

“From Sherwin Williams to Moo.com, Doug Sundheim is onto something here: your work is worth fighting for. A worthy read for everyone in your organization.”

—SETH GODIN, AUTHOR, *THE ICARUS DECEPTION*

# TAKING SMART RISKS

HOW SHARP LEADERS WIN  
WHEN STAKES ARE HIGH

**DOUG SUNDHEIM**

FOREWORD BY TONY SCHWARTZ, CEO of The Energy Project  
and author of the bestsellers *The Power of Full Engagement* and *Be Excellent at Anything*

# Companion Guide

## FOREWORD

BIG IDEAS	REFLECTION QUESTIONS
<ul style="list-style-type: none"><li>• We often don't think about risk but's its at play in all our choices.</li><li>• The SMART RISK zone is where the greatest learning, growth, and progress occur.</li><li>• SWFF—Something Worth Fighting For</li></ul>	<ul style="list-style-type: none"><li>• What is your relationship to risk? Personally? Professionally?</li><li>• What is your worst case scenario personally? Professionally? Could you live with that?</li><li>• What questions do you ask yourself before you make a decision?</li></ul>

## CHAPTER 1: The Dangers of Playing it Safe

BIG IDEAS	REFLECTION QUESTIONS
<ul style="list-style-type: none"><li>• A sense of accomplishment, growth, and self-knowledge drive risk more than money does.</li><li>• Risk and playing safe are both very personal.</li><li>• Reward is in the process not in the achievement.</li><li>• Comfort is never permanent.</li><li>• We are constantly reminded of the dangers of taking risk, but never in the dangers of playing it safe.</li><li>• There are 5 dangers to playing it safe. 1) We don't win. 2) We don't grow. 3) We don't create. 4) We lose confidence 5) We don't feel alive.</li><li>• When you don't take risks you forget what it feels like to win.</li><li>• "Staying in the comfort zone is like standing still on a moving treadmill."</li><li>• Small losses can add up to panic and lost confidence, if we don't intersperse with small wins.</li><li>• People feel most alive when taking risks and getting out of their comfort zone.</li></ul>	<ul style="list-style-type: none"><li>• What drives you to take risks?</li><li>• What drives you to play it safe? In what areas of your life or work are you playing it safe?</li><li>• Can you think of a time when you played it safe and later regretted it?</li><li>• Of the 5 dangers of playing it safe, which resonates most with you? Which have you seen or experienced at work?</li><li>• What can you relate to or learn from Alex and Avi's story?</li><li>• What skills are you "passing on" because you don't deem them to be important in your current role?</li><li>• In what ways has your company limited its growth because it is afraid of failure?</li><li>• In what ways or areas do you or your company lack confidence?</li><li>• When we the last time you really felt alive?</li></ul>

## CHAPTER 2: Shifting Your Perception of Risk—The Smart Risk Zone

<b>BIG IDEAS</b>	<b>REFLECTION QUESTIONS</b>
<ul style="list-style-type: none"><li>• We must shift our perception of danger in order to get out of our comfort zone.</li><li>• Risk taking is more than just balancing costs and benefits.</li><li>• Our cognitive biases impede our ability to be objective, including the loss aversion bias.</li><li>• Our focus matters a lot.</li><li>• We often experience the costs of taking a risk immediately, and we experience the costs of avoiding risks further in the future.</li><li>• Paralysis perception results from focusing only on the loss from taking the risk.</li><li>• Power perception balances the loss of NOT taking the risk with the loss from taking the risk.</li><li>• A limited mindset discourages action, while a liberating mindset opens you up to possibility.</li><li>• It's about moving forward with the understanding that you can never have total security.</li><li>• Secondary gains—the benefits we get from avoiding the very thing we say we want.</li></ul>	<ul style="list-style-type: none"><li>• How do you define risk?</li><li>• What would your dialogue with risk sound like?</li><li>• How do you typically make decisions?</li><li>• Would you say that you have more of a paralysis perception or a power perception? What makes you believe so? What about your company?</li><li>• Overall, do you think you have a limiting or liberating mindset?</li><li>• In what areas of your life do you wish you had more security and control? What results when you try to exert more control?</li></ul>
<b>ACTION STEPS</b>	
<ul style="list-style-type: none"><li>• Complete a Four Box Cost-Benefit Analysis. (Here is a PDF copy based on the book.)</li></ul>	

## CHAPTER 3: SMART RISK TAKING

<b>BIG IDEAS</b>	<b>REFLECTION QUESTIONS</b>
<ul style="list-style-type: none"><li>• Most “big” risks we hear about are really a culmination of a lot of smaller risks.</li><li>• Smart risk taking is “going through a process of planning, experimenting, learning, and communicating so that your bets are financially, emotionally, and logically smart.”</li><li>• Derisking—removing as much uncertainty as you can at each stage.</li><li>• There are 5 actions that help us to de-risk the actions we take.<ol style="list-style-type: none"><li>1. Find Something Worth Fighting For</li><li>2. See the Future Now</li><li>3. Act Fast, Learn Fast (Fail fast, fail early)</li><li>4. Communicate Powerfully</li><li>5. Create a Smart-Risk Culture</li></ol></li><li>• These 5 actions intertwine with one another and inform one another.</li><li>• A Smart-risk culture is both an outgrowth of, and a necessary input to smart risk taking.</li><li>• All 5 components require effective communication.</li><li>• Risk taking is NOT a personality trait, but a set of behaviors anyone can learn and develop.</li></ul>	<ul style="list-style-type: none"><li>• Who do you know that takes big risks? What kind of questions could you ask them about their relationship with risk?</li><li>• What is your process for reflecting on the risks you take? How do you ensure that you learn from the risks you take?</li><li>• Are there any steps you currently take to make a risk less risky?</li><li>• Of the 5 de-risking actions, which ones do you already take?</li><li>• How is your communication impeding or enhancing your risk-taking?</li><li>• What kind of risk culture do you experience at work? What do you think would enhance the risk culture?</li><li>• After taking the assessment, what did you notice about your risk-taking smarts? What areas can you develop?</li></ul>
<b>ACTION STEPS</b>	
<ul style="list-style-type: none"><li>• Take the Smart Risk Taking Assessment (An online version based on the book is here for your convenience.)</li></ul>	

## CHAPTER 4: WHAT ARE YOU WORTH FIGHTING FOR?

BIG IDEAS	REFLECTION QUESTIONS
<ul style="list-style-type: none"> <li>• Having something worth fighting for makes the risk worth it.</li> <li>• Not having something worth fighting for leads to stagnation because you don't stretch and grow.</li> <li>• SWFFs give you boundaries within which you can play and really "go for it."</li> <li>• There is the "meaning of life" and also the "meaning in life."</li> <li>• Meaning IN life comes from 1) pursuing an important, challenging goal; 2) feeling effective and competent in that pursuit; and 3) making a positive impact or contribution.</li> <li>• Without the 3 listed above you can experience a gap in meaning.</li> <li>• People come across what brings them meaning through destiny, delivery, or discovery.</li> <li>• Destined SWFFs are rare.</li> <li>• Delivered SWFFs are the result of a catalyst in life that caused you to change direction.</li> <li>• Discovered SWFFs are the result of our individual journeys to find what matters most to us.</li> <li>• Our values play a role in our SWFFs.</li> <li>• In order to be inspired, we need to put ourselves in the path of inspiration.</li> <li>• Feedback is what helps us grow without having to figure it all out ourselves.</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• What are some of your SWFFs both at home and at work?</li> <li>• What are some of your SWFFs in your organization?</li> <li>• What is currently brings meaning IN your life?</li> <li>• Describe a time in your life when there was a gap in meaning. What was happening? What was missing? How did you feel? What did you do about the gap?</li> <li>• If you think of some of your SWFFs, did they come by destiny, delivery, or discovery?</li> <li>• What are your top values?</li> <li>• Which are your top priorities? Which ones have you let slip?</li> <li>• If you look back, what situations or environments have most inspired you in the past? How can you create more of those experiences in the future?</li> <li>• Who can you ask for feedback from? How can you set yourself up to listen, rather than become defensive?</li> </ul>
<b>ACTION STEPS</b>	
<ul style="list-style-type: none"> <li>• Identify your values by thinking back on times in your life when you felt most alive. Mark any that you know are important but aren't present in your life at the moment.</li> <li>• Create more moments of inspiration.</li> <li>• Ask for feedback from people you consider insightful. Do so in conversation, rather than over email if possible. This allows you to ask follow up questions.</li> <li>•</li> </ul>	

## CHAPTER 5: FINDING THE FIGHT IN YOUR ORGANIZATION

BIG IDEAS	REFLECTION QUESTIONS
<ul style="list-style-type: none"> <li>• A good SWFF stirs emotion in people, tells a story, is simple, and inspires action.</li> <li>• Employees want to have input on company direction.</li> <li>• Statistics aren't enough to compel people to take inspired action.</li> <li>• Unless you are living and breathing our mission and vision, it's not a SWFF.</li> <li>• Tips for telling great stories about your SWFF:               <ol style="list-style-type: none"> <li>1. Give a brief background and humanize the company</li> <li>2. Share the inciting incident and feelings it brought up</li> <li>3. Share the insights you gained</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>• How do you stir up emotion with the people you lead?</li> <li>• On a scale of 1-10, how excited and engaged are you in the work you do? How is your leader stirring up emotion in you?</li> <li>• If your organization was falling or failing, would you stick around the fight for it? Would your employees?</li> <li>• What could you do differently that might bring more dedication and inspired action to your company if it is lacking?</li> </ul>
<b>ACTION STEPS</b>	
<ul style="list-style-type: none"> <li>• Complete the "Look Back from the Future" exercise where you imagine it is 10 years from now and you are looking back at your regrets. What advice would you give yourself? What could you have done better or differently?</li> <li>• Next time you meet someone tell the story of your company and it's SWFF instead of merely saying your job title.</li> </ul>	

## CHAPTER 6: THE FUTURE IS ALL AROUND YOU

BIG IDEAS	REFLECTION QUESTIONS
<ul style="list-style-type: none"> <li>• Focus on the future, not just the day to day.</li> <li>• Focusing on the big questions will open you up for creativity and possibility.</li> <li>• Get out of your industry and do "walkabouts" to learn from other industries. Search and apply.</li> <li>• Great ideas are everywhere.</li> <li>• See the world through your customer's eyes.</li> <li>• The most powerful tool to gain clarity is a real life and live conversation.</li> <li>• Predict possible failures so you can minimize them.</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• What can you do better?</li> <li>• Where will your industry be in 5 or 10 years?</li> <li>• What forces will help or hinder it?</li> <li>• What other industries can you learn from?</li> <li>• How can you give your customers/clients a 5 star experience?</li> </ul>
<b>ACTION STEPS</b>	
<ul style="list-style-type: none"> <li>• Go on a walkabout to explore other industries and learn from them. Start by making a list of leaders and/or organizations that you have admired. Get clear about what you admire about them. Coordinate a visit and reflect in the aftermath about what you learned.</li> <li>• Network like a journalist by asking questions that go deep and can give you insights about problems people are experiences, which could bring you opportunities.</li> <li>• Read more and look for patterns that you can turn into possibilities.</li> </ul>	

**CHAPTER 7: SEE THE WORLD THROUGH YOUR CUSTOMER’S EYES**

<b>BIG IDEAS</b>	<b>REFLECTION QUESTIONS</b>
<ul style="list-style-type: none"> <li>• The big ideas can often come directly from your customers, so spend time with them and listen.</li> <li>• Spending time with customers is a priority, so make it one by putting the time on your calendar.</li> <li>• Your customers are the key to your future, so if you know what they want it reduces your risk.</li> <li>• Often our customers don’t know what they want and need, so you have to pay attention to the nuances.</li> <li>• All companies can fall out of touch with their customers.</li> <li>• Always focus on the implications for your customers?</li> </ul>	<ul style="list-style-type: none"> <li>• How often do you spend time with customers?</li> <li>• Does your company have practices to keep in touch with its customers? Are the top level managers in touch?</li> <li>• What prevents you from spending more time with customers?</li> <li>• What are the primary ways that you solicit feedback from your customers? How do you verify that these are good channels or methods?</li> </ul>
<b>ACTION STEPS</b>	
<ul style="list-style-type: none"> <li>• Take your customers out for a meal every 2 weeks to a month.</li> <li>• Go on “learning calls” so that you can watch your customers in action. This is NOT meant to sell to them.</li> <li>• Ask your team to send you weekly “What I am seeing and hearing” reports, and then have someone collate the themes.</li> </ul>	

**CHAPTER 8: STOP, THINK, DISCUSS, DECIDE**

<b>BIG IDEAS</b>	<b>REFLECTION QUESTIONS</b>
<ul style="list-style-type: none"> <li>• Having a clear focus is an advantage because you can make decisions more quickly.</li> <li>• The future will never reveal itself as planned or with clear step-by-step choices.</li> <li>• Having focused strategic conversations reduces uncertainty and clarifies the path ahead.</li> <li>• Too much discussion without decision making can have negative consequences, too little discussion can result in poor decisions.</li> <li>• Once a choice is made, positive energy builds.</li> <li>• The biggest challenge is setting aside the time to do it.</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
<b>ACTION STEPS</b>	

## CHAPTER 8: STOP, THINK, DISCUSS, DECIDE

- Schedule 60 minutes per week to STOP and think about the big picture.
- Do the following Sentence Stems:
  - The most important thing I/we can focus on in the next 2 years are...
  - Currently, I think I'm/we're missing an opportunity to...
  - Something I think I/we could and should be much better at is...
  - Something I believe I/we need to know more about is...
  - As I look back over the last few years, what's most surprising to me is...
- Answer Strategic Questions like:
  - Why would someone spend their money with you—so what is unique about you?
  - Why would somebody work for you?
  - Why would society allow you to operate in their defined geography—their country?
  - Why would somebody invest their money with you?
- Give everyone an equal voice and/or vote.
- Follow up all meetings with a “Decision Brief” which includes a description of the decision, a timeline of the decision, who is responsible for what, the stage of the decision, and the intended outcome of the conversation.



