

BIG BET

LEADERSHIP

YOUR **TRANSFORMATION PLAYBOOK**
FOR **WINNING** IN THE HYPER-DIGITAL ERA

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**Your Transformation Playbook for Winning in
the Hyper-Digital Era**

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And Kevin McCaffrey**



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CONTENTS

Preface: Why Write This Book?	1
Introduction	7
PART I: BIGBET THINKING	23
Chapter 1: Thinking in Outcomes	27
Chapter 2: Play Chess, Not Checkers	48
PART II: BIGBET ENVIRONMENT	59
Chapter 3: Opening Moves	63
Chapter 4: Think Big, But Bet Small	77
Chapter 5: Championship Habits	90
PART III: BIGBET MANAGEMENT	107
Chapter 6: Continue, Kill, Pivot, or Confusion	110
Chapter 7: Canary in the Coal Mine	126
Chapter 8: Trust Me	142
Conclusion	161
Appendix: Why Memos?	167
Author's Note	173
Endnotes	175

APPENDIX

WHY MEMOS?

BIG BET MEMO EXPERIMENTS

In Part I, “Big Bet Thinking” (Chapter 1, “Thinking in Outcomes,” and Chapter 2, “Play Chess, Not Checkers”), we outlined a set of memos to write and debate. We believe that for most business situations, writing is the best way to capture and summarize complex business situations and thinking. But . . . the techniques and results can also be accomplished with other techniques. We are interested in the clarity of thinking and ability to communicate it to others, regardless of how it is achieved.

Throughout, we refer to memos either by a particular name or by the encompassing term of Big Bet Memo Experiments. A memo experiment simultaneously analyzes, designs, clarifies, tests, communicates, and documents the most critical aspects of our Big Bet.

When the situations are complex, subtle and active debate and best thinking are required slide presentations do not measure up. Writing in complete and structured narratives delivers far better thinking and team communication.

Research backs up this belief, showing that the act of writing is a mind-sharpening tool. When we write, the process allows the brain to connect the dots among fragments of knowledge.¹ Writing ignites the mind in a unique way and delivers a more thoughtful and knowledgeable result. The process of writing allows you to access and leverage that knowledge efficiently. This is amplified when a team engages in the writing.

Memos greatly improve the clarity of the problem diagnosis and proposed solution and prepare the team for collaboration and the eventual executive debate. A Big Bet always requires a meshing of the best thinking across multiple leaders and is often met with pushback. Writing memos and debating memos as a team creates the defensible best ideas and allows others both to contribute and gain the benefit of the combined thinking.

Writing creates a record that aids institutional memory. Slide decks are typically reliant upon the presenter's commentary to pass it forward. They contain shorthand, sentence fragments, and images that need explanation and verbal support. The commentary is not stored with the slides. Written narratives can be reviewed, repurposed, and audited in retrospect better than presentations can be.

Finally, consider your own frame of mind—your emotional and intellectual readiness to do battle. The act of writing gives the confidence boost needed to present a plan, because you are truly better prepared. Research published in the *Journal of Consulting and Clinical Psychology* suggests that the act of writing can make you feel happier and less negative.²

If those reasons aren't good enough, consider the typical alternative. Professor Edward Tufte of Yale University has studied the impact of computer science and graphic design—or more specifically, slideware. His research played a key role in Amazon's adoption of the narrative techniques. The use of slides versus written text is devastating, he says, for both the audience and the idea.

The problem, he says, starts with the limited space for text on any given slide. The average slide holds about forty words. But complex

ideas, such as a Big Bet, demand a lot more than forty words. That means more slides and the effort needed to create readable slides and flow between them.

As the slide decks expand, the audience is pushed to its limit. Slide presentations balloon, subjecting the audience to what Tufte calls “relentless sequentiality.” Slide after slide after slide. In meeting after meeting after meeting.³

Presenters know this and often resort to the next aspect of slideware that Tufte finds problematic—and that’s the graphics. Charts are often colorful and eye-catching, but they can be poor communicators. At best, they can be confusing or interpreted in different ways. At worst, they can bend content in a way that favors visual appeal over insights and accuracy.

Attendees won’t read slides. Presenters summarize the important content. And the combination dumbs-down the entire thinking process of the organizations. Especially on complex, nuanced problems and the proposals offered to solve those problems—for Big Bets—this dumbing-down does not work.

All of these advantages combined create the final rationale. Our goal is to have high-value ideas well understood, or mitigated risks be the concepts that are funded and prioritized. But what tends to happen is that mediocre ideas with high risks are funded because they are represented by charming presenters with incredible graphics and presentations. By utilizing memos and engaging in an iterative process of writing, reading, discussing, and refining these documents, our collective thinking increases while the impact of presentation theater is diminished.

Many leading companies have adopted, at least in part, this concept of memo writing to drive clarity of thinking to define the future state in their innovation and problem-solving. Examples include Amazon, Goldman Sachs,⁴ Airbnb, Atlassian, Nike, and dozens of others. There are specialized collaboration products designed for memo experiments, some of which we have inspired and for which we have contributed guidance and templates.

Amazon is, no doubt, the leader in this powerful practice. They have coined the term “Working Backwards”⁵ to describe their approach—start with the future customer experience, or operational capability, and work backwards. Amazon Web Services (AWS) has engaged with hundreds of their clients in Working Backwards workshops.

In his 2017 Shareholder Letter, Amazon founder Jeff Bezos addressed Amazon’s culture of high standards and his committed belief that writing instead of using PowerPoint leads to clearer thinking and better decisions. Establishing a culture like this takes practice, Bezos explains. It requires a large time investment and even a coach to properly seed and develop. He equates the development of culture to that of learning a perfect handstand.

Bezos based that analogy on a dear friend’s attempts to execute the perfect handstand. The friend went so far as to hire a handstand coach. But that’s when she learned the hard truth: it can take six months of daily practice to learn this skill. It’s just not as easy as it looks.

How does the handstand relate to the written memo? Bezos explains: The Amazon rule against PowerPoints insists that every meeting begin with the silent reading of the meeting leader’s six-page memo. Some of these memos are brilliant, Bezos said. Some, he acknowledged, “come in at the other end of the spectrum.”⁶

Most leaders at Amazon could recognize a great memo. They know it when they see it, Bezos noted. But most of them couldn’t articulate why it was great.

This is where the handstand story is applicable. Just as Bezos’s friend was surprised and dismayed to learn that perfecting the handstand would take six months, many leaders at Amazon were surprised to learn that producing great memos takes time and practice. They can’t be dashed off in few hours. They take revisions, feedback, downtime, and then more revisions. It is not a quick process.

We embrace the Bezos writing timeline—and offer our help in achieving that skill level. By adapting for the mission of Big Bets, and by helping dozens of companies utilize a memo-centric process

to enhance their outcomes, we've created a Big Bet purpose-built approach to accelerate this learning curve.

The Big Bet Memos organize, rationalize, and explain the Big Bet Vector. They enable a team to develop better thinking, and enable key stakeholders to grok—to deeply understand—our position, the options available, and the decisions needed, and to contribute to the concepts. While writing and sweating the details of specific words and the cohesiveness of the logic may seem like the slow path to success, it is the fastest and cheapest type of experimentation. Writing is experimentation. Writing clear, concise memos is the superpower for establishing the Big Bet Vector.

AUTHORS' NOTE

To our Big Bet readers:

We look forward to reading the customer reviews of our book or hearing from you directly at info@rossmanpartners.com.

We eagerly anticipate hearing your stories of triumph—or failure—and sharing your path in Big Bet leadership. It is our hope that you will leverage the resources available at www.BigBetLeadership.com. Resources available to readers include behind-the-scenes videos, templates, and a growing number of examples that can be used to help accelerate your progress.

John Rossman now offers keynote addresses and workshops on the theme of Big Bet Leadership. Learn more at www.johnrossman.com.

Sincerely,

John Rossman & Kevin McCaffrey