

## CHAPTER 15

# BUFFER

### The Unfair Advantage

GIVE ME SIX HOURS TO CHOP DOWN A TREE AND I WILL SPEND THE FIRST FOUR  
SHARPENING THE AXE.

—*Attributed to Abraham Lincoln*

In the Hebrew Bible a story is told of Joseph (of *Amazing Technicolor Dreamcoat* fame), who saved Egypt from a savage, seven-year famine. The Pharaoh had a dream he could not interpret and asked his wisest advisers to explain it correctly to him. They couldn't interpret it either, but someone remembered that Joseph, who was in prison at the time, had a reputation for explaining the meaning of dreams, and thus he was called for.

In the dream Pharaoh was standing by a river when he saw seven “fat-fleshed” kine (or cows) come out of the water and feed in a meadow. Then seven others came out that were “lean-fleshed.” The second set of cows ate the first set. Joseph explained that the dream meant there would be seven years of plenty in Egypt and then seven years of famine. Therefore, Joseph suggested that the Pharaoh appoint someone “discreet and wise” to take a fifth of the harvest every year for seven years and store it as a buffer for the years of famine. The plan was approved and Joseph was given the position of vizier, or second in command, over Egypt. He executed the plan perfectly so that when the seven years of famine arrived everyone in Egypt and the surrounding areas, including Joseph's extended family, was saved. In this simple story is one the most powerful practices Essentialists employ to ensure effortless execution.

The reality is that we live in an unpredictable world. Even apart from extreme events such as famines, we face the unexpected constantly. We do not know whether the traffic will be clear or congested. We do not know if our flight will be delayed or canceled. We do not know if we'll slip on a slick road tomorrow and break our wrist. Similarly, in the workplace we do not know if a supplier will be late, or a colleague will drop the ball, or a client will change his or her directions at the eleventh hour, and so on. The only thing we can expect (with any great certainty) is the unexpected. Therefore, we can either wait for the moment and react to it or we can prepare. We can create a buffer.

A “buffer” can be defined literally as something that prevents two things from coming into contact and harming each other. For example, a “buffer zone” at the periphery of a protected environmental area is an area of land that is used to create extra space between that area and any potential threats that might infiltrate it.

On one occasion I was trying to explain the concept of buffers to my children. We were in the car together at the time and I tried to explain the idea using a game. Imagine, I said, that we had to get to our destination three miles away without stopping. Almost at once the children could see the challenge. We couldn't predict what was going to happen in front of us and around us. We didn't know how long the light would stay on green or if the car in front would suddenly swerve or put on its brakes. The only way to keep from crashing was to put extra space between our car and the car in front of us. This space acted as a buffer. It gave us time to respond and adapt to any sudden or unexpected moves by other cars. It allowed us to avoid the friction of violent stops and starts.

Similarly, we can reduce the friction of executing the essential in our work and lives simply by creating a buffer.

During the car “game” with my children, they noticed that when I got distracted talking and laughing I would forget the buffer zone and get too close to the car in front of us. Then I would have to do something “unnatural”—like swerve or slam on the brakes at the last second—to adjust. A similar thing can happen if we forget to

respect and maintain buffers in our lives. We get busy and distracted, and before we know it the project is due, the day of the big presentation has arrived—no matter how much extra time we built in. As a result we are forced to “swerve” or “slam on the brakes” at the last minute. From chemistry we know that gases expand to fill the space they are in; similarly, we’ve all experienced how projects and commitments tend to expand—despite our best efforts—to fill the amount of time allotted to them.

Just think of how often this happens in presentations, meetings, and workshops you have attended. How many times have you seen someone try to fit too many slides into too little time? How many times have you been to a conference where you felt that the presenter cut off a meaningful conversation because of feeling obliged to get through all the content he or she had planned? I have seen this so often, it has started to seem the default position. So when I worked with a facilitator who had a different philosophy it was truly liberating. He was designing a four-hour workshop. But instead of allowing the typical ten minutes at the end of the session for questions and comments he suggested a full hour. He explained, “I like to allow a luxurious amount of time just in case things come up.” At first his idea was dismissed as indulgent, and he was instructed to go back to the traditional format. Sure enough, the class ran over its allotted time, and the facilitator had to try to rush through the remaining content. So the class was changed to allow the hour originally suggested. Things came up as he had expected, but this time there was a buffer built in. Now the class could end on time *and* the facilitator could focus on teaching, rather than rushing.

A mother I know learned a similar lesson when preparing to go on a holiday with her family. In the past, when they went on vacation she would leave the packing until the night before. Inevitably, she would end up staying up late, losing steam, getting too little sleep, finishing the packing in the morning, forgetting something, leaving late, and having to “push through” the long drive to compensate. This time, however, she started packing a week in advance. She made certain the car was fully packed the night before so that in the morning the only thing she had to do was wake up the children and

get everyone in the car. It worked. They got off early, with a good night's sleep, nothing was forgotten, and when they hit traffic it wasn't stressful because they had a buffer for that possibility. As a result they not only arrived on time but enjoyed a frictionless and even pleasant journey.

The Nonessentialist tends to always assume a best-case scenario. We all know those people (and many of us, myself included, have been that person) who chronically underestimate how long something will really take: "This will just take five minutes," or "I'll be finished with that project by Friday," or "It will only take me a year to write my magnum opus." Yet inevitably these things take longer; something unexpected comes up, or the task ends up being more involved than anticipated, or the estimate was simply too optimistic in the first place. When this happens, they are left reacting to the problem, and results inevitably suffer. Perhaps they pull an all-nighter to make it happen. Perhaps they cut corners, hand in an incomplete project, or worse, fail to get it done at all. Or perhaps they leave someone else on the team to pick up the slack. Either way, they fail to execute at their highest level.

The way of the Essentialist is different. The Essentialist looks ahead. She plans. She prepares for different contingencies. She expects the unexpected. She creates a buffer to prepare for the unforeseen, thus giving herself some wiggle room when things come up, as they inevitably do.

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**Nonessentialist**

Assumes the best-case scenario will happen

Forces execution at the last minute

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**Essentialist**

Builds in a buffer for unexpected events

Practices extreme and early preparation

When a Nonessentialist receives a windfall, she tends to consume it rather than to set it aside for a rainy day. We can see an example of this in the way nations have responded to finding oil. For

example, in 1980, when Britain discovered North Sea oil, the government suddenly had a massive windfall in additional tax revenues, to the tune of 166 billion pounds (\$250 billion) over a decade.<sup>1</sup> Arguments can be made for and against how this money was used. But what is beyond contestation is that it was used; instead of creating an endowment to prepare against unexpected disasters (such as, in hindsight, the coming great recession), the British government spent it in other ways.

The way of the Essentialist, on the other hand, is to use the good times to create a buffer for the bad. Norway also benefited enormously from windfall taxes from oil but unlike Britain, Norway invested much of its good fortune in an endowment.<sup>2</sup> Today, this endowment has grown over time to be worth an extraordinary \$720 billion, making it the world's largest sovereign wealth fund and providing a cushion against unknown future scenarios.<sup>3</sup>

These days the pace of our lives is only getting faster and faster. It is as if we are driving one inch behind another car at one hundred miles an hour. If that driver makes even the tiniest unexpected move—if he slows down even a little, or swerves even the smallest bit—we'll ram right into him. There is no room for error. As a result, execution is often highly stressful, frustrating, and forced.

Here are a few tips for keeping your work—and sanity—from swerving off the road by creating a buffer.

## **USE EXTREME PREPARATION**

When I was a graduate student at Stanford I learned the key to receiving top grades was extreme preparation. The moment we received the syllabi for our classes I would make copies of them and paste together a calendar for the whole semester. Even before the first day of class I knew what the big projects were and would start on them immediately. This small investment in preparation reduced the stress of the entire semester because I knew I had plenty of time to get all the assignments done even if my workload suddenly got

heavy, or if a family emergency forced me to miss some classes, or if any other unexpected event should happen.

The value of extreme preparation on a grander scale can be seen in the story of Roald Amundsen and Robert Falcon Scott in their race to be the first people in modern history to reach the South Pole. Both men had exactly the same objective. But their approaches differed.<sup>4</sup> Amundsen prepared for anything and everything that could possibly go wrong; Scott hoped for the best-case scenario. He brought just one thermometer for the trip and was furious when it broke. Amundsen brought four thermometers. Scott stored one ton of food for his seventeen men. Amundsen stored three tons. Scott stashed supplies for the return journey in one spot marked with a single flag, meaning that if he went even a fraction off course his team could miss it. Amundsen, by contrast, planted twenty markers, miles apart, to ensure that his team would see them. Roald Amundsen prepared diligently and read obsessively for his journey, whereas Robert Falcon Scott did the bare minimum.

While Amundsen deliberately built slack and buffers into his plan, Scott hoped for the ideal circumstances. While Scott's men suffered from fatigue, hunger, and frostbite, Amundsen's team's journey was relatively (under the circumstances) frictionless. Amundsen successfully made the journey. Scott and his team tragically died.

The importance of extreme preparedness holds true for us in business. In fact, this example is used by Jim Collins and Morten Hansen to demonstrate why some companies have thrived under extreme and difficult circumstances while others have not. In filtering out 7 companies from 20,400, the authors found that the ones that executed most successfully did not have any better ability to predict the future than their less successful counterparts. Instead, they were the ones who acknowledged they could not predict the unexpected and therefore prepared better.<sup>5</sup>

## **ADD 50 PERCENT TO YOUR TIME ESTIMATE**

I know someone who always thinks it will take her five minutes to get to the store because she made the journey in five minutes *once*. The truth is it usually takes ten to fifteen minutes. In and of itself this would not be a huge problem, but unfortunately it is typical of most of her estimations in life. As a result she is perennially late and, to make matters worse, in a constant state of stress and guilt about it. She has been stuck in this cycle for so many years she no longer even recognizes that she lives in constant stress. It has even affected her physically. But she still continues to believe she can make it to the store in five minutes—or finish the conference call in half an hour or the major report in a week, or whatever else she is trying to squeeze in—and every once in a while she does. But the costs are high to her and the people around her. She would make a far greater contribution on all these rushed endeavors if she were simply to create a buffer.

Have you ever underestimated how long a task will take? If you have, you are far from alone. The term for this very common phenomenon is the “planning fallacy.”<sup>6</sup> This term, coined by Daniel Kahneman in 1979, refers to people’s tendency to underestimate how long a task will take, *even when they have actually done the task before*. In one study thirty-seven students were asked how long they thought it would take them to complete their senior thesis. When the students were asked to estimate how long it would take “if everything went as well as it possibly could,” their averaged estimate was 27.4 days. When they were asked how long it would take “if everything went as poorly as it possibly could,” their averaged estimate was 48.6 days. In the end the average time it actually took the students was 55.5 days. Only 30 percent of the students completed the task in the time they had estimated.<sup>7</sup> Curiously, people will admit to having a tendency to underestimate while simultaneously believing their current estimates are accurate.<sup>8</sup>

Of the variety of explanations for why we underestimate the amount of time something will take, I believe social pressure is the most interesting. One study found that if people estimated *anonymously* how long it would take to complete a task they were no longer guilty of the planning fallacy.<sup>9</sup> This implies that often we

actually *know* we can't do things in a given time frame, but we don't want to admit it to someone.

Whatever the reasons, the result is that we tend to be later than we say we will be: later to meetings, later to deliver things at work, later in paying our bills, and so on. Thus execution becomes frustrating when it could have been frictionless.

One way to protect against this is simply to add a 50 percent buffer to the amount of time we estimate it will take to complete a task or project (if 50 percent seems overly generous, consider how frequently things actually do take us 50 percent longer than expected). So if you have an hour set aside for a conference call, block off an additional thirty minutes. If you've estimated it will take ten minutes to get your son to soccer practice, leave the house fifteen minutes before practice begins. Not only does this relieve the stress we feel about being late (imagine how much less stressful sitting in traffic would feel if we weren't running late), but if we do find that the task was faster and easier to execute than we expected (though this is a rare experience for most of us), the extra found time feels like a bonus.

## **CONDUCT SCENARIO PLANNING**

Erwann Michel-Kerjan, the managing director of the Risk Management and Decision Processes Center at Wharton, recommends that everyone, starting with heads of state, develop a risk management strategy. For example, he has worked, in connection with the World Bank, to identify the most vulnerable countries in the world, and as a result Morocco, identified as number 58 out of the 85, has an action plan to prepare against areas of risk.<sup>10</sup>

When Erwann works with national governments to create their risk management strategies, he suggests they start by asking five questions: (1) What risks do we face and where? (2) What assets and populations are exposed and to what degree? (3) How vulnerable are they? (4) What financial burden do these risks place on



individuals, businesses, and the government budget? and (5) How best can we invest to reduce risks and strengthen economic and social resilience?<sup>11</sup>

We can apply these five questions to our own attempts at building buffers. Think of the most important project you are trying to get done at work or at home. Then ask the following five questions: (1) What risks do you face on this project? (2) What is the worst-case scenario? (3) What would the social effects of this be? (4) What would the financial impact of this be? and (5) How can you invest to reduce risks or strengthen financial or social resilience? Your answer to that fifth and crucial question will point you to buffers—perhaps adding another 20 percent to the project’s budget, or getting a PR person on board to handle any potential negative press, or calling a board meeting to manage shareholder expectations—that you can create to safeguard you against unknowable events.

Essentialists accept the reality that we can never fully anticipate or prepare for every scenario or eventuality; the future is simply too unpredictable. Instead, they build in buffers to reduce the friction caused by the unexpected.