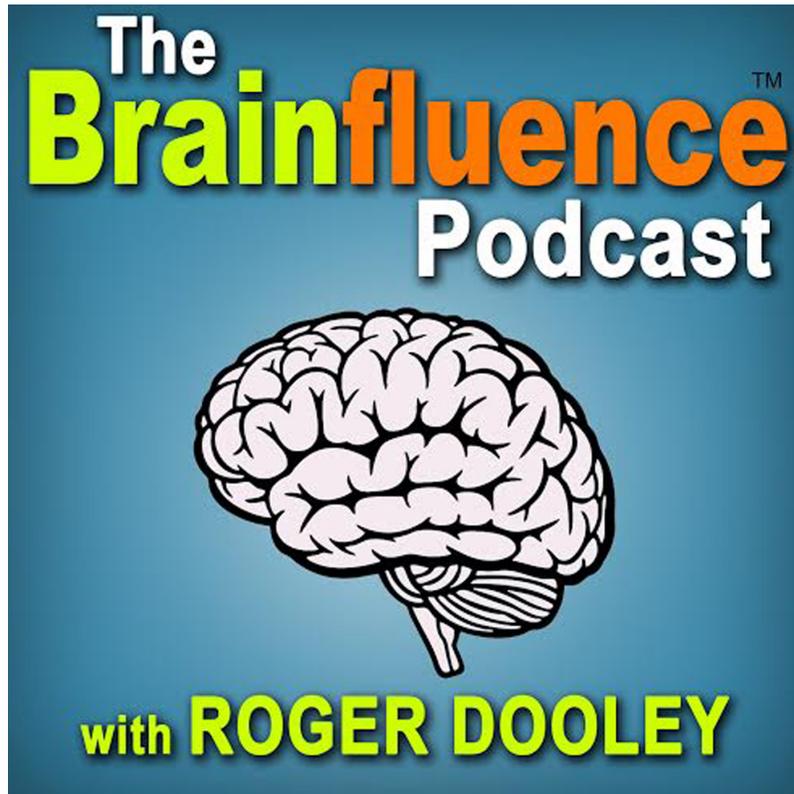


Thinking in Bets with Annie Duke



Full Episode Transcript

With Your Host



Roger Dooley

[The Brainfluence Podcast](#) with Roger Dooley

Thinking in Bets with Annie Duke

Welcome to the Brainfluence Podcast with Roger Dooley, author, speaker and educator on neuromarketing and the psychology of persuasion. Every week, we talk with thought leaders that will help you improve your influence with factual evidence and concrete research. Introducing your host, Roger Dooley.

Roger Dooley: Welcome to the Brainfluence podcast, I'm Roger Dooley. I love firsts for guests on this show, but after more than 200 episodes those are less frequent. We've had a Nobel Prize winner, more than one million selling author, an Emmy award winner, but until today we've never had a world poker champion. No, this show isn't about improving your poker game, it's all about the science behind improving all of your decisions. Annie Duke is a World Series of Poker bracelet winner, the winner of the 2004 Tournament of Champions, and the only woman to win the NBC National Poker Heads Up Championship. Today she's a professional speaker and decision strategist, combining her poker expertise with her cognitive psychology graduate work at U Penn.

She's the founder of How I Decide, a non-profit that creates curriculum tools to improve decision making and critical thinking skills for middle schoolers. I've been a fan of Annie's since she was a contestant on The Apprentice and survived until the final night. I didn't know about her other interests then, but it was clear she was a smart and strategic thinker. She has a new book out, Thinking in Bets: Making Smarter Decisions When You Don't Have All the Facts. Annie welcome to the show.

Annie Duke: Well thank you for having me. I'm excited to be a first.

Roger Dooley: Well there's still a few of those but it's great, it's really a pleasure to have you here. I have to ask you first, I mentioned The Apprentice in the intro, that was back in I

[The Brainfluence Podcast](#) with Roger Dooley

Thinking in Bets with Annie Duke

think 2009. Did you ever expect to see Donald Trump in the White House when you were filming that?

Annie Duke: Well did you expect to see Donald Trump in the White House when you were watching it? I guess I would put it back to you.

Roger Dooley: I didn't expect to see Donald Trump in the White House the night before. Without taking a side in the election, felt the odds were heavily against him, so did most of the planet. We'll get into that a little bit, an example of confusing predictions and probabilities with facts. Annie, you started cognitive science at Penn, did that help you as a poker player? I'm curious, or is the academic side of things just too remote from reality?

Annie Duke: It's interesting because I think that it was actually really helpful, but not for the reasons that people assumed. I think that when people heard that I studied psychology in graduate school they were thinking about more like clinical psychology, helping people when they're depressed or understanding when people are sad or happy. Those kinds of things where it would really be about therapy and understanding those kinds of things. That is not the psychology that I studied, and as you know it's mostly not what psychology is, it's a very small slice of it. I was studying cognitive psychology, which really focuses on how does the brain interpret your environment as you have all sorts of stimuli coming in, how are you interpreting that, whether that has to do with why is it that we see colors and how does that work, all the way to what my focus was on, which was how do you learn a first language?

I was really thinking about learning in these uncertain systems, how do you separate signal from noise, how do

Thinking in Bets with Annie Duke

you do these sort of very hard problems of sorting out what the world has to teach you and when the world doesn't have much to teach you? These are very thorny issues that actually transferred incredibly well to poker playing because it's really a very similar problem.

Roger Dooley: Your brother was a very good poker player too. Is this something like you'd expect if LeBron James's brother turned out to be a good basketball player you'd say, "Well yes, they got the same genes, plus they presumably both worked really hard and so on." Is there any natural ability to poker or is it really primarily a learning process? I could never play in the NBA but could I become a champion poker player if I devoted myself to it?

Annie Duke: I actually think that poker and the NBA are probably a little bit more similar. I think that you can teach someone to become better at basketball, and if you get them to be playing against people of the right level you can get them to be winning at it. There's lots and lots of different levels at which poker occurs. All the way from very, very small stakes where you might have \$50 on the table or something to very large stakes. I couldn't take a random person and make them into a world champion. I think that that would be incredibly difficult because there are some sort of natural issues around do you naturally think probabilistically how is your mind working for sort of these game theory issues. One particular piece, which is what does your emotional control look like, which I can improve, but some people naturally have better control than others. Some people are naturally more probabilistic thinkers than others.

The good news is though that I can get anybody to be better and I think that that's true in your regular decision

Thinking in Bets with Annie Duke

making too. The goal should never be I want to be perfect. I have to be world class or anything less is a failure. You should be looking at it as if I were sort of left on my own how good would I be, and then let me compete against that person of myself. I think that's a nice way to think about it.

Roger Dooley: Annie, in your new book you start off with an example that sort of it's a metaphor or an example that pervades much of the book and it is a sporting event, and in the 2015 Super Bowl Seattle was losing by four points with 26 seconds left in the game. It was second down, they were on their opponent, New England's one yard line. For our international listeners who aren't that familiar with American football, all Seattle had to do was move the ball about a meter forward and they would almost certainly win the game. Annie, with that setup why don't you describe what happened.

Annie Duke: This was a really controversial play, and to this day, it's a few years later, people are very enthusiastically wanting to engage on this particular play. It created quite a bit of emotion. Here's what happened. Seattle has Marshawn Lynch, who is arguably one of the greatest running backs of all time, on their team. Their coach is Pete Carroll who is also arguably one of the best coaches of all time. I think that that's actually not even arguable, I think both things are just agreed upon.

They have one timeout, so everybody expects that they're going to hand the ball off to Marshawn Lynch, one of the greatest running backs of all time, and Marshawn Lynch is going to plow through the New England defense to score, so that's kind of the expected play. Pete Carroll actually calls a different play, he calls a pass, and Russell

Thinking in Bets with Annie Duke

Wilson throws it to the end zone and I think you probably recall what happened.

Roger Dooley: Yes, it was intercepted and the game went the other way. Terrible decision right?

Annie Duke: Well at least according to most of the newspapers the next day. I don't know if you recall what those headlines looked like, but I'm sure that you could imagine what the headlines looked like. I mean it was worst call in Super Bowl history, Pete Carroll botched it. I think there was one online article that actually called him an idiot. It was really just across the board just tearing into him for this incredibly bad decision that he had made, but I think that we need to step back from that and ask, "Well, was it really a bad decision or just a terrible result?" Let's just do a quick thought experiment, and I'll do this with you super fast and your listeners can take a moment to think about it.

Imagine they're on the one yard line, Pete Carroll calls for the pass, Russell Wilson throws the ball, and it's caught. What do you think that those headlines would have looked like the next day? Seattle wins the game on this play.

Roger Dooley: Right, sure, I mean everybody would have acclaimed the brilliant strategy and the innovative play calling and so on of Pete Carroll.

Annie Duke: Right, so now all of a sudden it would have been about so creative. I'm imagining it would have been outsmarts Belichick. People would have been saying, "Oh everybody expected him to hand it off to Marshawn Lynch, so how brilliant was that that he tricked them and threw the pass play." Right there that should tell you that

Thinking in Bets with Annie Duke

there's a problem with sort of the screaming headlines saying, "Oh, what bad decision making." Because clearly the decision itself is a good decision or a bad decision independent of how it turns out because on one particular try you know about as much about the decision making as you do if you flip a coin one time and it lands tails. That doesn't really tell you very much about whether it's going to land tails on the next try, you've only done one try.

If we know that our sort of opinion, if we know that the way that we evaluate Pete Carroll's decision there is going to change drastically depending on how the play actually turns out. We know there's a problem with the way that we're evaluating the decision, and we're falling prey to a trap that poker players call resulting, which is assuming that the result of a decision, the quality of the result tells you everything you need to know about the quality of the decision. We know that can't possibly be true. I mean I'll just ask you this question. Have you ever accidentally run through a red light in your life?

Roger Dooley: Sure.

Annie Duke: Sure, did you get in a car accident every single time that happened?

Roger Dooley: Never.

Annie Duke: Never, so do you think though that going through red lights is a good decision?

Roger Dooley: No it's not.

Annie Duke: No right, because they're disconnected right. We know there's a lot of luck in the way that it turns out. Instead what we want to do is say we know that there's luck in the

Thinking in Bets with Annie Duke

way it turns out, let's actually look at a percentage of the time, for example, balls were intercepted in that situation for Seattle sort of over the course of enough times that that play has been called or across the NFL. We have some idea of what the actual percentages are, and it turns out that the percentage of time that the ball is intercepted in that particular spot was about 1%. Pete Carroll, he had a 1% thing happen, it was incredibly unlucky, and most of the time actually the ball is actually either going to be caught or just dropped. If it's dropped nobody's going to say anything about it either because they're just going to hand it off to Marshawn Lynch on the next play.

If anyone's interested in looking at a really deep analysis of the kind of math of that decision certainly go read my book *Thinking in Bets*, but also you can go look at some source material that I use, which is Benjamin Morris on 538.com did a really beautiful analysis of this play. Now really after you read this analysis you may agree or disagree with the math of it or whether strategically it was good or whether Belichick could have anticipated this or whatever, but I think that we can agree that there's a discussion to be had. That these complete sort of declaring with certainty that this was the worst play in Super Bowl history, that we can agree while given that you can actually have a really deep discussion about the quality of that decision, coming up with worst play in Super Bowl history is probably unreasonable.

Roger Dooley: Right, and the key factor there is that about a 1% chance there to go horribly wrong and that's a reasonable bet in most circumstances. As you say, that's really sort of the lens that we view all of our decisions through. I even wonder if Pete Carroll found himself a year later in the

Thinking in Bets with Annie Duke

exact same situation if he would have said, "Well I think I'll run the ball this time," as opposed to making the worst play twice in a row.

Annie Duke: I would actually argue that one of the things that makes Pete Carroll such a great coach is that if he were in that situation again that he would pass the ball again.

Roger Dooley: Yes, make the same call.

Annie Duke: Right, so I think that we actually have a really good clue to that. He gave an interview to Good Morning America and he was asked about the play. He said, he chose his words very carefully, he said something, I'm not going to get the quote exactly right, but it was something like this, "Yes, I agree, it was the worst result of a play in Super Bowl history." He chose his words very carefully, and the thing is that one thing that great decision makers are really good at is looking at the outcome of a decision, the way that things turned out, what is the result? And not just because the result is bad, going in and changing their decision quality, or just because a result is good, breaking their arm to pat themselves on the back and reinforcing the decision. They're actually much better at saying those two things are only loosely correlated, and let me kind of separate these things out a little bit and evaluate the decision quality independent of it's result as much as possible.

Now obviously if you have lots and lots and lots and lots of results you can start to say that the result is signaling something about the quality of the decision. Just like if I flip a coin 10,000 times I can say a lot about the coin. That's actually kind of the point with the Pete Carroll decision is that we do have lots of data on how passes turn out in that situation, and that's how we know that they

Thinking in Bets with Annie Duke

get intercepted about 1% of the time. That's actually the much better information than the way it turned out on this time, and Pete Carroll's really good at making that separation. It's why he's such a good coach. It's why he's such a good decision maker, and we should all take that lesson from him.

Roger Dooley: I would guess too that his opponent in that game, Bill Belichick, who's also a legendary coach, seems to be a pretty unemotional, rational kind of coach. I think part of the reason for the criticism is not that it was unexpected and I think that happens in other venues too. For example, for years in the earlier days of computing there was a saying that nobody got fired for buying IBM and it was really that same kind of decision. If you said, "Hey, this other company has a better, less expensive product that I think is going to work well in our situation" and you made that decision and it turned out wrong, that the project failed. The decision maker would get the blame because it was sort of the unexpected call. If you bought IBM and it turned out badly well hey, their IBM, they screwed up.

Annie Duke: I agree with you and I think that this really comes down to a leadership issue. I think that because we do do this thing called resulting, and we do use outcome quality as a really good signal for decision quality and our employees know that, the people that we're leading know that. What happens is that you'll see people kind of putting up shields to kind of fend this off, particularly in cases where you're going against the grain. It becomes problematic for you as a company because you're actually molding the decision making of the people around you to defend against resulting. It's exactly what you just said. If they go with the safe choice and it doesn't work out everybody's

Thinking in Bets with Annie Duke

sort of like, "Yes, well I would have made that decision too because it was the safe choice." If they go with the unexpected choice and it doesn't work out all of a sudden the decision making gets blamed because people are using that as the signal.

What happens is that going sort of with the safer choices becomes a way to shield yourself from people who are evaluating you using resulting as the heuristic. That's really bad for you because what you're going to do is lose innovation. That's really the big problem and you can see this also like even just in hiring decisions, going with the guy with the really long resume who maybe didn't interview so well but on paper it's really easy to justify it even if it doesn't work out. Versus going with someone who maybe looks a little bit more out of the box, has interviewed really well, you think would bring innovation to the company, is a less obvious choice. You go with the obvious choice because it defends you as resulting, and it's something that we really need to think about as leaders.

Roger Dooley: I think that is really one important lesson in the book Annie that it's so natural for us to equate the result with the decision, but I mean there's obviously relationship. You really have to go back and look if you have a bad outcome and say, "Okay, well at the time was that the most reasonable decision?" Without also some hindsight bias because I'm sure that kicks in too.

Annie Duke: It does, it seems inevitable.

Roger Dooley: Right, improbably choice. Gee, we knew that was a bad decision.

Thinking in Bets with Annie Duke

Annie Duke: One thing that I recommend for people in terms of trying to really deal with this problem because it really is just a basic part of the way that our cognition works, is as much as possible evaluate decisions prior to the outcome. In your example get together in a strategy group to talk about are you going to buy IBM or are you going to buy the more out of the box choice and really walk through the decision making process so that people, including the leadership, are signing off on those kinds of decisions with an agreement that we all recognize that these outcomes could occur.

As much as you can do that, and this would be true if you're a trial lawyer, evaluate your trial strategy as much as you can before the verdict comes in. If you're running a sales strategy evaluate the tactics and the overall strategy that you're applying as much as you can prior to getting an answer, sort of closing out the sale cycle. You can imagine you can apply this in a lot of different places and then the other thing that I would say is if you do have an outcome already try to make sure that you're getting it in front of some sort of strategic group that doesn't know the outcome, and walk through the decision process with them and don't tell them how it turned out. We can imagine in the Pete Carroll example, if I just walk through the math of it and I don't tell you whether it was caught or not you're going to have a much different view in evaluating that decision process then if you do know how it turned out.

Roger Dooley: Right, of course I think we expect from both coaches and executives some sort of supernatural power, understand the odds and then make the right choice, make the choice that's going to prove to be correct regardless. How do we deal with imperfect knowledge? I mean that's part of the

Thinking in Bets with Annie Duke

title of the book and much of the theme of the book. Most decisions are made when we don't have all the facts. We can't even assign neat probabilities.

Annie Duke: Yes, so I think that there's a couple of things. The first thing is get comfortable with uncertainty. One of the problems that we have as decision makers is that we think that we need to be certain in order to make a decision, but that's actually incredibly unrealistic. It's not a good representation of the world. For example, even in the Pete Carroll case, or in your case of do you buy IBM or do you buy a competitor, or do you drive through the red light or don't you, whenever you make a decision there's always going to be some set of possible futures that can occur. We can't be certain about what those futures might be.

Number one, if you get comfortable with uncertainty you're going to have a much more accurate representation of the world, which is necessarily going to help you make better decisions. Two, counterintuitively it helps you deal with decision paralysis because when you feel like you have to get to certainty, well it's kind of an unrealistic goal, so one of two things will happen. Either you'll pretend that you're certain or you'll convince you're certain when you're not, or you'll be on that never ending quest to keep getting more and more and more and more information to try to attain that level that you think that you need to get to. When you realize no, I just need to gather the information that I need and figure out what the possible futures are and then compare the decisions under consideration to try to make a stab at what's going to have the highest probability of resulting in the best outcome.

Thinking in Bets with Annie Duke

Then you know that you're going to really work hard to disconnect outcome from decisions, so you're going to do a lot less of I told you so. You're kind of worried much less about what happens on the back end because you're so committed to the decision process, you're just going to do a lot better and you're going to be actually much more decisive. That's number one.

Number two is if we do have this problem where we don't have all the facts by definition right? I don't know everything that you know. I mean that's just the fact. I don't view the world in exactly the same way you do. The hypothesis that I can come up with are just necessarily different than yours. We all know that we're walking around with imperfect information, even for something that seems like we have very good information. If I went back to say the traffic light example, let's say that my car is in good working order, road conditions are good, I am totally sober, I am following the speed limit, and I'm looking both ways and checking out all the traffic, so on and so forth, and I go through a green light. Obviously the highest probability result is that I get through that light just fine. But the thing I don't know is what are the cars that are behind me going to do? What are the cars that are coming from the other part of the intersection going to do?

I can get in an accident despite the fact that I've done everything right and it feels like a very certain decision but it's actually not. We should just sort of get used to that. That's that piece. In terms of the imperfect information piece, become a really good information gatherer. The way that you do that is really I'll give you two ways. There's lots and lots of ways in the book, but make sure ... I'll give you two. Number one, make sure that you're inviting people to give you information. One of the ways

Thinking in Bets with Annie Duke

you can invite people to give you information is by expressing yourself in a way that really opens the door. I think that most of us walk around and we confuse confidence with certainty. Being a confident decision maker I think in most of our minds is conflated with saying, "I know this and I'm 100% sure of it. I know this to be true. Believe me it's true, believe me." This is what we think of as being a confident decision maker.

But actually, and I would sort of take the analogy from poker, there's a difference between acknowledging uncertainty and understanding well I'll never have all the information and of course I can't perfectly predict the future, and still being confident in your decision making that you have a better decision maker than your competitors. You can be confident in your decision making process and still acknowledge uncertainty. In fact it can help you to gain confidence in your decision making process, because if you're better at handling uncertainty and acknowledging it and wrapping it into your decision making process than your competitors are, then you will be a better decision maker than they are so you can be confident.

What's really helpful is if when we're expressing our opinions, and our beliefs, and our predictions to other people we take a stab at letting them know how certain we are. On a scale of zero to 10 how sure are you of your belief? On a scale of zero to 10 how sure are you of your prediction about the future, or if you're comfortable with it, what's your percentage on that? I think that I'm going to be happier if I order the chicken or the fish and I'm 80% that I think the chicken is going to make me happier. I'm not 100% because I don't know, the chicken could be overcooked, I could regret it, but I'm 80% on it.

Thinking in Bets with Annie Duke

We can do this in all sorts of ways. I really believe that this strategy is going to work and I've sort of thought about it in comparison to other strategies, and I've decided that all the other strategies total up 40% and I think 60% of the time we're going to do better with this strategy. That's how confident I am in that. Now what happens when you express things that way is you open the door for other people to share their opinions, to share their beliefs, and to share relevant information with you. Why? Well we can think about it really simply. If you, particularly you as a leader, announce something that you're 100% on you shut down people in the room sharing with you for one of two reasons generally.

Reason number one is that you have said it with such certainty, whatever information they have that might moderate your opinion, that might moderate your belief, they actually think is wrong. I say something silly like, "Citizen Kane won best picture." You thought it was a different movie but now you don't say it because you're like, "Wow, Annie's really sure of it so I'm not going to express my opinion because I don't want to embarrass myself in front of Annie and say that I believe this other thing," so you keep your mouth shut. That's bad for me. Or the other thing is, particularly again problematic if you're a leader, is I announce it with total certainty and you don't want to embarrass the boss. Even though you're pretty sure that I'm not right you don't tell me the information that you have for fear of embarrassing me, or for fear of not being seen as a team player, or for fear of whatever it's causing you to keep your mouth shut that is related to me, not to you.

That's really, really bad for me as a leader. It's bad for me for my company that I'm not opening the door really wide

Thinking in Bets with Annie Duke

for people to be able to share this information. Now if I say instead something like Citizen Kane won best picture but I'm 60% on that. Now the door is wide open. If you say that you disagree you're not wrong because I never said I was right. You're not embarrassing me because I was requesting, I was saying, "Hey, I'm only 60% on this so please share."

Roger Dooley: Yes, well I think that thinking in percentages is a huge takeaway from the book. Obviously relates to various kinds of games, but in real life everything is so often binary. I mean we talked about last year's presidential election and just about every pundit predicted that Hillary was going to win. Nate Silver was probably the most visible one, and his probabilities were somewhere in the 60% or 70% range that Hillary was going to win, but what everybody saw in looking at that prediction was Hillary's going to win. They didn't see it as Hillary's probably about couple times as likely to win as the other guy, but we tend to think that way.

Even in our own internal decision making processes I can certainly see how one person expressing an apparently firm opinion can influence people around him or her, but just even in our own mind if we think of things in probabilities we're likely to have a more clear and effective decision making process.

Annie Duke: Yes, so I think actually the presidential election is such a great example of this. Nate Silver, who think probabilistically, it was bounding around but it was between 60/40 and 70/30. He's got it somewhere between 60% of the time and 70% of the time Clinton wins this election. Now if you really wrap your head around that that makes it actually not that unlikely that

Thinking in Bets with Annie Duke

Trump is going to win. Let's take the lower end 60%, that means 40% of the time Trump is going to win. I mean would you bet your life if I had a coin that was 60% of the time heads and 40% of the time tails? Would you bet your life on betting on heads even though it's 60%? I imagine no.

We really understand 40% is a lot, but what happens is that because people are seeking certainty, and this is particularly true in punditry where people want to make pronouncements, they want to say, "I know this for sure."

Roger Dooley: Well yes, if you're on a news show and all you answer with, very nuanced answers, you won't get invited back.

Annie Duke: Exactly and this is a big problem because what did the pundits do? They took Nate Silver's data and they did exactly what you pointed out, which is they said Hillary Clinton's going to win. Now what happens the next day? Now it's November 9th, 2016 and Trump has won. What did the headlines scream? It was very Pete Carroll like. You were wrong. And when you listen to Trump speak you hear him say this all the time. Everybody was wrong. They said Trump wasn't going to win the election, they were wrong so therefore we shouldn't listen to the pollsters. What I would say is, "No actually we should listen to the pollsters because they seem to have it pretty good. We shouldn't listen to the pundits who are trying to take what the pollsters are saying and turn it into right or wrong, black and white, yes or no, absolute certainty. Because otherwise what you get is this explosion of you were wrong and now I'm going to discount you."

I think that that is actually such a beautiful example of the problem with misrepresenting the state of the world, the

Thinking in Bets with Annie Duke

certain when it's not because I actually wasn't that surprised on November 9th.

Roger Dooley: Well there were certainly some people who weren't completely surprised, but you somehow always expect, even in a game of chance. If you're playing black jack and you've got a 20 you expect to win. Of course the dealer always ends up with 21, but at that point you're just about counting your winnings because it's a pretty high probability.

Annie Duke: Right, so you just always want to hold that in mind and to that point, I think that when you do that and you really kind of memorialize the decision process, prior to the outcome so you're working out the decision process and you lay out ... You can put it on a whiteboard and just take a picture of it and then make sure that it's there for people to see after the fact. You're doing some sort of strategic planning, you're thinking about what the scenarios are, you get people in the room to make a stab at assigning probabilities, to the scenarios. People are scared to do this by the way because they're like, "I don't know what the probability is."

What I say to them is I know that the scenario is not 0% or 100%, and I know that you've been doing what you're doing for a long time, so yes I understand that it's not going to be perfect but it's going to be a lot better than defaulting to zero or 100. Just take a stab at it, give me a range of how often you think that this might happen, understanding that it's going to be imperfect, but it's going to be a lot better than the default. That's sort of one way to do it.

Now you figure out here are these scenarios, here's how often they're going to happen, and then memorialize that

Thinking in Bets with Annie Duke

so that when the unexpected thing happens, when it doesn't go your way, you don't immediately have that we should have known, our decision was bad, we were wrong. Because now you start making adjustments to your strategy that you actually shouldn't necessarily because that scenario was already in your view. To the black jack example you know I have a 20, let's say the dealer has a six, there's some percentage of the time that I'm going to win that and some that I'm not. What the result is, what actually ends up happening is irrelevant to whether a 20 is mostly going to win or not.

Same thing with Pete Carroll right. If everybody saw at the time oh he's calling a pass play and before the result they said, "One percent of the time it will get intercepted." You knew that and you now memorialized it. Then it gets intercepted. Now you start to evaluate that result in a very different light. That's the difference between looking at the data that Nate Silver is giving or listening to a pundit on TV.

Roger Dooley: I think that's great advice. I'd say in most business decision making processes is really followed. First of all you assign probabilities but then also record the thought process in some way so that it doesn't become a blame game later on or just where people are beating themselves up for making the wrong decision. I think that if you made the best decision you could at the time based on the information you had, then you'll apparently live to fight another day.

One last question Annie. You talk about mental time travel, what do you mean by that? I thought that was an interesting section in the book.

Thinking in Bets with Annie Duke

Annie Duke: Well so I feel like a lot of people are Seinfeld fans and I have to imagine that for international audience Seinfeld is pretty well syndicated in other countries, I'm just guessing. There's a very famous bit that Jerry Seinfeld does, which is very funny where he's talking about night Jerry and morning Jerry. It basically goes something like this. Night Jerry he's such a jerk because night Jerry is having fun and he doesn't want to go to bed, and even though he should go to bed he stays up and he keeps drinking, so on and so forth. Then he goes to bed really, really, really late and then morning Jerry wakes up and he's, "Curse you night Jerry" because morning Jerry of course is super tired because morning Jerry didn't get enough sleep.

I think that this bit from Seinfeld, it's obviously really funny. I recommend people go look it up on YouTube because it really is hilarious, but it's so insightful that ultimately morning Jerry and night Jerry are the same person, but in that moment of deciding when to go to bed for night Jerry morning Jerry doesn't even exist. Then morning Jerry's like, "Hey jerk, you weren't thinking about me when you were making your decisions." The fact is it's true, so what we want to do is try to leverage mental time travel in some way so that we can get morning Jerry to somehow tap night Jerry on the shoulder and say, "Hey, I'm going to exist, could you please go to bed and take care of me?"

There are a variety of ways to do this. One of the ways that I mention in the book and there's a whole chapter devoted to this so hopefully people will dive into that, but one of the ways that I talk about, which is a really simple way is through a Ulysses contract. There's ways that we can sit when we're in a very rational state of mind and

Thinking in Bets with Annie Duke

anticipate when we might have difficulty in decision making. A very simple example, if we take sort of this night Jerry kind of problem is to think about well if I'm going out with friends on a Saturday night and I know that there's going to be wine and drinks involved or whatever, I recognize that that version of me may not be the most rational decision maker about whether I should say get in a car and drive home.

What's the solution? You put in what's called a Ulysses contract, which is to somehow bind the hands of future you from acting on your most irrational impulses. In this case you could, for example, take a rideshare service to the bar, or in the old days you would have a designated driver. These were Ulysses contracts. Ulysses contracts come from the Odyssey, Ulysses was the Roman name for Odysseus, and as people might recall Odysseus traveling home to Penelope, he's got all sorts of trials along the way, one of them is that he has to sail past the island of the sirens. The sirens sing this song that is so irresistible to the ears of man that anybody who sails by the island will steer their boat into the shore toward the sirens to get to their song and the shore is rocky and it will break the ship apart and put the sailors to their assured death.

What does Odysseus do? Well he knows that he's going to have this trial ahead of him, and he knows that as he's sailing by the sirens island he will not be rational in his decision making and he will sail toward the shore. He puts wax in the ears of his crew so that they can't hear the song and then he does want to hear the song so he asks the sailors to bind his hands to the mast. That no matter what he does, no matter what signals he makes, no matter what it is that they are not allowed to untie his

Thinking in Bets with Annie Duke

hands. They do this and he gets by the island of the sirens intact.

If we think about something as simple as a rideshare service, that's a very good example of a Ulysses contract. It's one of the most basic time traveling exercises that we can do in order to improve our decision making. Basically what happens is that past Ulysses has bound present Ulysses hands to the mast to stop him from acting. That's exactly what we want. That's morning Jerry and night Jerry having a little conversation.

Roger Dooley: That makes me think of a strategy Annie, that if any of our listeners are just tuning in for the first time in this podcast they could create their own little Ulysses contract by subscribing through iTunes or whatever the player of their choice is, and then the podcast, the future editions will automatically appear there for them to listen to. Not a binding contract but more of a nudge perhaps.

Annie Duke: That's actually a very good example of a Ulysses contract because Ulysses contracts don't have to be binding. They don't necessarily have to be places where you raise barriers. They can be places where you lower barriers as well. Most of the time we can't actually physically bind our hand to the mast. An example I would give you is if you have determined to eat healthy in your life and you throw all the junk food out of your house. It doesn't mean that at midnight you can't actually get in your car and drive to a 7-11 and go get yourself a microwave burrito, you can do that.

That would be a barrier but not one that's binding you. It just creates, first of all, it makes it more difficult for you to execute on it, but the other thing it does, which I think is really important is it creates a stop and think moment that

Thinking in Bets with Annie Duke

pulls you out of the moment where you can sort of take a moment to think about your overall goals and imagine how you might feel about driving and eating this burrito when you have determined to eat healthy. It gives you an opportunity to take the mindlessness out of your decisions instead of just sort of mindlessly grabbing for the pint of ice cream in the fridge. You have a stop and think moment that's created because you've put some barrier up.

Sometimes it's barrier reducing, which is what I would say subscribe to the podcast in the future because that just reduces the barrier to you remembering to actually listen to the podcast. An example of that would be I've decided to eat healthy but I recognize that a lot of times when I'm on the go it's hard for me to do that, so I'm going to bring a bag with me that has all sorts of healthy snacks in it, and that just makes it easier for me to now stick to my goal. That also is really a Ulysses contract, it's me thinking about Annie in the future and the difficulties that I might have in terms of making decisions that actually propel me toward a goal that I have and making sure that either making it harder for me to mess up or easier for me to follow.

Roger Dooley: That's great. Probably a good place to wrap it up. I'll remind our listeners that our guest today is Annie Duke, poker champion, decision making expert, and author of the new book *Thinking in Bets: Making Smarter Decisions When You Don't Have All the Facts*. Annie, how can our listeners find you and your ideas online?

Annie Duke: Sure, so I'm very active on Twitter and I post a lot of content on there. The other thing that I've just started doing about two months ago, maybe two and a half

Thinking in Bets with Annie Duke

months ago. I'm very excited about it is I do a weekly newsletter that will hit your inboxes every Friday, and I really look mostly at current events through this decision making and critical thinking lens. For example, the discussion that we had I loved it and I was so happy that you brought it up about how do you interpret the election results, for example, and the polling around it, and the pundits versus the pollsters. That's exactly the kind of content that would be in the newsletter. Very similar to the content that's in the book, and I send that out every Friday. If people are interested in subscribing to that and having that hit their inboxes they can go to AnnieDuke.com and they can find a place to sign up for the newsletter there.

That is also where you can find me to hire me. If you want to hire me I do do keynoting, I do corporate retreats, and I do deep dive corporate consulting both on general culture around promoting good decision making and a healthy decision making organization, and then also around specific decisions when people are doing strategic planning. You can find me at AnnieDuke.com for that as well.

Roger Dooley: Great and is your Twitter handle @AnnieDuke I assume?

Annie Duke: Oh you know, that's true I should say that when I say go find me on Twitter. It is, it's @AnnieDuke and like I say, I'm very active on there and it's me posting.

Roger Dooley: Great, well we will link to those places, to Annie's book, and to any other resources we talked about on the show notes page at RogerDooley.com/podcast. Annie thanks for being on the show, it's been a pleasure.

Thinking in Bets with Annie Duke

Annie Duke: Well thank you so much, this has been a really fun conversation.

Roger Dooley: Thank you for joining me for this episode of the Brainfluence podcast. To continue the discussion and to find your own path to brainy success, please visit us at RogerDooley.com.

Thank you for joining me for this episode of the Brainfluence Podcast. To continue the discussion and to find your own path to brainy success, please visit us at RogerDooley.com.