The Rigorous Elimination of Stupid

by MICHAEL SIPE, President — CrossPointe Capital

Everyone makes mistakes. Even smart people do dumb things. And it can be expensive. Think about the three dumbest things you've ever done in business, personally or relationally. How much better off financially would you be today had you not made those dumb decisions? If you're like most business owners, the number is painfully large.

Each of us has made impulsive decisions based on emotions like greed, fear, envy, anger, revenge, competition, optimism, or lust. Sometimes we make decisions in haste based on erroneous assumptions. The mistakes in judgment became clear over time, but by that point it was too late — the loss had been sustained. Whatever losses you may have incurred, we have all paid what author Keith Cunningham calls the "dumb tax" in his book *The Road Less Stupid*.

Cunningham's book is one we've been referring to in our 10x Catalyst Peer Groups as we rigorously go after the elimination of stupid in our businesses. What follows is a brief summary, with some commentary along the way.

Cunningham suggests the way to avoid making dumb decisions is to think. While this might sound simplistic, he offers five ways to think that are anything but simplistic. He urges regular focused "Thinking Time," in 45-60 minute increments. Perhaps at least once per day. Consider this: What might you be able to achieve if you turned off everything and everyone and shut yourself away for an hour each day to think strategically? What kind of innovations might arise? What mistakes might you avoid?

Tony Robbins told me once, "The quality of the questions determines the quality of the outcome." Cunningham offers the following guide to asking quality questions to help immunize us against making dumb decisions and poor outcomes. He writes:

"Questions are designed to help me think about a problem or situation where I am uncertain (or too certain), stuck, or have been unrealistic in my thinking, which is usually a sign that I am about to do something stupid. As the famous economist Peter Bernstein said, 'The riskiest moment is when you think you are right.'"

Cunningham has created hundreds of Thinking Time questions over the years. However, they usually revolve around five core disciplines:

1. Find the Unasked Question — Create a question that will result in clarity and generate better choices. Having the right answer is smart. Having the right question is genius. As Peter Drucker said, "Most serious mistakes are not being made as a result of wrong answers. The truly dangerous thing is asking the wrong question." Our job as business owners and leadership teams is to get clarity on the right question to ask before we pull the trigger. We would all have better answers and more choices if we invested the Thinking Time to design better questions and reflect on them.

2. Separate the Problem from the Symptom — Identify the real obstacle that

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is blocking progress. Most people, when asked to pinpoint their biggest problem, erroneously identify their problems as the gap between where they are and where they would like to be. They might answer: not enough sales, not enough customers, not enough people know about us, not enough cash, not enough profits, can't find qualified employees, can't keep good staff, can't afford A-player candidates (the list can get pretty long). However, the gap is not the core underlying problem; it's the symptom.

The symptom is what indicates something is wrong, but the symptom is not its own cause. Clearly, something is wrong in each of the examples listed above. Although painful, not one of these examples is the real root problem. We mistakenly believe we know what our problems are because we can identify the places we don't have what we want (the gap or symptoms).

The core problem is never the obvious gap comparison between what "is" (Point A) and what "ought to be" (Point B). The key to defining the root problem is discovering the obstacle that is impeding your progress from here to there. It is the obstacle that is the problem, not the gap! There are two fundamental

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difficulties with a misdiagnosis of the root problem (or mislabeling the symptom as the obstacle):

1. The questions you ask and the solutions you find are usually tactical, not strategic.

2. The system that gets built is a "solution" for the "problem that isn't." When systems are designed and deployed that do not address the root problem (obstacle), the system that gets built addresses only the obvious symptom and does not solve the core problem or overcome the obstacle that is in the way. Building a solution for the problem that isn't and expecting forward progress is delusional.

Here's a real-world issue affecting us all: drug and alcohol addiction. State and local government officials in Oregon have defined addiction as the problem. They have designed and implemented extensive systems and spent billions of your tax dollars, purportedly attempting to "solve" addiction. The systems implemented are tactical in nature and do not address the root problems and obstacles. Consequently, no matter how much money they throw at the symptom, addiction is more rampant than ever — and increasing in its scope and lethality. Under the current approaches, expecting success is delusional.

Suppose you invested 45 minutes focused on deeply thinking about a problem you face (not the symptom) and discerning the obstacle that is in the way. What higher order results might you achieve?

3. Check Assumptions — Differentiate the facts from the story you are spinning. Each of us can point to times we made poor decisions based on flawed assumptions that we did not pause long enough to carefully evaluate.

4. Consider Downstream Consequences — Clarify the risks and the possibility/cost of being wrong. This is one of the biggest problems I've observed with political decisions...they often fail to consider the downstream consequences. The results are usually tragic and expensive. Ballot Measure 110 is a good example. Oregon "led the way" in decriminalizing hard drugs. The downstream consequences of widespread addiction, mental illness and homelessness should have been easy to anticipate. Yet, here in Oregon, we have not only failed to reverse course on Measure 110, we continue to double down on a dumb decision, with one of the most recent examples being the Multnomah County program to distribute straws, tinfoil and glass pipes to opioid abusers.

Whether it's in business or in government, serious Thinking Time needs to be devoted to anticipating the downstream consequences of any significant decision — before acting.

5. Create the System — Take the time to think through and create the executable plan and identify the resources (people and money) required to solve the real (core) problem and make forward progress. Building an effective system to address real problems is worthy of serious Thinking Time.

As John Maxwell has written: "Your life today is a result of your thinking yesterday. Your life tomorrow will be determined by what you think today."

So, what are you thinking about today? Let's commit to rigorous thinking and the elimination of stupid.

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