

[Transcript] My First Million / Framework Friday: Easy Choices, Hard Life. Hard Choices, Easy Life.

All right.

Quick break to tell you about another podcast that we're interested in right now.

HubSpot just launched a Shark Tank rewatch podcast called Another Bite.

Every week, the hosts relive the latest and greatest pitches from Shark Tank, from Squatty Potty to the Mench on a Bench to Ring Doorbell.

And they break down why these pitches were winners or losers.

And each company's go-to-market strategy, branding, pricing, valuation, everything.

Basically all the things you want to know about how to survive the tank and scale your company on your own.

If you want to give it a listen, you can find Another Bite on whatever podcast app you listen to, like Apple or Spotify or whatever you're using right now.

All right.

Back to the show.

I feel like I can rule the world.

I know I could be what I want to.

I put my all in it like no days off on a road less travel never looking back.

This is Framework Friday special guest Andrew Wilkinson joining Andrew.

I wanted to hear from you because I think you like frameworks just as much as I do.

Is there a framework that you've been using or has stood out to you as particularly useful lately?

It's actually a quote and it's easy choices, hard life, hard choices, easy life by this guy, Jersey Gregorick.

I think Tim Ferriss famously shared this quote years ago and it always sticks with me and it most recently has been on my mind.

It's one of those things where you will often find a situation where you know what the right thing to do is.

Let's say an employee is just not working out or there's a difficult decision that needs to be made and naturally the thing to do is to delay it or to try and make it work.

I have really shifted over the last two years of really trying to make the hard choice and I found that it always results in an easier life.

The road to hell is paved with good intentions and that when I try and make it work with someone or I try and make a business work, it just never does.

For me, the other piece of that framework is if I ever think, should I fire this person?

That means I absolutely should because you never think about a superstar and go, should I fire them?

You go, oh my God, I'd be lost without them.

If you have that thought, you've got to immediately fire that person, make a hard decision and that applies to so many different parts of business.

I like that.

I'll give one personal experience caveat with that.

Recently in the past two years, there's been a couple people that we were like, should we fire this person?

I had the same mentality as you.

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Once the question comes up, it's obvious, right?

If it's not a hell yes, it's a no type of approach to people on your team, especially on a small team.

The one caveat was, have I given this person clarity on what their role is and what's expected, what winning looks like?

What I found was that in a couple circumstances, I didn't give them a clear role and I didn't give them clarity on what I needed, what was winning in this role.

Once we did that, we said, okay, before we just cut the cord, I'm going to do this one thing and I'll know within two weeks, three weeks from this point on, if that was correct.

That actually turned somebody who was, we were about to fire them into basically like a star driver in that function of the company and so that's my only caveat with that one.

But I'll also add one of the takeaways from the easy choices, hard life, hard choices, easy life thing is when you think two options, when you're trying to weigh a decision, should I do A or B and you're trying to weigh A or B, A or B, you just literally can't decide.

You should just simply say, which one is harder?

Because your brain is naturally discounting the hard one and making it seem like these are about equal because the difficulty is something that you're taking into consideration and your brain wants to avoid difficulty, it wants to avoid the short-term pain or struggle that might come.

So what looks to be equal, two equal choices are not actually equal at all.

The one that's harder is actually a much better choice and your brain is just trying to sandbag it, weigh it down because it wants to avoid that struggle.

So that's another useful one because I had a situation recently where I was A or B, A or B, I just couldn't decide for the life of me.

And then I went down this rabbit hole of like, how do you make a tough decision?

Because I was like, normally I'm very, very decisive.

Normally it's pretty easy.

This one was so difficult.

And when I went down this rabbit hole, I was like, okay, what is the world's philosophy on this?

That was one that really helped me, which was your brain is not accurately pricing the two decisions correctly.

It puts a huge tax on the one that's difficult and that's why it seems equal, but that tax is not real.

It's just the brain trying to punish you for short-term pain.

I love that.

And that exactly, it's pushing through and doing the hard thing.

And there's been so many times where Chris and I, let's say that we're doing a hire and we've been doing the hiring process for six months and we haven't found the candidate and we have someone that we think is like a B or a C, but we're exhausted at the end of it.

What I'm trying to do is to actually continue the process and do the hard thing and do more phone calls and stuff, but it's so easy to get fatigued and choose the wrong person.

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And every time I do that, it's always a colossal failure.

So I'm really trying to lean into that.

The other one that I've been finding really interesting lately.

So there's this great quote by Optin Sinclair, never expect a man to understand something that his paycheck depends on him not understanding.

So effectively, let's say you go to someone and you say, hey, this business model is terrible. You shouldn't do it.

It's doomed in five years.

But if they're making a ton of money doing it and it rewards them, it will be very difficult cognitively for them to face that painful truth.

And this can apply to anything.

Effectively it's people will not do things that don't benefit them or they're not incentivized to do in some way.

So here's an example.

So we own a whole bunch of different agencies and the logical thing when you own all these agencies is to say, hey, big agency, you should refer your smaller leads to the smaller agency.

And so, you know, we kind of introduced everyone and we're not going to force them to, but we figured, you know, they would get it.

They're like, oh, they're part of the family will refer the leads over here.

And I just did a call with one of the smaller agency guys and he's like, man, I'm not getting any leads.

What's going on?

And I realized that for these guys, there's no reason to do it, right?

They might get a little referral fee or something that we've structured, but it actually will not make a difference.

They're bonus.

And on the downside, if they refer the work, they could lose the person that might come back to them for future work.

Or if it goes badly, that person might email them and say, hey, I can't believe you referred that me to this agency.

They sucked or whatever it is.

And so I've just realized time and time again, people will not do what they're incentivized to not do.

Yeah.

The thing you said at the beginning is sort of like the innovators dilemma too, right?

It's like a company that's success depends on the world being a certain way is going to have a huge blind spot to the change in that scenario.

And this is like why for the innovators dilemma, it's like you would assume that the big company whose domain expertise is in this area, they'll be the ones to invent that future.

And it's almost never them that invents that future.

It's some upstart who sees the world a little differently and says, oh, yeah, all that stuff.

That's the old way.

Yeah, screw that.

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We're going to do it this new way.

And the, you know, the big companies like sort of like screw that, what do you mean?

How could you screw that?

That's, that's the way the world is.

And so you can sort of, and then you can use that to your benefit.

So like for you, for example, what would be your blind spots?

Like basically what would you not see because your paycheck depends on it, the world being a certain way.

And I've been thinking about this a lot, right?

You look at Dolly and you go, okay, in five years, will you be able to type into Dolly, build me a website that looks like this?

And then it comes back and you say, oh, more creative or make the logo bigger or do this will design still be a thing, right?

And I've always been rewarded by not overestimating these things in the near term and just trucking on.

And I'm thinking about that.

I think about some of our other businesses and how they can be disrupted.

And I don't want to overindex on that, but I always try and remember that I have this crazy perverse cognitive bias where, you know, what is the great quote?

It's like all forecasts are based on the past, right?

Or all, all your knowledge is based on the past.

You don't know what's coming.

And I don't think that someone who owned, I'm reading like a great book about the newspaper industry right now and all the guys that own newspapers in 1998, like they all thought, oh, we're good forever.

This is the best possible business.

We have a monopoly.

It's okay to pay 20 times earnings to buy a paper.

And you know, look how that turned out.

You could not have predicted Craigslist, classified disruption, et cetera.

And so yeah, people are just incapable of seeing these things in themselves.

Yeah.

That's a great point.

That's a great point.

I think it's also true with investments, if you, like, if you're invested in something, you know, when new information comes to light, you sort of have to recalculate from scratch.

If I didn't have this investment today, would I invest the same amount of money in the thing?

And people would be surprised how often the answer is no, that you would not put that same amount of investment in this thing.

And it happens even at a small scale with like employees, stock options or whatever.

It's like, you get stock options or RSUs in a company, you earn them.

And not like, you know, 50% of your stock portfolio is in this one company.

And like, you probably wouldn't have, if you just, if I just gave you that amount of money,

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you wouldn't have put 50% of this company, but you'll leave it there, right?

Because, huh, inertia, right?

Like, you know, it's, it is, it is that way.

So let's let it continue to be that way.

And so I think one of the best things you could do is train your brain, like train yourself to get rid of some of these biases and blind spots and just know that by default, they're there.

So you're not going to just not have them.

You're going to have them unless you proactively fight against the gravity to, to like sort of rid yourself of them so you don't make the same mistakes everybody else does.

So there's two really amazing things that people should go and study.

If you want to, I spent a couple of years actually just reading and rereading books on psychology to try and hammer this stuff into my brain.

My favorite book on it is Influenced by Robert Cialdini.

It's amazing.

It goes through all of the kind of thinking traps we get into and, you know, it's anchor bias and, you know, comparison and, you know, all these, all these kind of ways that you trick yourself.

And then the other great one is the psychology of human misjudgment by Charlie Munger, which is a speech he gave at Harvard.

If you just Google it on YouTube, you'll find it there.

And just I listened to that in the car over and over and over again.

And now I see it everywhere.

Totally.

All right.

This was great.

Thanks for joining the Framework Fridays.

And yeah, if you, if you like this tweet at Andrew and tweet at me, Andrew, your handle is what?

A Wilkinson on Twitter.

Yeah, A Wilkinson.

Cool.

And I'm Sean VP on Twitter.

All right.

I feel like I can rule the world I know I could be what I want to put my all in it like that.