal was to transform chaos into calm. In her judgment, the trouble began the moment students arrived at school. If students were rowdy by 8:30 a.m., Elder reasoned, there wasn't much hope for the rest of the day. She resolved to conquer the morning by creating a series of consistent routines that would settle the students and prepare them to learn.

The problems began in the driveway where parents dropped off their kids each day. Elder said that often “the mom would already be yelling at the child, and sometimes the music was going BOOM-ta-ta-BOOM, and by the time the kid comes into the building, they’re already upset or angry.” So Elder and her staff did something amazing: They turned themselves into valets.

They resolved to greet every student before he or she entered the school building. They waited at the curb outside, opened car doors for the kids, smiled and said good morning to the parents, and then walked each child inside to the cafeteria. Their valet service helped smooth the transition to the school day from what for many kids was a raucous home environment.

Once the kids were gathered inside the cafeteria, Elder started every day with a disciplined group assembly. “Continuity is good for any child,” she said. “What these kids don’t get in their lives is stability. They have to know that here they’ll get structure and order.”

At the assembly, Elder began with announcements and a brief call-and-response with the kids. “We’re a school of what?” a teacher would call out. The kids would respond by shouting, “Excellence!” At 7:50, Elder taught a brief lesson in character education, typically focusing on a single word, such as *perseverance*. She’d have volunteers spell the word and define it. At 7:55, everyone stood and said the Pledge of Allegiance, then sang a patriotic song (for instance, the Whitney Houston version of “America”). Sometimes kids read aloud, or Elder gave them a quick spelling or math quiz. (Often the prize was a coveted “out of uniform” pass for Friday, allowing them to wear what they wanted.)

At 8:00, the kids stood and silently walked to class with “traveling arms,” meaning that the kids’ arms were folded behind them, reducing the nearly irresistible urge to mess with their friends. By the time the kids sat down at their desks, they were ready to learn.

Elder shows us how new habits can clear the Path. She inherited chaos at Hardy Elementary School, and she asked herself, “Which parts of this chaos can I tame? What kind of morning routine can I

set up that will improve the chances that the kids are ready to learn?”

She had to fight the forces that stirred up kids before they'd even set foot in the classroom: the tense drop-offs, the cafeteria pandemonium, the erratic transition to the classroom. By bringing order and continuity to the environment, she was able to create forward movement for a group of children who'd grown used to a destructive cycle of behavior.

Notice, too, that because of the calm environment that Elder managed to create, “bad” kids started acting like good kids. A good change leader never thinks, “Why are these people acting so badly? They must be bad people.” A change leader thinks, “How can I set up a situation that brings out the good in these people?”

8.

So far, as we've discussed how to shape the Path, we've encountered two strategies: (1) tweaking the environment and (2) building habits. There's a tool that perfectly combines these two strategies. It's something that can be added to the environment in order to make behavior more consistent and habitual.

That tool is the humble checklist. We discuss it with some trepidation, because we know the associations buzzing in most readers' heads: mundane, routine, bureaucratic. “Use a checklist,” we admit, sounds like advice a dad would give a college student, along with some tips on tire-pressure gauges and not charging beer to his Exxon card.

But bear with us, because your perceptions are about to change. What if we asserted that checklists can be game-changing, that checklists can save lives?

The Holy Grail of checklists may be one reported by Atul Gawande in *The New Yorker*. Patients in intensive care units (ICUs) often have intravenous lines put in to deliver medication. If those lines become infected, nasty health complications can result.

Frustrated by these “line infections,” which are preventable, Dr. Peter Pronovost of Johns Hopkins compiled a five-part checklist.

The checklist contained straightforward advice: Doctors should wash their hands before inserting a line, a patient’s skin should be cleaned with antiseptic at the point of insertion, and so on. There was no new science in the checklist, nothing controversial. Only the results were surprising: When the checklist was put into practice by Michigan ICUs over a period of eighteen months, it nearly eliminated line infections, saving the hospitals an estimated \$175 million because they no longer had to treat the associated complications. It also saved about fifteen hundred lives.

How can something so simple be so powerful? Checklists educate people about what’s best, showing them the ironclad right way to do something. (That means that checklists are effective at directing the Rider.) As Dr. Pronovost said, his five steps were black and white, backed by solid medical research. You could ignore the checklist, but you couldn’t dispute it.

Even when there is no ironclad right way to do things, checklists can help people avoid blind spots in a complex environment. Has your business ever made a big mistake because it failed to consider all the right information? A checklist might have helped. Cisco Systems, one of the largest internet hardware companies, uses a checklist to analyze potential acquisitions: Will the company’s key engineers be willing to relocate? Will we be able to sell additional services to its customer base? What’s the plan for continuing to support the company’s existing customers? As a smart business development person, you’d probably remember to investigate 80 percent of these critical issues before any deal is struck. But it would be inadvisable to recall the other 20 percent after the close of a \$100 million acquisition. (*Whoops! Those hotshot engineers refuse to leave the snow in Boulder.*) Checklists provide insurance against overconfidence.

And overconfidence is worth insuring against because we all have a knack for it. In one classic study, people were asked to come up with solutions for their university’s chronic parking problem. Ideas ranged from raising parking fees to creating more “Compact Only”

parking spaces. After the ideas were collected, a panel of experts assessed them—eliminating wacky or impractical options—and identified a set of “best solutions.”

The average individual brainstormer came up with 30 percent of the best solutions, which is pretty good for a solo effort. Here’s what’s not so good: The brainstormers confidently predicted that they’d identified 75 percent of the best ideas. (We all know people who believe that the world’s accumulated wisdom only adds an incremental 25 percent to their own contribution. You may have married one of them.)

A checklist could have helped these people. Imagine if you’d provided them with a list of “solution categories” to guide their thinking, reminding them to think about “solutions that raise the cost of parking” and “solutions that help more cars park in the same amount of space” and so on. That list would have served the same role as Cisco’s acquisition categories; it would have sparked their thinking and kept them from forgetting key areas of consideration.

People fear checklists because they see them as dehumanizing—maybe because they associate them with the exhaustive checklists that allow inexperienced teenagers to operate fast-food chains successfully. They think if something is simple enough to be put in a checklist, a monkey can do it. Well, if that’s true, grab a pilot’s checklist and try your luck with a 747.

Checklists simply make big screwups less likely. As Dr. Pronovost said, “We wanted people to standardize on the mission-critical elements—the areas where we have the strongest evidence. And these things that are mission-critical, we’ve got to do them every time.”

What does your organization need to do in every product cycle? What do you need to check for in every contract or negotiation? What does your family need to do to prepare for each new school year? Put these things in a checklist. You may not save a life, but you’ll sure avoid a painful blind spot.

You’ll also avoid making the Fundamental Attribution Error. Dr. Pronovost’s research showed that line infections—life-threatening problems that are preventable—were rampant. Yet he didn’t

conclude, “We’ve got a health care system full of sloppy, negligent doctors.” Instead, he asked himself, “How can I change these doctors’ situations so that they’re more likely to avoid line infections?” (So before you conclude that your husband is hopelessly absentminded, always forgetting to pick up the dry cleaning and the milk, maybe you should try shaping his Path. How about taping a checklist to his steering wheel?)

As you try to make a switch, the hardest struggle will be to maintain your motivation, to keep your Elephant on the road. This puts a huge burden on your Rider, who has to rein in the Elephant when it strays. In this chapter, and the last one, we’ve been searching for ways to use the environment to relieve the Rider’s burden. We started with the story of Mike Romano, the soldier who came back from Vietnam with an addiction to opium. If Romano’s fate had hinged solely on the one-on-one battle between his Rider and his Elephant, he couldn’t have kicked his addiction. It was the environment that tipped the forces in his favor. When Romano came back to his hometown of Milwaukee, he found it a lot easier to change.

How can you create an environment that would make it easier for you, or your team, to change? We’ve seen that supportive habits—like holding stand-up meetings or eating two daily bowls of soup—can help, and so can action triggers that allow you to preload difficult decisions. Even a simple checklist can make a difference. In the [next chapter](#), we’ll get the final piece of the puzzle: the influence of other people. It’s easier to persevere on a long journey when you’re traveling with a herd.