



## Michael Useem's 'The Go Point': Knowing When It's Time to Decide

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[Michael Useem](#) is director of the [Center for Leadership and Change Management](#) at Wharton, but his study of leadership is hardly confined to the halls of academia. His research has taken him to Patagonia, Antarctica, Iraq, the base of Mount Everest, Houston's Johnson Space Center, the Civil War battlefield at Gettysburg, fire zones in Colorado and California, and public schools in Philadelphia, among other places. He is the author of *The Leadership Moment: Nine True Stories of Triumph and Disaster and Their Lessons for Us All* and *Investor Capitalism: How Money Managers Are Changing the Face of Corporate America*, among other books. Useem's latest book is *The Go Point: When It's Time to Decide -- Knowing What to Do and When to Do It*. In writing this book, Useem asked more than 100 leading decision-makers to analyze decisions they had made, to name their best and worst decisions, to describe how they reached them, and to comment on what, if anything, they would change about how the decisions were arrived at. Useem recently spoke about *The Go Point* with Knowledge@Wharton.

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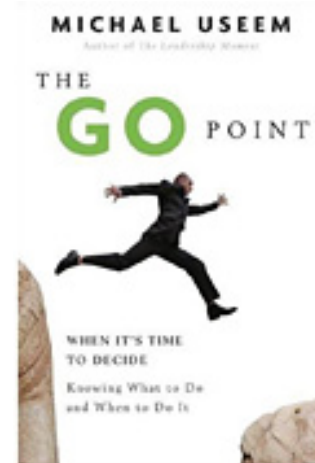
### The following is an edited version of the Podcast:

**Knowledge@Wharton:** Mike, since this book is about decision making, how did you make the decision to write it?

**Useem:** Good question to start with. We all make decisions all the time and most of them are highly personal -- [such as] what we put on this morning when we got up and got out of the house. A small subset of our decisions, though, has ramifications for people around us, and sometimes those are people we are responsible for. They work for us, we command them, and they may be in our community in some way.

There is a strain of thinking that is probably summed up with the psychologists' clinical term "decidophobia"; some people, [in considering] even what color clothing to put on in the morning, just simply balk at that decision. If it's highly personal, that's OK. The consequence is you don't get out of the house on time. But when it affects other people, you cannot suffer from that particular clinical syndrome, because you are going to ultimately cause others around you distress, maybe even harm.

Along that line, watching people in office, responsible leaders -- many of whom I've interviewed, witnessed, talked with -- are very good at reaching decisions. They make timely decisions, they make decisions that are pretty good, but some don't. As we think about American life at the moment, as we



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think about companies, or life in China, or really anywhere, it's striking to me that people in mid-level office -- sometimes in high office -- are just not great at knowing when to pull the trigger, and how to pull it when they do.

With that as an animating concern, and being responsible in my own professional life for helping people develop their leadership, it did hit me personally a couple of years ago that this needs some attention. To give it attention, my method has simply been to go to people who are pretty good at making decisions, watch how they do it, witness them in action, sometimes ask them in retrospect to construct it.

But ultimately I suppose it is the teacher's calling here, and that is to help people -- either indirectly through academic research that I do publish as well, or sometimes more directly by providing commentary that people can draw upon -- see themselves in the commentary, and thus draw lessons from it.

**Knowledge@Wharton:** That's a very interesting point about decidophobia. What really causes it? And on the flip side, what leads up to a good point?

**Useem:** I think that's the fundamental question that we all need to have addressed, because in my view we can all make decisions. It's just hard to master both of those arts. Some are natural born: We have known people who, within seconds of making a tough decision, don't look back. Jack Welch famously said at GE, "I never looked back, I didn't equivocate about any decision, and I fell asleep every night exactly on time."

For the rest of us, however, decision making and leadership can be difficult, but it can be learned. And I think the basic premise that underlies the book -- I think it just underlies reality -- is that decision making as a skill is learned really by making decisions. Critically though, [it means] looking back on those decisions, to make certain we don't make the same mistake twice, that you have some sense for what went right as well.

By way of example: I interviewed the chief executive of Lenovo -- which is of course China's big PC maker -- on this very topic for a couple of hours recently, and I put the question in summary this way (his name is Liu): "Mr. Liu, you came out of a state owned and operated research center. The government of China funded you, that was where your budget was from, but 22 years back you broke off with a couple of friends to create what is now the world's third-largest PC maker. How did you learn to make decisions along the way -- the decisions being how to market, how to brand, how to price, how to hire -- when you were doing none of those, making none of those decisions before?"

The answer really has stuck with me. At the end of every week, going back now more than 20 years, on Friday afternoon, he sits down with his direct reports, his top team, the five or six people he's closest to. They take time to review everything they've done that week -- what decisions were good, which ones were terrible. He has no MBA degree, no formal training in decision making, leadership, or management.

I say all that by way of coming back to the main point, which is decision making is a learned skill. You've got to make decisions and look back on them. Over time, they reach a point of "thinking without thinking," the subtitle of Malcolm Gladwell's book called *Blink*. It becomes almost instinctive, or natural, if you've been very assiduous about reading what's happened and using that to go forward. That sense of informed intuition is very important. People in any high position will exercise a good bit of that.

But in addition to that, becoming more self-conscious about getting the right data, having the right timing, talking to people who you know will not provide a biased read or filter through which they're going to pass their advice -- these are among what I would end up calling in the book the tools of leadership. So on the one hand, intuition is very important.

On the other hand, a set of tools is quite important also for helping all of us make good decisions. And just to come back to the main point: they're all learned.

**Knowledge@Wharton:** Can you summarize for us a particularly dramatic example of a go-point situation in a corporate setting?

**Useem:** Let me start in a non-corporate setting, and then I'll come back into a company setting. I open

the book with a very dramatic moment. Not that I tell it dramatically, necessarily, but it's just simply a moment of drama. A young guy named Tom Boatner, eager, 21 years old, is up in Alaska and part of a fire crew that is coming on a set of trucks to an area, sort of in the shadow of one of the great mountain ranges of Alaska.

As he arrives, the place is wild, chaotic. Flames are rushing up hills. There's a very strong wind coming off the mountains. There are four or five different fire sites. He jumps out of that truck, young guy, eager, set to go, trained. He is just charged with adrenaline and ready for bear, so to speak. But his boss, 29-year-old Robert Burritt, a more experienced guy, says, "Hold on, everybody. I know you want to charge over there and get those shovels and those hoses on those flames. Don't do that."

Bob Burritt brought over Tom Boatner and the other members of his fire crew. These are wild-land firefighters, U.S. Forest Service. And Burritt just stood there. He just literally stood there, as if there was plenty of time, nothing going on: the look of total cool. And then he very methodically began to ask people on the fire team: "What's going on? What do you see? Where's the fire going? What's the wind doing? What's the texture of the ground material?" After about 10 or 15 minutes of careful data gathering and a working through, Bob Burritt said, "Okay, here's what our plan is." And he said, "I want this team to go over to that fire, this team over here. In 25 minutes you're going to report back to me. We'll evolve our thinking and decision making in due course."

I mention that because Tom Boatner was stunned by the slowness of his boss at that time -- not that much older than he was --, in getting on the fire. But he appreciated by the end of that brief commentary or set up of the moment, that the role of the decision maker with responsibility is to appraise, know what's happening, what the resources are, and then have a plan. You've got to be methodical about your decision making, and that to me, anyway, is sort of an emblem or a symbol of how many of us have learned how to make decisions. We've watched people who are our superiors, maybe some people we work with, who as you witness what they do, they are sometimes terrible, they are sometimes awesome. But as decision makers you learn from them some life lessons for yourself.

Today, Tom Boatner is one of America's great Incident Commanders. That is, he will have in the field sometimes hundreds, sometimes thousands of firefighters who report to him. He has said -- and I spent a good bit of time with him on this directly -- that "whenever I get into a fire zone and I know resources are limited, lives are at risk, I think, 'Robert Burritt.' It cools me; it gets me to focus. I stand there, I appraise, I pull data together and then I say, 'Now, let's go.'"

As we come full circle back to decision making, I think it is extremely helpful to watch people who are making decisions. If you can, talk with them, interview them, ask 'How did you feel, what was going on in your mind at the time?' And I think that is the way, from generation to generation, our kind of collective thinking about decision making is passed along.

To go to the company side, I'll mention just one kind of moment of decision. I'll mention that in two ways but it drives the point home. One time, the then-CEO of Unisys, at that time employing 40,000 people, was here to speak to a group of our executive MBA students. He had gone through incredible restructuring, vast downsizing. Unisys today has come out of that. At the time it was in a period of crisis.

One of the students said, "Jim (his name was Jim Unruh), what's it like to be a CEO and get to the office in the morning?" Unruh kind of stood for a second and he said, "Well, actually it's great. I walk through the front door; the security guard is so friendly. 'Mr. Unruh, it's great to see you today.' I get up to my office; the staff says 'Mr. Unruh, what a wonderful tie you have on today.' There's a cup of coffee for me. I sit down. And then at five minutes after nine is my first appointment. And the essence of the appointment: Somebody is in to see me who can't make a decision at their level. And that is what then follows for the next eight to 10 hours -- one tough decision after another.

I witnessed this more directly when I had breakfast with the chief fixed income trader for Lehman Brothers, a big Wall Street investment bank. For [an interview for] this book, he invited me to have a very early breakfast. Traders get going at the crack of dawn, as you know. We were up on the twenty-second floor, something like that, of the Lehman building which is just off Times Square.

Fabulous service, lots of linen. At about ten minutes to seven, we took the elevator down to the trading floor. The door of the elevator opened. Already there were a hundred traders, one telephone cradled in their left ear, another telephone in their right ear, dozens of video displays; it was an active trading moment.

Same point. Coming down that elevator, there was still a sea of calm. Those doors opened. He walked into the storm, almost got to his office and was told, first thing he is hit with as he walked in, that one of his top people had just quit. He was going to a cross-town rival that morning. Huge disaster. So I offer these, not as examples necessarily of how they worked through a decision. I offer these two points to emphasize how, at their level, life is really just one decision after another: none easy, because the easy ones don't get up to that level. But wherever you are, if you're listening to this, the easy ones don't get to you.

If you carry responsibility in a church, a school, synagogue, a foundation, a government agency, from 9 a.m. to 5 p.m., your leadership often comes down to decision making. I think the final point I would make on that is that both the individuals I just described, Jim Unruh and Rick Rieder as the Lehman trader, had developed a constitution. It took time to do that. And that is a constitution to know you've got to face a decision, you've got to see both sides, you've got to hear from the various parties and then you have to act. A biased reaction is also one of the great principles out there.

**Knowledge@Wharton:** The point you raised about taking your time to make decisions reminds me of a conversation I had a few years ago with a person who was, at that time, a head of one of the top consulting firms. Among his peers and among his colleagues, he had little bit of a reputation as a procrastinator. And I actually asked him about that when I was interviewing him. His response was very interesting. He said that there are lots of decisions that you don't need to make because they go away if you don't tackle them. And there are others you do need to focus on; those are the instances where you do need to make decisions. In writing your book, did you come across this and have you found this to be the case with other CEOs as well?

**Useem:** There is a spectrum and at the one end there are split-second decisions: fire fighters, police, emergency, and traders on a floor. I interviewed one company where they were trying to get their systems to record foreign exchange trades in hundreds of a second. They were trying to pare down simply hundredths of a second.

At the other end of the spectrum, I spoke with people who were, for example, running energy companies where investment times are in years and the costs are billions. I interviewed a Boeing company executive, for example, focusing on the 787 -- the Dreamliner, which is Boeing's future. Looks like it's doing pretty well, as it turns out. That decision to create and build the Dreamliner took several years.

There is a spectrum. If the decision is time-bound, if somebody else is going to be on the high ground and a competitor is going to be in the space before you get there, then timeliness is a key requirement. To put that a little bit differently, to the U.S. Marine Corps, which trains officers in the art of combat, knowing that the marines are often first in and first to arrive and first to get out, timeliness is key. The Marine Corps creates a culture where indecision is failure. "Make a decision" is the adage that Marine Corps officers are taught.

At the other end of the spectrum, by way of example, Robert Rubin, our former Treasury Secretary, was famous for maximum optionality. And what that fancy phrase came down to was this: "I don't want to make decisions that are so big that they're monumental. I want to make a decision when it has to be decided and I want to get as much input. I want to see how these political forces are arrayed." He was known for saying: "We're just not going to make that decision now. We're going to make it when we have to make it." That's a way of saying there is a spectrum. You need to know when you're honored with a given decision.

And maybe just one more quick thought on that. Whether it's a long term decision or a split second decision, there is a point when you have to force yourself to make it. And that's a self conscious moment; this is the "go point. I'm going to make that decision."

Ann Livermore at Hewlett-Packard has long followed a dictum. She works with tens of thousands of

employees at HP who report to her and she tells them that "I want you to make decisions that are good enough. So don't make them too quickly. I don't want anybody shooting from the hip. On the other hand, I don't want them made always perfectly." That's analysis paralysis to phrase it differently. And therefore, she has created a culture of finding the right place for the right moment to make the decision.

The Marine Corps talks 70%. When you're 70% confident people are 70% on board, go. See where you are in that spectrum and make certain you don't go too early, but don't go too late.

**Knowledge@Wharton:** How important are counselors, advisors and mentors in making these decisions?

**Useem:** That's a great question because I think I've under appreciated in my own experience the fact that having at least one, preferably several, unbiased, inside counselors to run your ideas by is absolutely vital. Now, that shows up in more statistical research. It also shows up by way of example. I'll just pick one here to make the point.

John Chambers, who for the last 11 years has run Cisco Systems, is known to be a very good decision maker. And Cisco, I think as many of the listeners will know, has grown partly through organic growth but also through R&D.

His track record on picking winners and avoiding losers has been very good. I had read about that; I had an occasion to meet him and I said, "Mr. Chambers, how do you make these final decisions on who to acquire, what to acquire and what not to acquire, after your strategy team or your MNA team has made its recommendation to you? How do you reach your final decision in a particular case? Is it true that you turn often to Larry Carter [then his chief financial officer]?"

He said, "Well look, I not only go to Larry Carter, that's true. I also go to John Morgridge, former CEO of Cisco, now non-executive chair of the company, who often comes to the office. Who knows more about the company than them? The CFO knows the inside-out of what makes value here. The former CEO -- now chair -- knows as much as I do, maybe even more. But there's a second reason why they're so good. Neither wants my job." By that he meant this: Larry Carter was five years older than John Chambers.

As demography goes, Larry Carter knew he would not become CEO while Chambers was still there. Morgridge has already been in the corner office. He doesn't want to go back. Therefore, when I seek their opinion I get a completely unbiased, non self-serving response. This is the idea of an informed, inside counselor.

**Knowledge@Wharton:** Any examples of a really bad decision, and what lessons you can learn from that?

**Useem:** The world is filled with bad decisions. I'll discuss one, just to illustrate how we usefully talk about bad decisions.

One of the most famous "bad decisions" in the Gettysburg Battle of July 1863 occurred when a commander named Richard Ewell was asked by Robert E. Lee to take a key hill. Lee was commander of the Army of Northern Virginia that had invaded Pennsylvania to end the Civil War on Southern terms. As events unfold, Ewell decides not to take that hill. Robert E. Lee's statement was a bit ambiguous, giving the commander a little bit of an 'out' if he opted not to take the hill. Robert E. Lee's very famous order is, "Take that hill, if practicable." Historians have said it almost for sure was.

Other commanders on the scene said, "Come on, boss, let's take that hill." The failure to take that hill for the Confederacy fed directly into Pickett's charge, two days later, which is what ends Lee's campaign in Pennsylvania in the North, and it's the beginning of the end of the Confederacy. Richard Ewell, after the war, will say, "There were some serious mistakes made at Gettysburg, and I made my share." We take people out, groups of managers and students, to really stand where Richard Ewell did stand, to recreate that moment, because his indecision was of great historical consequence. One historian, in fact, described it this way: "In the moments when Richard Ewell just stood there, some of the most consequential seconds in American history were ticking off. And he did nothing."

So we stand there, and it is a reminder to be savvy, to use a phrase I used earlier, to make certain you have a "bias for action." That is, if there's a moment when decisions should be made, be ready to make them. Don't shoot from the hip, but if it's a moment where your leadership is on the line -- it is a learned skill; I think we need to work on it, and this point, for me, is driven home every time I stand where Richard Ewell stood. It is a reminder. Many decisions are inconsequential, some are monumental.

**Knowledge@Wharton:** I think we probably have time for one more question. You have consulted with several companies on corporate governance issues, and indeed, the boardroom is a factor in many of the latest news stories, including Hewlett-Packard and, in the not too recent past, Enron, Tyco, Fannie Mae, Health South, etc. What did you learn about decision-making in boardrooms? It's an area that seems to be full of secrecy. I don't think people really understand what goes on there.

**Useem:** The corporate boardroom remains one of the great mysteries of the universe. People who are directors share a code that they do not talk about what happens in the boardroom. The violation of that code, in fact, explains why Patricia Dunn, non-executive chair of Hewlett-Packard, decided to start this investigation of which of her directors, indeed, were talking to the press, because it violated that code.

But I think boards are probably doing all of us a disservice by not being more transparent about how they are reaching decisions, what has gone into those decisions. Of course, directors need to meet in private; matters are often very consequential, highly sensitive, billions of dollars are at stake, reputations are being built or ruined as their discussions go forward. So we don't necessarily need to see, to have a tape recording, so-to-speak, of the deliberations, but I think boards would be wise to help investors, employees, and customers know more about how they make decisions.

And I think as the light is now coming into this dark room, or a better metaphor is "room with locked doors," I think what we're going to find is that when boards are attentive and focused on making the decisions they should make -- like how much do they pay the executives? Who is the CEO? Should they bet on an aircraft like the 787 or not? -- the top management of a firm like Boeing is very well served. And in my view, that's what directors actually do. I think they earn their pay, modest as it is by some standards, by sitting in a room, working as a team, and reaching good decisions. When boards have failed to do that, when directors have not been attentive, not seen the data that they should have been seeing, then disasters often have resulted.

To put, maybe, a final line on that: If the board had been doing its job of making good decisions at, say, Enron or at Tyco, I don't think the top management team, whatever their proclivities, would have been allowed to ruin the company, not to mention their own careers. In the case of Enron, I've looked at that in some detail, at how that board was making decisions. What comes out there, without question, is a set of directors who had key decisions in front of them: Should they form these special-purpose entities where debt was off the balance sheet? Should they suspend the Enron ethics code, which they did several times? These are decisions that needed time, thoughtfulness. In the case of the ethics decision, that code should never have been suspended. But the record is this: The directors hardly paid attention to those decisions. In a few minutes, decisions were made. "Get on with it," they said to the top management team. So I think boards are still one of the great mysteries of the universe. As I said earlier, I think we need to know more about them. I would urge executives and directors to help the rest of us better appreciate how they make decisions behind closed doors.

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