Media Interview Questions and Answers for *Never Go With Your Gut: How Pioneering Leaders Make the Best Decisions and Avoid Business Disasters*, by Dr. Gleb Tsipursky.

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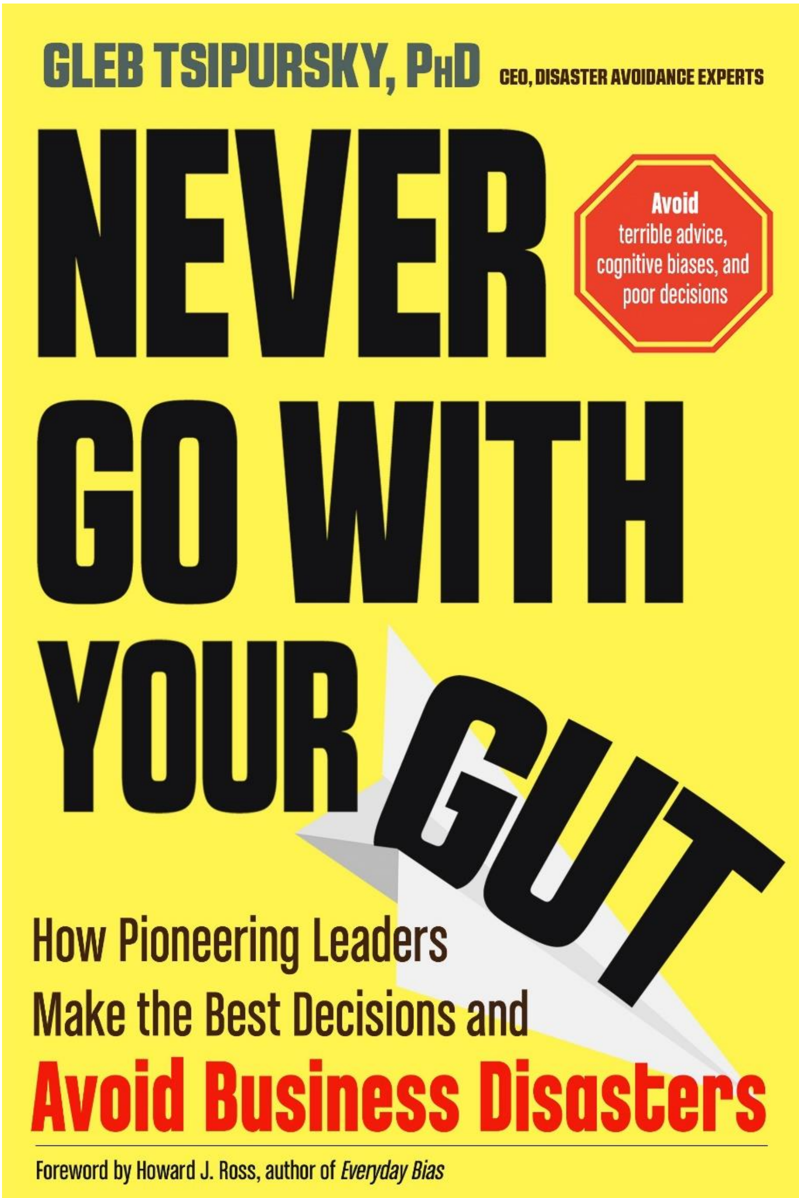


1. How did your own background and experience lead to creating this approach to decision-making?

As a kid, my dad told me with utmost conviction and absolutely no reservation, to “go with your gut.” I ended up making some really bad decisions in my professional activities, for instance wasting several years of my life pursuing a medical career. I also watched him make some terrible choices that gravely harmed my family as he followed his gut, such as hiding some of his salary from my mom for several years. After she discovered this and several other financial secrets he kept, her trust in him was broken, which was one of the major factors leading to their later prolonged separation. Eventually they reconciled, but that lack of trust can never be fully repaired.

My conviction that the omnipresent advice to “follow your gut” was hollow grew stronger as I came of age during the dotcom boom and bust and the fraudulent accounting scandals around the turn of the millennium. Seeing prominent business leaders blow through hundreds of millions in online-based businesses without effective revenue streams – Webvan, Boo.com, Pets.com – was sobering. I saw the hype that convinced investors to follow their intuitions and put all this money into dotcoms.

Even worse, I saw how the top executives of Enron, Tyco, and WorldCom used illegal accounting practices to scam investors. They must have known they would inevitably be caught, have their reputations ruined and, in many cases, go to jail. Why this seemingly irrational behavior? They were willing to follow their gut, letting their short-term fear of losing social status and being seen as failures drive terrible long-term choices.

It was especially depressing for me to read the accounts of employees, stockholders, and communities devastated by those bankruptcies such as Enron, where the corporate leaders encouraged their employees to buy stocks while themselves were selling as the company danced on the brink of disaster. On a smaller but much more widespread scale, according to the US Small Business Administration, two-thirds of small businesses fail within their first decade. It’s the decisions made by their owners that produced those devastating consequences.

Later, I read with sadness but no surprise in Paul Carrol and Chunka Mui’s *Billion Dollar Lessons* that, in forty six percent of the 423 US companies with assets of over $500 million that filed for bankruptcy between 1981 and 2007, the bankruptcy could have been completely avoided if the leaders had made wiser strategy judgments. In other words, if they did not follow their gut. In many of the remaining fifty three percent, better decisions would have substantially reduced the problems and likely prevented bankruptcy. Neither these leaders nor their followers received professional development in making decisions, despite the abundance of evidence that it’s easy to improve one’s judgment skills.

As someone with an ethical code of utilitarianism – desiring the most good for the most number – I felt a calling to reduce suffering and improve well-being through helping business leaders and professionals avoid dangerous judgment errors. I believed that’s the best way I could apply me knowledge and skills to improve people’s lives.

Therefore, I pursued a doctorate focusing on decision-making in historical settings at the University of North Carolina at Chapel Hill, and later taught as a tenure-track professor in Ohio State University’s Decision Sciences Collaborative and History Department. At the same time, I also started to popularize these topics outside of academia, through writing, speaking, training, consulting, and coaching. Eventually, I shifted away from academia to devote my full-time efforts to advising and educating leaders as the CEO of the boutique consulting, coaching, and training firm Disaster Avoidance Experts. I did so because I realized that empowering leaders to make the wisest and most profitable decisions and avoid business disasters represents the best way for me to reduce suffering and ensure flourishing for the most number.

2. Why do you say that should you never go with your gut in business decisions?

The biggest falsehood in business leadership and career advice is perhaps also the most repeated: “go with your gut.” Many business gurus and advice columns heap praise on those leaders who make quick gut decisions — about the direction of their company, whether or not to launch a new product, which candidate to hire. Sadly, the approach frequently leads to devastating results for our professional lives. When I was finishing up *Never Go With Your Gut*, the Equifax data breach scandal broke — in May, 2017 hackers exploited a security flaw at Equifax and stole the credit information for over 148 million people. Even worse, the Equifax C-suite made the disastrous decision to cover it up. When the cover-up was inevitably discovered, it gravely damaged Equifax’s reputation, caused a large and lasting drop in the company’s stock, and led to the CEO and a number of other top executives being forced out due to incompetence. There are many regional and local-level scandals that are similar to the Equifax fiasco that don’t make it into the national headlines. Such scandals are typical of the kind of atrocious judgments that business leaders make when they go with their gut.

[***Note – during the interview, the author would talk about more recent headlines***]

3. Can you mention some recent business disasters in the news that will likely haunt the company for years?

Aside from Equifax, there was also Elon Musk’s infamous tweet on August 7, 2018 — that he was considering taking Tesla private and had funding secured for a buyout per share at $420 (note that 420 is a code word for marijuana). The tweet led to an SEC investigation and settlement, Musk relinquished his role as Chair of the Board, Musk and Tesla each paid $20 million in fines, Tesla’s stock plummeted, and Tesla had to appoint more independent directors to the Board. Boeing’s leadership made some terrible decisions to cover up problems and rush production of the 737 Max, and doubled down on its horrible original judgment when it pushed back against efforts to ground the airplane and investigate the problems thoroughly in early 2019. By July 2019, direct costs to Boeing totaled over $7 billion, with much more to come. The hit to its reputation will likely cost it even more than $7 billion in the long term.

[***Note – during the interview, the author would talk about more recent headlines***]

4. Are there *any* times in business decisions when it’s entirely right to go with your gut?

Research, and my own experience, show that in some instances gut reactions can be helpful. When we were all tribes living in the savanna we had to rely on our gut reactions to evaluate fellow tribal members. Thus, if you have a long-standing business relationship with someone, and you experience a negative gut response to a new business proposal they’re making, it’s time to doublecheck the fine print.

However, don’t buy into the myth that you can tell apart lies from truths: studies show that we are very bad at distinguishing falsehoods from accurate statements. Research shows that on average we only detect 54 percent of lies. That’s a shocking statistic considering we’d get 50 percent if we used random chance. Only extensively trained law enforcement agents, such as the Secret Service, do much better than random chance at detecting lies (local law enforcement doesn’t do well).

Overall, it’s never a good idea to just go with your gut. Even in cases where you think you can rely on your intuitions, it’s best to use your instincts as just a warning sign of potential danger and then evaluate the situation analytically. Maybe that longstanding business associate just got some bad news about their family, and you were just misreading the situation.

5. If trusting our intuition in business decisions is such a bad idea, why do so many business gurus encourage the approach?

“Trust your instincts” feels very comfortable to us, and we tend to choose what’s comfortable rather than what’s true or good for us. Sadly, gurus who tell people what they want to hear and what makes them comfortable get paid the big bucks, while experts who speak uncomfortable truths usually get ignored. What would you intuitively rather hear: someone describing delicious, delightful, delectable dozen donuts or someone sharing about how to maintain your physical fitness?

“Go with your gut” is the equivalent of the dozen donuts dessert of business advice. Sure, the box of dozen donuts contain more calories than we should eat in a whole day. However, our gut wants the donuts instead of the healthy but less intuitively appealing fruit platter of not going with our intuitions. The choice that is most appealing to your gut is often the worst decision for your bottom line, just like the donuts are much more intuitively desirable than a fruit tray, but are the worst choice for your waistline. Too often, we choose an attractive dessert (or a business option) that we later regret (myself included).

Unfortunately, many unscrupulous actors in the food industry are trying to feed us as many empty calories as they can stuff into our mouths for the sake of profit despite the tragic consequences to our health, and oppose health research showing the danger of doing so. Similarly, some very powerful business gurus have made their careers out of claiming that we should follow our guts regardless of the horrendous consequences for our profits. Fearing for their own livelihoods, they rail against any hint of hard-nosed research-based business advice about distrusting our intuitions.

I hope you’d fire your personal trainer if they told you to eat a dozen donuts over fruit. Sadly, no business consultant, coach, speaker, author, or other expert is afraid of being fired for telling you to follow your gut. At least, not yet. Perhaps this interview will make them scared.

6. You write that traditional business strategic planning assessments such as SWOT (Strengths, Weaknesses, Opportunities, Threats) and others are false comforts. Why?

In the context of our increasingly disrupted, globalizing, and multicultural world, business leaders greatly appreciate the security and comfort of clear-cut strategic plans for the future. After all, following our in-the-moment intuitions frequently leads to business disasters, and strategic plans help prevent such problems.

Tragically, current business strategic planning assessments meant to address such weaknesses of human nature are themselves deeply flawed. Take the most popular of them, SWOT, where a group of business leaders tries to figure out the Strengths, Weaknesses, Opportunities, and Threats facing their business. The large majority of SWOT assessments fail to account for the dangerous judgment errors we make due to our evolutionary heritage, what scholars in cognitive neuroscience and behavioral economics call cognitive biases. They give a false sense of comfort and security to business leaders who use them, leading these leaders into the exact business disasters that they seek to avoid.

One of the most dangerous mental blindspots for business leaders performing SWOT is overconfidence bias, which causes them to be too confident about their judgments, and another is optimism bias, which leads them to have a too-rosy assessment of the future. As a result, business leaders tend to list way too many strengths and opportunities, and not nearly enough threats and weaknesses during SWOT.

It’s particularly problematic that SWOT is almost always performed in a group setting, and cognitive biases are often exponentially increased in group settings. One particularly large problem is known as groupthink, where groups tend to coalesce around the opinions of a powerful leader. SWOT and similar strategic assessments give a false sense of comfort and security to business leaders who use them. These comforting techniques result in appalling oversights that ruin profitable businesses.

7. But some of history’s most notable CEOs are famed for having great instincts — Henry Ford, Jack Welch, Jeff Bezos. Is it just a myth that they went on their gut?

Who knows how many current-day “business geniuses” will end up being perceived as terrible failures? Or those who made choices that doomed their companies going forward? Jack Welch headed GW from 1981 to 2001 and saw its share price grow 4,000 percent under his leadership. Yet his handpicked successor, Jeffrey Immelt, made a series of problematic decisions that resulted in the stock price dropping over 30 percent and was pushed to retire in the summer of 2018. Welch placed most of the blame for the company’s poor performance on Immelt. But Welch was the one who personally chose Immelt.

You don’t know which decisions by leaders and companies actually led to success: both luck and context – being at the right place at the right time with the right people – plays a large role in success. To know which decisions led to success with confidence, you’d have to have information about what would have happened if they made different decisions. And while that’s impossible, we can look at other companies and leaders in a relatively similar position who did not succeed, and compare their decisions to those who succeeded. Compare the success of Best Buy to the failure of Circuit City, or the success of Facebook to the failure of MySpace.

It’s rare to see a book written about failures, since readers aren’t interested in reading about them. A typical case of the mental blindspot called survivorship bias is that most readers just want to focus on emulating success – those who survived and thrived – and don’t recognize the value of understanding why something failed. But the wisest business leaders know that they and their companies will fail, and their most important job is to avoid failure. Take Jeff Bezos, who stated in a November 2018 meeting with employees that “Amazon is not too big to fail. In fact, I predict one day Amazon will fail. Amazon will go bankrupt. If you look at large companies, their lifespans tend to be 30-plus years, not a hundred-plus years… We have to try and delay that day for as long as possible.” Now, there’s a leader who knows the importance of studying failure, and trying to prevent or at least delay it.

8. What are cognitive biases — and how far-reaching are their influence in making business decisions?

Cognitive biases are the dangerous judgment errors that result from how our brain is wired. Scholars in cognitive neuroscience and behavioral economics have found over 100 cognitive biases, and more are discovered all the time.

Our evolutionary heritage traces back to our life in small tribes in the savanna environment and reliance on our reflexes to survive. We had to be able to overreact to the presence of a perceived threat in order to make it. It proved more helpful to jump at 100 shadows than fail to jump at one saber-toothed tiger — and we are the descendants of those people evolutionarily selected for jumping at shadows. Similarly, we had to judge quickly whether someone was a member of our tribe or not. Those who did so most successfully survived and thrived, and so did their children.

In the modern day, following our evolutionary gut reactions can lead to many systematic and predictable judgment errors and decision disasters that devastate our bottom line. They range from having the wrong reflexive behavior in reaction to a business challenge to hiring people who we perceive to be members of our tribe. Similarly, many mental habits we learned as children don’t serve us well as adults, yet we still retain them.

Other reasons for cognitive biases result from inherent limitations in our mental processing capacities, such as our difficulty keeping track of many varied data points. This challenge results in formulas usually outperforming experts in typical situations, such as evaluating the credit worthiness of loan applicants. The best systems combine formulas for typical situations with expert analysis of outliers.

9. Which cognitive biases post the most dangers in business decision making?

Research has found more than 100 cognitive biases that cause us to make terrible decisions. Broadly speaking, cognitive biases fall into four broad categories: inaccurate evaluations of oneself, evaluations of others, strategic evaluations of risks and rewards, and tactical evaluations in project implementation. As you can well imagine, mistakes in any one of these areas can easily result in devastating business outcomes. Specifically, I found that the following errors are most harmful for business leaders: loss aversion, status quo bias, confirmation bias, attentional bias, overconfidence, optimism bias, illusory truth effect, survivorship bias, and halo and horns effects.

10. How can you tell to which cognitive biases you are most vulnerable?

Fortunately, we can learn to spot situations where our gut reactions are likely to make mistakes due to cognitive biases and correct these errors, because these mental blind spots are systematic and predictable. I'm not saying it's easy, as doing so involves building up a series of mental habits, many of which you might not have right now.

You can learn how to do this through debiasing. Debiasing is the subfield of cognitive neuroscience and behavioral economics that focuses on noticing and overcoming the kind of cognitive biases that lead to devastating consequences for our decision-making.

One of the best ways to debias yourself is to pause before any daily decision and see where your gut reactions are taking you. Then, look at the list of the most dangerous cognitive biases, namely the 30 that are listed in the book. See which of them aligns best with your intuitions to learn about which cognitive biases are most likely to steer you astray.

For example, I tend to be overly optimistic and risk-blind, suffering from the optimism bias. Having learned that, I have instituted debiasing mechanisms to minimize the likelihood of making devastating business decisions due to this mental blindspot.

11. You've made a convincing case that we need to learn about cognitive biases to protect ourselves in business settings. So what's the best way to learn about them so that we don't fall into these dangerous judgment errors?

Gaining awareness of a problem is the first step to solving it. Sounds obvious, right? However, getting rid of cognitive biases by learning about them is trickier than it might seem. Wouldn't it be wonderful if you could just read an article or book, or listen to a speech or interview about these dangerous judgment errors, and voila, you're cured!

It's not that easy. Research demonstrates that just finding out about a cognitive bias doesn't have much impact on addressing this problem. Of course, learning about these mental blindspots is important. However, such knowledge is only helpful in overcoming the problem when the person can evaluate the harmful impact of these dangerous judgment errors on themselves: when they can feel the pain.

Understanding the stakes gets people emotionally involved and bought into solving mental blindspots. After all, our emotions determine 80-90% of our thoughts, behaviors, and decisions, making such emotional engagement critically important for the hard work of fighting cognitive biases.

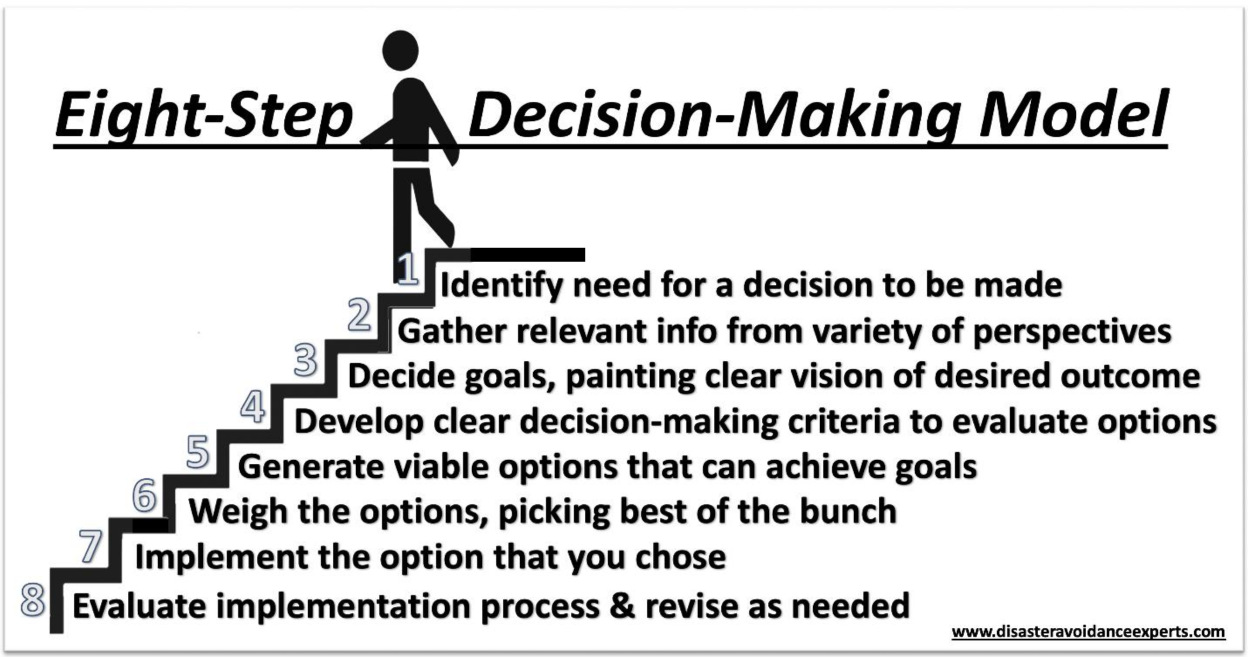
What, you're surprised that I call it "hard"? Defeating dangerous judgment errors involves changing our intuitions and gut reactions. Rewiring our habitual instincts is hard, and I mean hard.

Remember when you learned to drive a car? Maybe this ages me, but I learned to drive back in the bad old days when we didn't have anti-lock brakes. So you had to learn to avoid slamming on the brakes when skidding on ice/snow/water and instead pump the brakes. It's very counterintuitive and hard to do, just as it's counterintuitive to do exercises and avoid eating that third glazed donut (the second is a-ok!).

12. What about actually overcoming dangerous judgment errors: are there effective decision-making techniques that would address cognitive biases and the problems they cause?

Isn't it tragic that business leaders widely consider making the best decisions as the key hallmark of business success, yet they treat the process of decision-making as something intuitive and almost magical, to be acquired only by hard-earned experience or possessed by a select few genius CEOs who deserve a top-notch pay package? The reality is that a first-rate decision-making process is not only teachable and learnable, but also easily boils down into an eight-step model for any significant decision.

First, you need to identify the need for a decision to be made. Second, gather relevant information from a wide variety of perspectives on the issue at hand. Third, with this data you decide the goals you want to achieve, painting a clear vision of the desired outcome. Fourth, you develop clear decision-making criteria to weigh the various options of how you'd like to get to your vision. Fifth, you generate a number of viable options that can achieve your goals. Sixth, you weigh these options, picking the best of the bunch. Seventh, you implement the option you chose. Eighth, you evaluate the implementation process and revise as needed.



Note that you'll often find yourself going back and forth among these steps: doing so is an important and inherent part of making a significant decision, and does not indicate a problem in your process. For example, say you're at the option-generation stage, and you discover relevant new information. You might need to go back and revise the goals and criteria stages.

Unfortunately, dangerous judgment errors at any of these stages can cause disasters for our businesses and careers. For example, if we flinch away from unpleasant information – a typical problem in business settings discussed in the book – we may not even sense that a decision needs to be made.

We'll wind up like Kodak, whose leadership flinched away from very clear evidence that digital cameras were gaining ground in the 1990s and chose to remain aboard the sinking ship of photographic film, resulting in its 2012 bankruptcy. Perhaps we'll make the all-too-common mistake of failing to generate sufficient options. This error often happens in cases where CEOs are fired a short time after being hired, which is good evidence that the Board of Directors failed to consider a strong enough slate of candidates.

Maybe we'll make the mistake of failing to weigh options wisely and make a bad mistake, such as when Time Warner merged with a greatly overvalued AOL in 2000 for $165 billion, the largest merger in history at that time. It ended badly with the bursting of the dotcom bubble shortly thereafter, which brought AOL stock from a valuation of $226 billion down to around $20 billion.

So as you go through these eight steps, be on the constant lookout for the 30 most dangerous cognitive biases for professional settings listed in the book. Most importantly, watch out for loss aversion, status quo bias, confirmation bias, attentional bias, overconfidence, optimism bias, illusory truth effect, survivorship bias, and halo and horns effects.

13. Things can move really fast in business: are there any quick decision-making strategies that professionals can adopt to overcome harmful gut reactions?

After learning about all the problems with our judgments, you might feel skeptical about quick decision making. Well, I felt the same way when I initially learned about all the mental blindspots that researchers call cognitive biases during graduate school. However, when I went outside the ivory tower of academia and did consulting, coaching, speaking, and training on the front lines of business for over two decades, I learned that sometimes there's no time for an in-depth decision-making process.

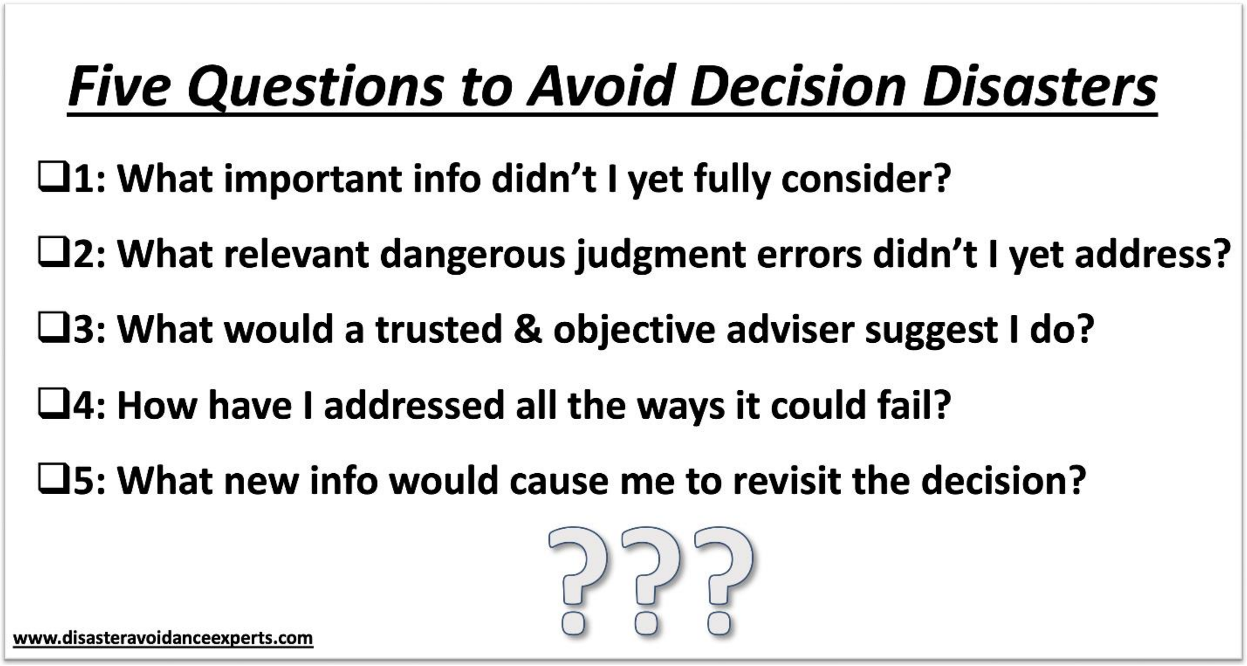
First of all, business leaders at all levels have to make many small decisions each day. Taking the time needed to make the best possible decision wouldn't be worth it. After all, time is literally money, and the time you'd use to make an everyday decision can be better invested in making money elsewhere. So for those day-to-day decisions, you only need to make choices that are "good enough."

Second, sometimes you're in a real bind where you have to make even truly important decisions quickly. Let's say your organization is facing an immediate PR crisis and - for some reason - you don't have a PR crisis management plan in place. Or let's say you personally have an opportunity to take the lead on an important but risky new project, but it will be offered to someone else if you don't take it in the next few minutes. Both situations happened to clients I coached.

To help my clients get the benefits of the latest research on making good decisions when they must act quickly, I developed a structured decision-making technique for making quick decisions well, which I call "5 Questions to Avoid Decision Disasters."

Simply ask the questions below about all decisions that you want to be "good enough." By "good enough" I mean a choice that protects you from a decision disaster, but isn't necessarily the best option, since you are not taking the time to make the perfect choice.

- First question: what important information did I not yet fully consider?
- Second question: what relevant dangerous judgment errors did I not yet address?
- Third question: what would a trusted and objective adviser suggest I do?
- Fourth question: how have I addressed all the ways it could fail?
- Fifth and final question: what new information would cause me to revisit the decision?



It takes less than five minutes when the decisions is indeed good enough. It only takes longer if you discover the decision may well not be good enough. In that case, you'll definitely want to avoid going through with your decision until you improve it to be good enough. You'll save yourself hours and hours of work, many thousands and perhaps even millions of dollars, and much heartache and stress.

14. Are there techniques you can share that would help businesses enact well-made choices effectively?

A lot of problems in business decision making comes not from the decision itself, but from its implementation. In fact, many great ideas and seemingly wise decisions fail in execution. One effective way to prevent failures and maximize success in implementing decisions, and managing important projects and processes associated with these decisions, is a technique I developed called "Failure-Proofing."

Here are the key elements of this technique. First, to prevent disasters in implementing decisions and managing projects or processes, imagine that it completely failed. Then, brainstorm all plausible reasons for failure, including noting potential cognitive biases that might lead to failure. Generate solutions to these potential problems. Finally, integrate these solutions into your project or process. To maximize success in implementing decisions and managing projects or processes, envision that it succeeded spectacularly. Next, brainstorm likely reasons for such success, consider potential cognitive biases, and generate strategies that would lead to such success. Lastly, integrate these strategies into your project or process.

15. You talk about developing "mental fitness" to overcome the dangerous judgment errors of cognitive bias. What is this mental fitness?

If you want to avoid disasters in your business life, you'll need to put in some effort. No pain, no gain, right? What can be more important than improving your business decisions? Our success in our professional lives is determined by the decisions we make every day. If you screw up these decisions, don't expect that you'll have the kind of financial outcomes that you want and deserve.

Not what you hoped to hear? Here's something more hopeful. You'll be cheered by the fact that the strategies outlined in the book all come from research in behavioral economics, psychology, cognitive neuroscience, and other disciplines that investigate how to debias cognitive biases.

Addressing cognitive biases is a critically important form of mental fitness and developing these skills is like doing exercises for your mind, just like doing physical exercises to ensure physical fitness. So protect your mental fitness well and pay careful attention to implementing these skills.

Your mental fitness is much more important than bingeing on Netflix, scrolling through Facebook, or reading yet another depressing political news story. Choose carefully what you pay attention to, as what you focus on is what you lead yourself to become. The only things in life you can control are your thoughts, behaviors, and feelings, and even those far from perfectly (otherwise nobody would eat a whole bag of potato chips, not that I ever did that, of course).

To develop these skills and rewire our automatic habits requires us to really want to do it, meaning invest strong emotions into change because we really dislike the current situation. To make that investment, it's critical for us to have personal buy-in for transforming our intuitions. Simply learning about the cognitive bias doesn't create such intense feelings.

However, identifying in a deep and thorough manner where that dangerous judgment error is truly hurting us – the critical pain points caused by these cognitive biases in our personal and professional activities and in the teams and organizations we lead – helps empower the strong negative emotions needed to go against our gut reactions.

Yet even that is not enough, just like it wouldn't be enough to dislike strongly our body weight without a tangible plan to get fit through changing our diet and exercise regimen. And make no mistake, the work you and others in your team need to do to become mentally fit is just as hard as the work required to make a drastic change for the better in your physical health. To help you truly address these dangerous judgment errors in your professional life, and in your team and organization, you need to make a plan to address them.

The last chapter of the book contains the *Assessment on Dangerous Judgment Errors in the Workplace*. It's designed to help you assess where cognitive biases might be harming you and others in your workplace, evaluate the extent of this damage, and make a plan to address these problems, to help readers avoid career and business disasters.

You can also employ structured decision-making strategies to address the large majority of cognitive biases in your decisions.