

CONVERSIONJAM

HOW IT HURTS TO ADMIT
YOU'RE WRONG

AND

HOW IT HURTS
YOUR BUSINESS

RAISE OF HANDS

Have you ever estimated the length of a project?

Were you wrong?

RAISE OF HANDS

Have you ever estimated the impact of an A/B-test?

Were you wrong?

We're at loss when dealing with the future.

How do we know if our ideas are any good?

We try them, or we guess.

**We can't afford to try all ideas,
so we mostly guess.**

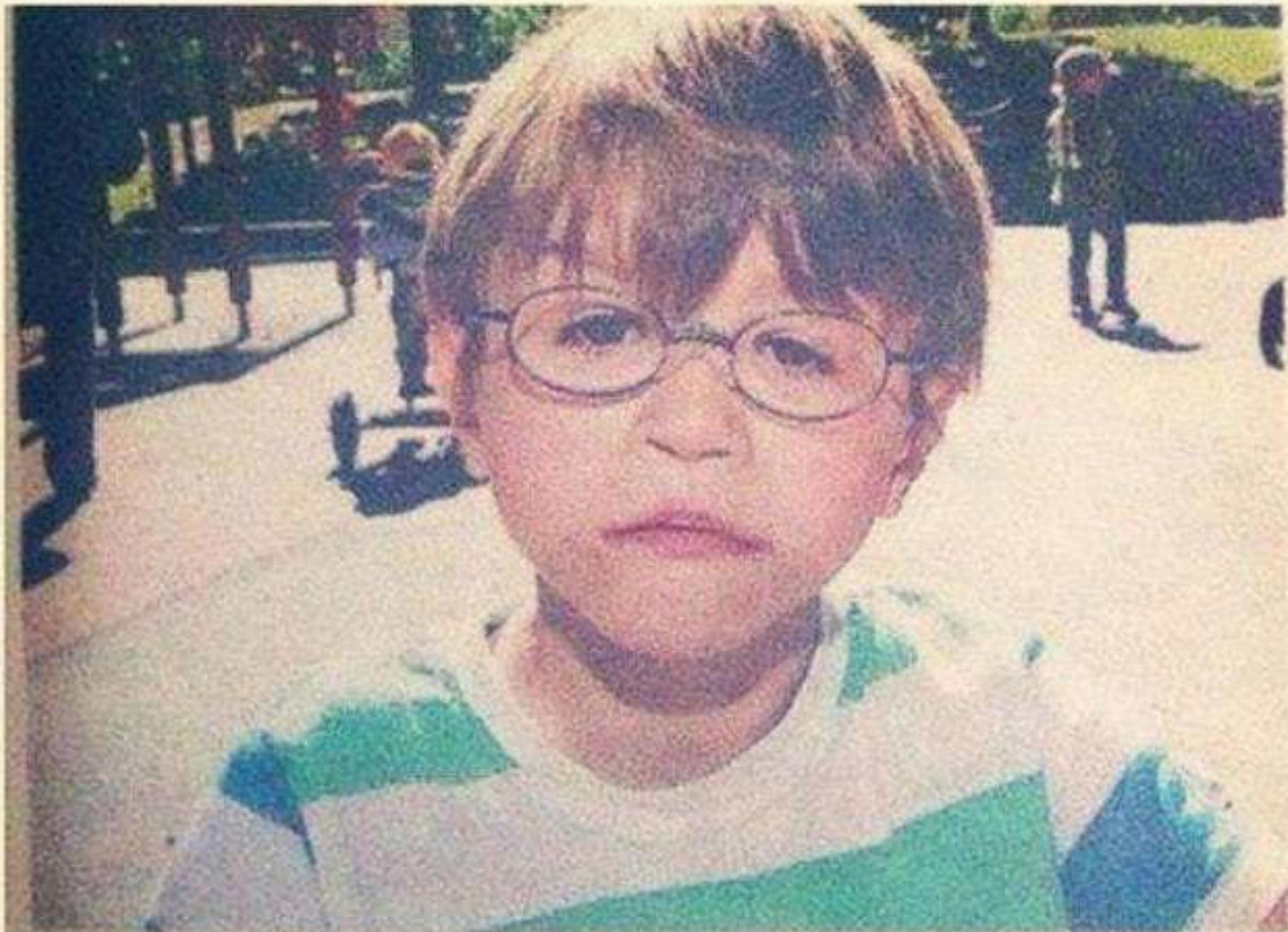
When we guess with money we usually use words like predictions, business plans, and analyses.

Nevertheless, they are guesses.

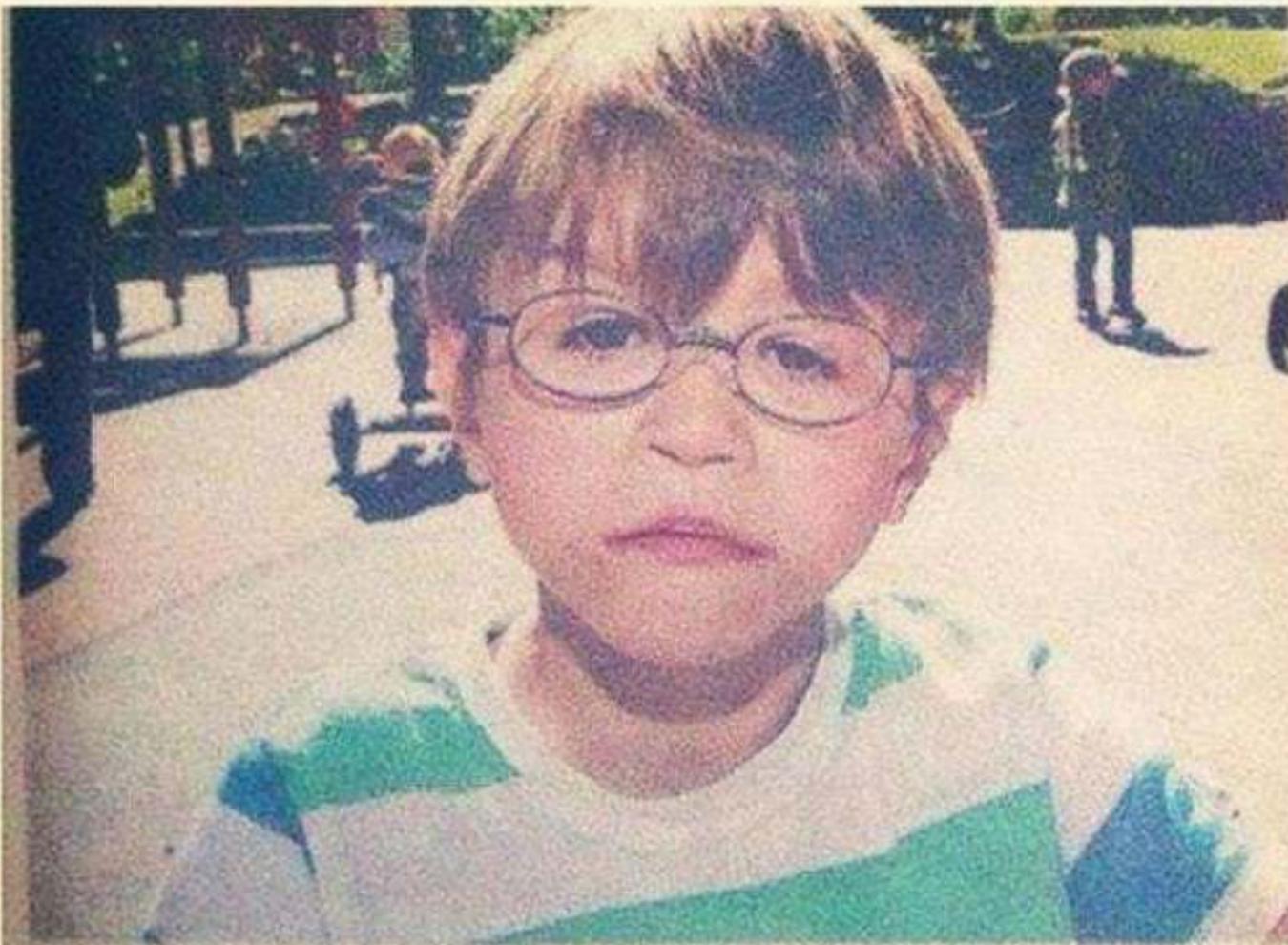
The challenge is that we're notoriously bad at predicting the success of ideas.

Do you remember your first prediction?

“What do you want to be when you grow up?”



Lukas Mellqvist, 5 år:



Lukas Mellqvist, 5 år:

-Jag ska jobba med stenar när jag blir stor.
Till exempel ska jag slänga dem i vattnet så
att det blir världens plask.

Lucas Mellqvist, 5 years old

-When I grow up, I'm going to work
with rocks

For example, I'm going to throw them in
the water so it creates a massive splash.

~~Sept. 26, 2014~~

When I Grow Up

~~Sept. 26, 2014~~

When I Grow Up

I am seven

~~Sept: 26, 2014~~

When I grow up

I am seven

I want to be eight

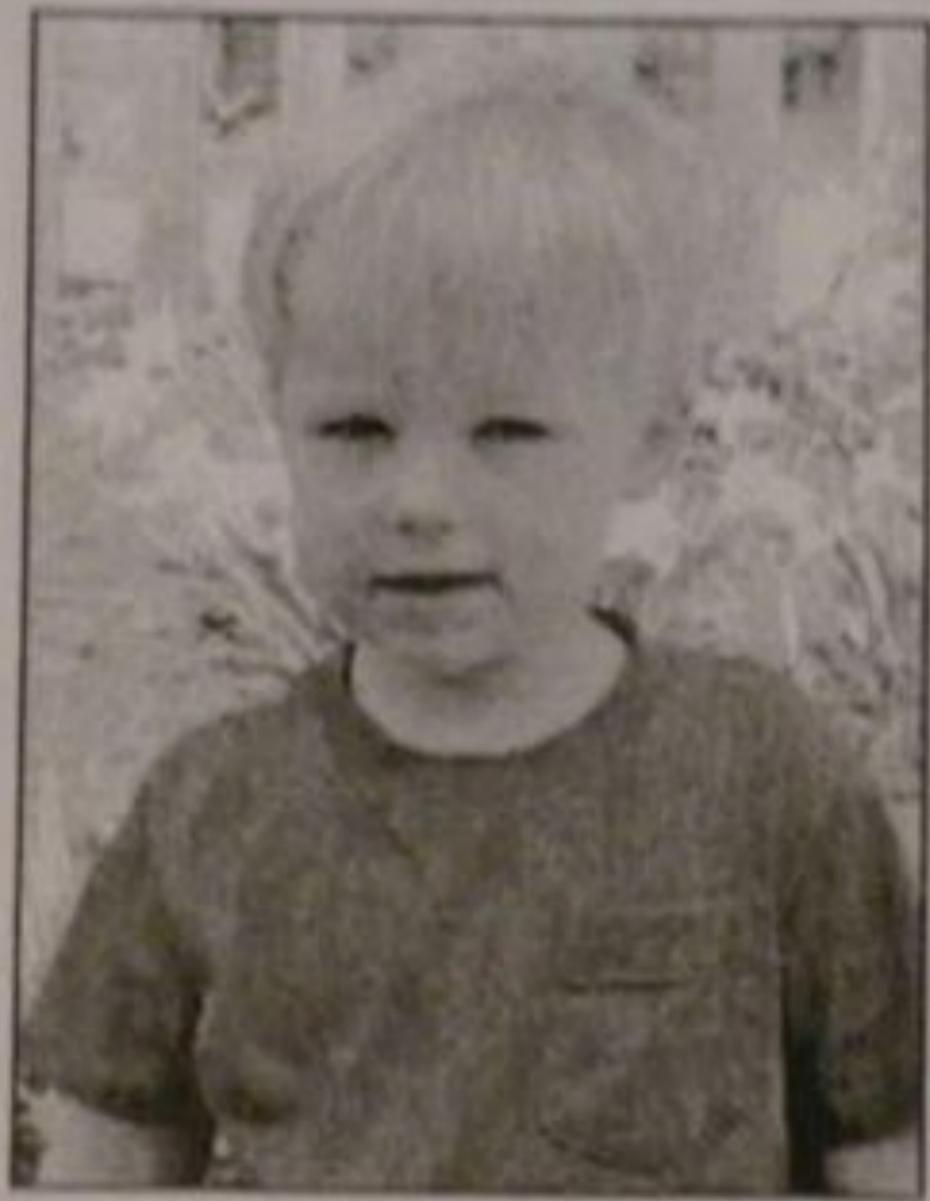
GREEN GROUP



I want

"When I grow up I want

GREEN GROUP



I want
an"

"When I grow up I want
to be a dog"



What are three things you want to do in the future?

1. get a girlfriend

14.

15.

What are three things you want to do in the future?

1. get a girlfriend

2. visit school

14.

15.

16.

What are three things you want to do in the future?

1. get a girlfriend

2. travel

3. save the world

14.

15.

16.



LIVE
RNC
2016

Fox News
RNC 2016

We get better at making predictions with time.

Or do we...?

Differentiating between causation and correlation in business is complex.

Paul, a start-up founder in New York, says he and his employees are less stressed since they started microdosing.

Paul, a start-up founder in New York, says he and his employees are less stressed since they started microdosing. But he couldn't be absolutely sure about the cause and effect: he thinks it may have also been the project-management app Asana, which they started using at the same time, to keep organised.

Hindsight is 20/20.

Hindsight is ~~20/20~~.

Hindsight is ~~20/20~~
full of preconceived ideas & biases.

**Do we know of ways of behaving
that have been proved to
produce better predictions?**

A study that took over 20 years.

Good Judgement & Political Forecasting.

by Philip Tetlock

**People were really bad at
predicting the future.**

Worse than chance-bad.

Causal relationship between having better judgement, and personality traits.

It has nothing to do with your IQ.

Dogmatism → bad judgement

Key indicators of people with bad judgement:

- **Strong opinions**
- **Simple answers to difficult questions**
- **Confident in their ability to judge**
- **Have one view of the world, update the rules of proof to fit that world view**
- **Look for facts to prove themselves right**



Nuanced → better judgement

Open mindset & curious.

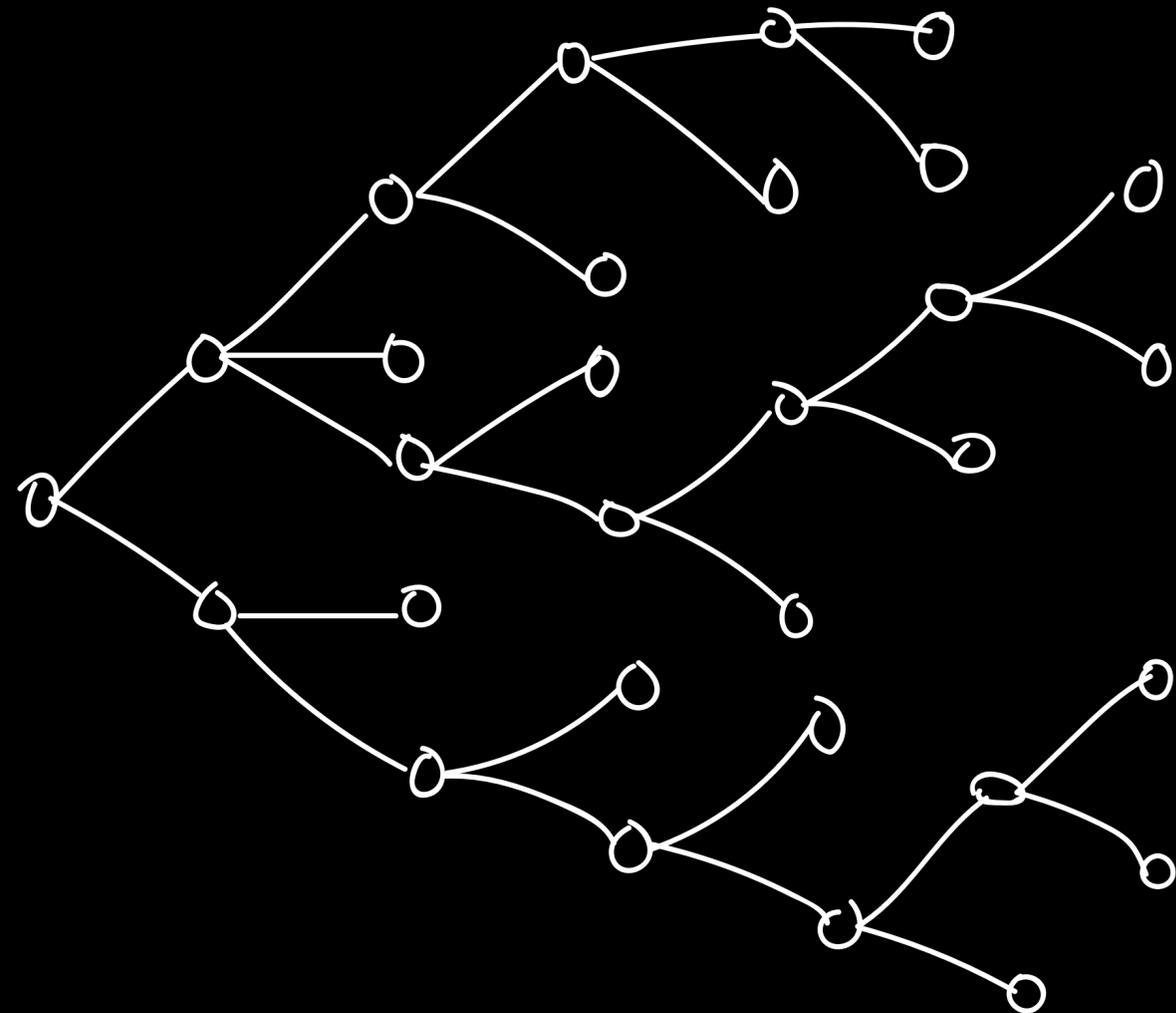
Key indicators of people with good judgement:

- **Confident in the difficulty of judging**
- **Carefully weigh proof for and against**
- **Complex answers to difficult questions**
- **Update their views of the world after being exposed to new evidence**
- **Look for facts to prove themselves wrong**

Dogmatic.



Nuanced.



Delayed judgement.

“I don’t know”

**LET'S TALK ABOUT WHY
NONE OF THIS WORKS**



“There's no chance that the iPhone is going to get any significant market share. No chance. It's a \$500 subsidized item.”

— Steve Ballmer, 2007

TECH

Microsoft recommends switching to iPhone or Android as it prepares to kill off Windows phones

PUBLISHED FRI, JAN 18 2019 • 11:53 AM EST | UPDATED SUN, JAN 20 2019 • 11:24 AM EST



Todd Haselton
@ROBOTODD

SHARE



KEY POINTS

- Microsoft says anyone who uses Windows 10 Mobile should switch to Android or iPhone.
- The company will kill off support for Windows 10 Mobile in December of this year.
- Microsoft once hoped to beat the iPhone, Android and BlackBerry.

“There's no chance that the iPhone is going to get any significant market share. No chance. It's a \$500 subsidized item.”

— Steve Ballmer, 2007

Quick vote.

Was Ballmer right?

“There's no chance that the iPhone is going to get any significant market share. No chance. It's a \$500 subsidized item.”

— Steve Ballmer, 2007



Wrong



Somewhat right



Right

Thank you for voting.

REDSTONE
INSIDE THE FAMILY FEUD

WHO TO
BLAME FOR
COLLEGE
COSTS

\$60 OIL?
BELIEVE IT

RETIREMENT GUIDE
REARRY OR SHACK UP?
DYING WITHOUT A WILL

NOVEMBER 12, 2007 | WWW.FORBES.COM

Forbes



Nokia

ONE BILLION
CUSTOMERS—
CAN ANYONE
CATCH THE
CELL PHONE KING?



ALPHA'S
INNOVATIVE
BLUETOOTH
HEADSET

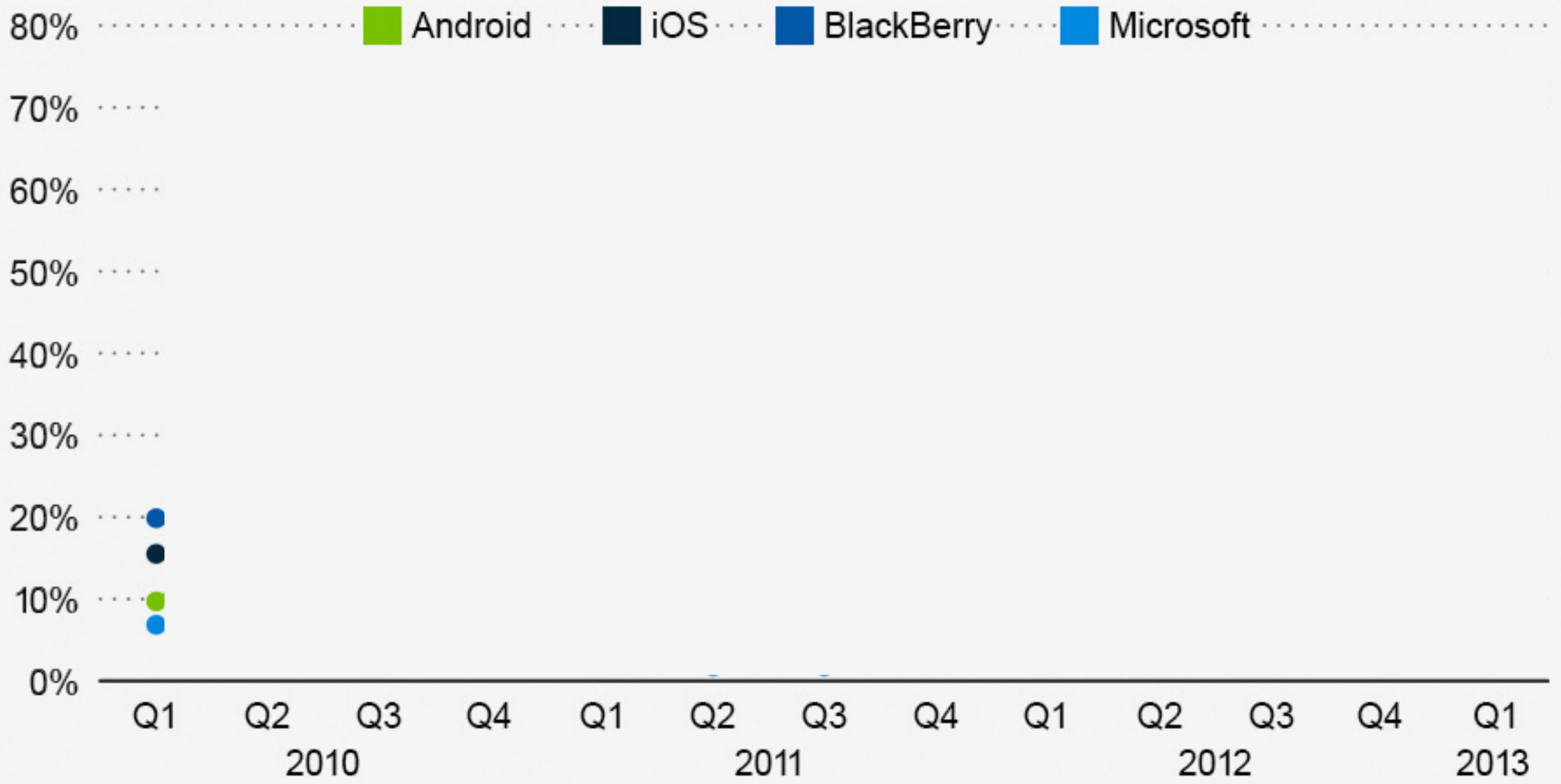
PLUS
11 GADGETS WE LOVE

Olli-Pekka Kallasvuo
Chief Executive

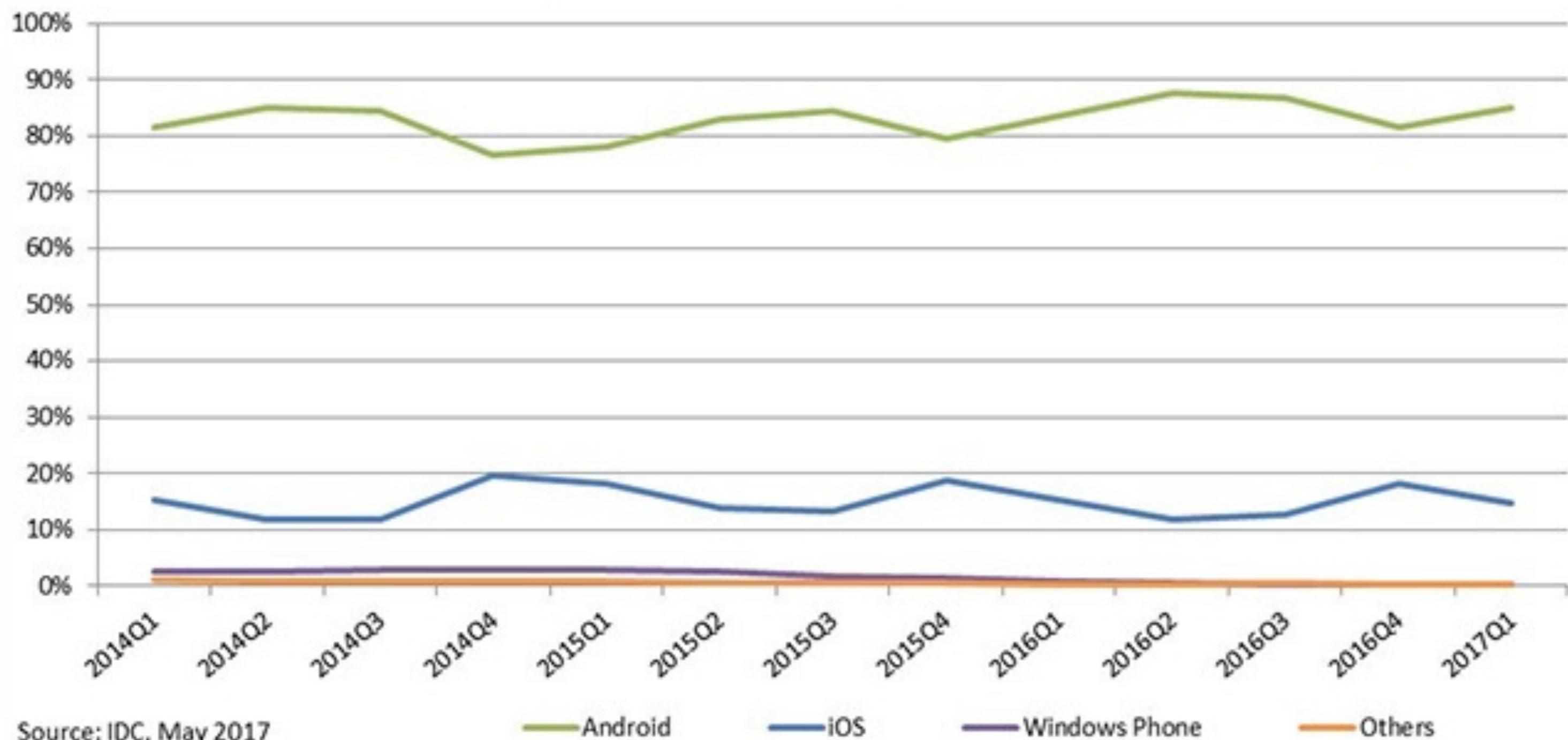


A: It's sort of a funny question. Would I trade 96% of the market for 4% of the market? (Laughter.) I want to have products that appeal to everybody.

Now we'll get a chance to go through this again in phones and music players. There's no chance that the iPhone is going to get any significant market share. No chance. It's a \$500 subsidized item. They may make a lot of money. But if you actually take a look at the 1.3 billion phones that get sold, I'd prefer to have our software in 60% or 70% or 80% of them, than I would to have 2% or 3%, which is what Apple might get.



Worldwide Smartphone OS Market Share (Share in Unit Shipments)



Source: IDC, May 2017

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The 10 Most Valuable Companies on the Fortune 500

Value Rank ▼	Company	Market Value	Sector	Revenues (Bil)	F500 Rank
1	Apple	\$921 bil.	Technology	\$229 bil.	4
2	Amazon.com	\$765 bil.	Retailing	\$178 bil.	8
3	Alphabet	\$750 bil.	Technology	\$111 bil.	22
4	Microsoft	\$746 bil.	Technology	\$90 bil.	30
5	Facebook	\$531 bil.	Technology	\$41 bil.	76
6	Berkshire Hathaway	\$492 bil.	Financials	\$242 bil.	3
7	JPMorgan Chase & Co.	\$388 bil.	Financials	\$114 bil.	20
8	Exxon Mobil	\$349 bil.	Energy	\$244 bil.	2
9	Johnson & Johnson	\$332 bil.	Health Care	\$77 bil.	37
10	Bank of America Corp.	\$315 bil.	Financials	\$100 bil.	24



Wrong



Somewhat right

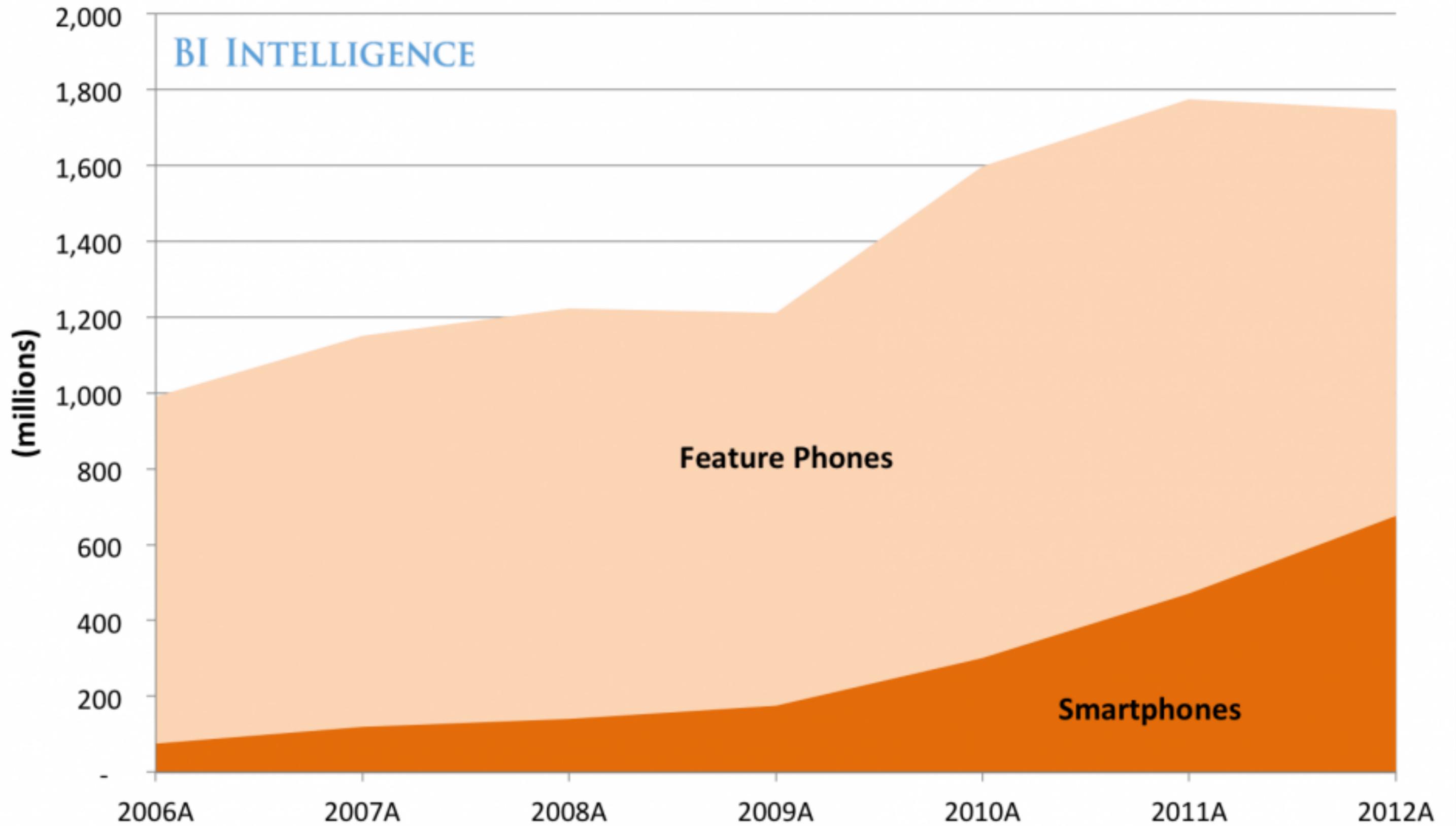


Right

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Mobile Phone Sales

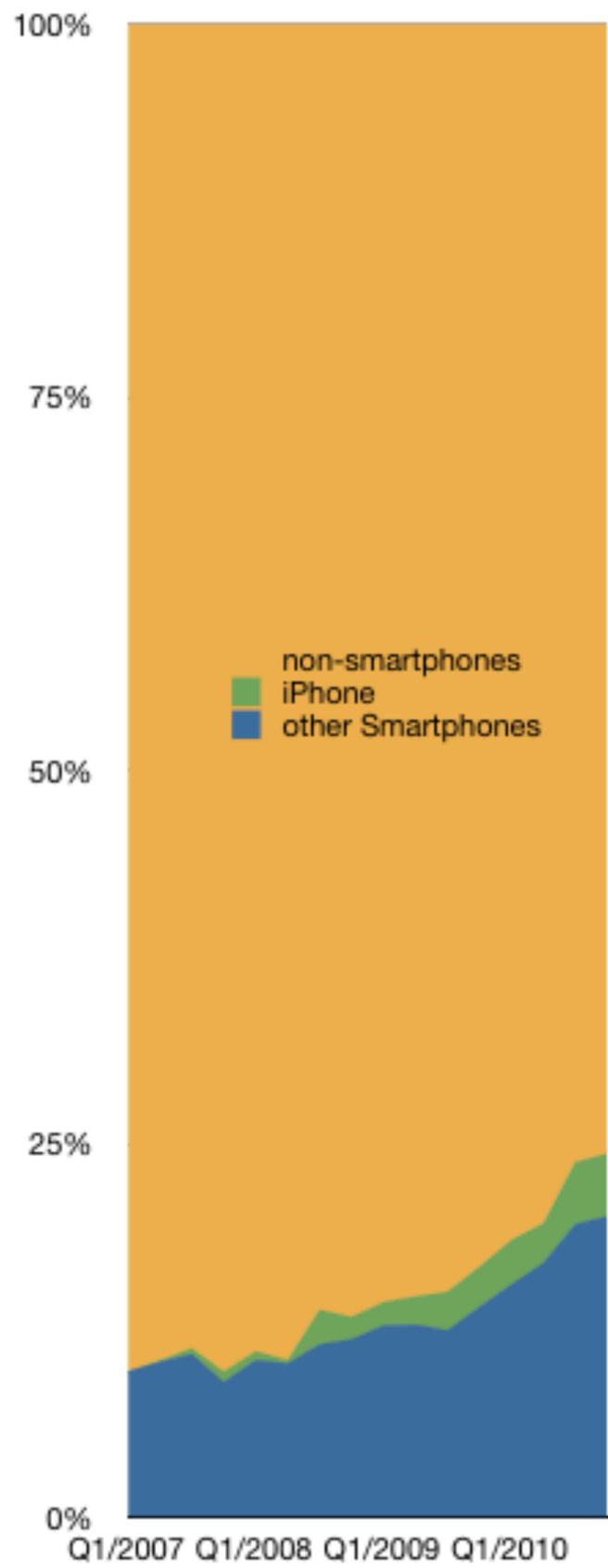


BI INTELLIGENCE

Feature Phones

Smartphones

Smartphones Share





FEB 1, '11
12:00 AM

The iPhone share: 17.25% of smartphones, 4.2% all phones

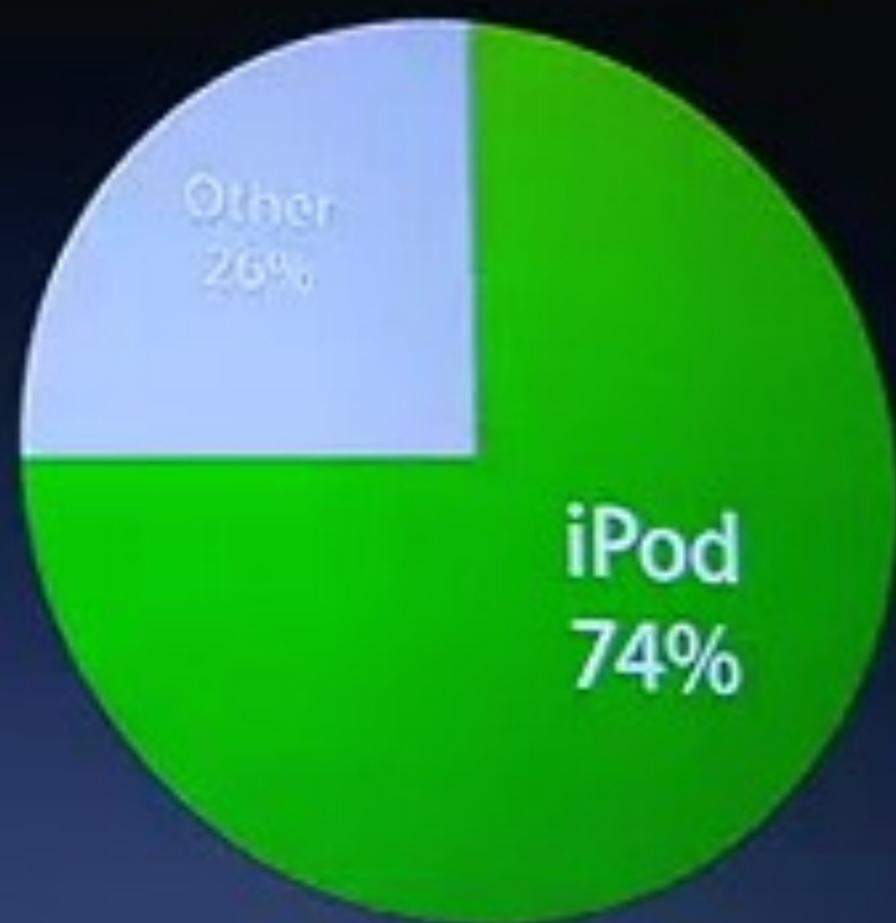
AUTHOR **Horace Dediu**
CATEGORIES **Industry**

Guess \approx 2-4%

2010 \approx 4%

2011 \approx 5%

Market Share



Source: NPD for July 2005



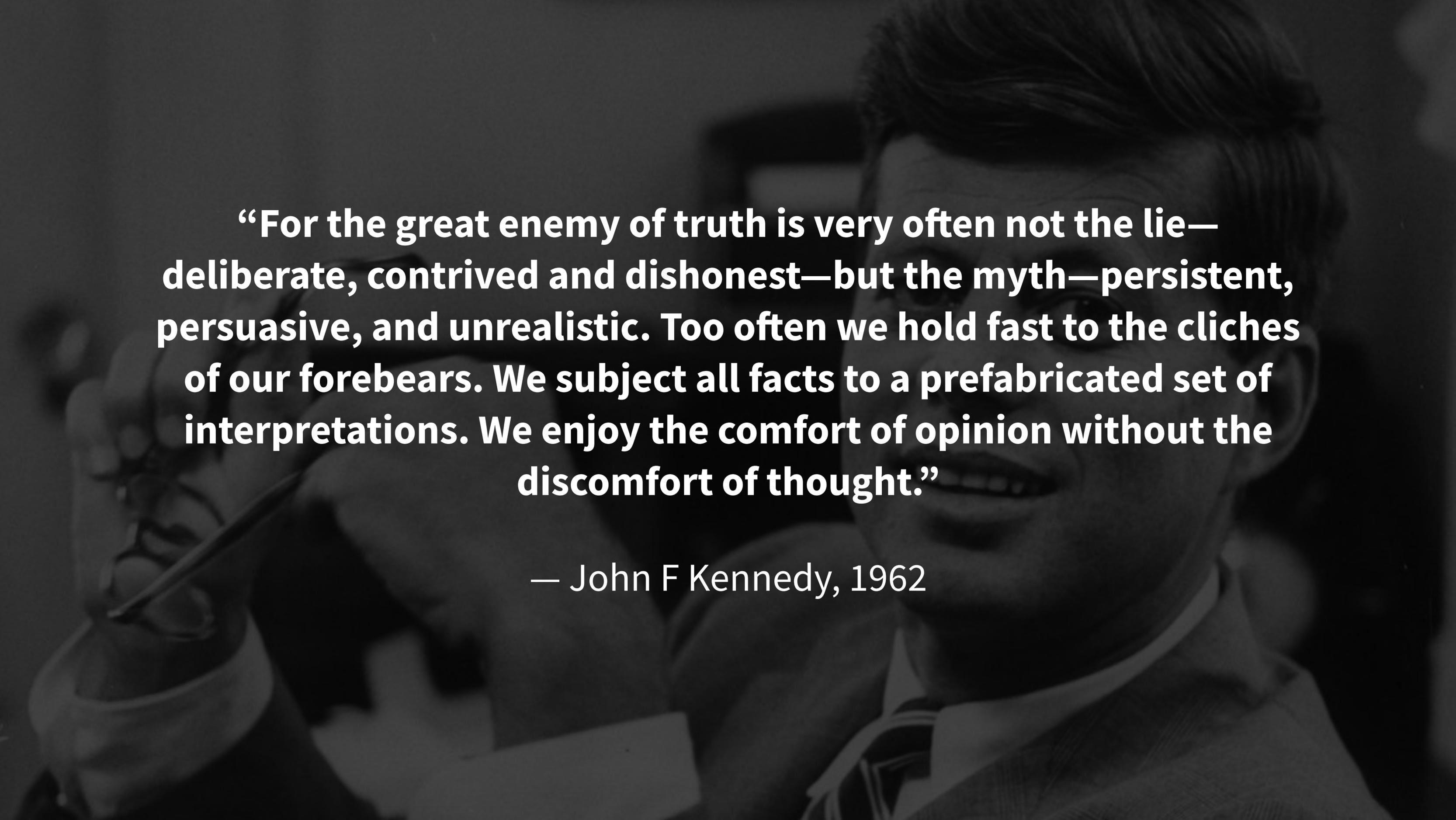
Wrong



Somewhat right



Right



“For the great enemy of truth is very often not the lie—deliberate, contrived and dishonest—but the myth—persistent, persuasive, and unrealistic. Too often we hold fast to the clichés of our forebears. We subject all facts to a prefabricated set of interpretations. We enjoy the comfort of opinion without the discomfort of thought.”

— John F Kennedy, 1962

**We enjoy the comfort of opinion without
the discomfort of thought.**

“The first principle is that you must not fool yourself—and you are the easiest person to fool.”

— Richard Feynman

**If you're thinking “I get your point,
but I was right...”**

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Confirmation bias.

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**I spent over a year at Minecraft on a project
that amounted to basically nothing.**

ROI isn't exactly great when return is 0.

There were clear signs.

Roadmap continuously pushed.

Focus repeatedly changed.

Difficult to explain.

Ran quantitative tests.

Proved that it was still a good idea.

We pushed on.

This is what we do when we get attached to ideas.

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Human reasoning isn't enough.

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“In terms of my intuitions being better than they were — no. And furthermore, I have to confess, I’m also very overconfident. Even that I haven’t learned. It’s hard to get rid of those things.

I’ve been studying that stuff for over 50 years and I don’t think that my intuitions have really significantly improved.”

— Daniel Kahneman, in a 2019 interview with Sam Harris

Hugo Mercier & Dan Sperber argues that reasoning isn't a method to reach conclusions that makes the most sense—it's a tool to defend our social status, and convince others.

The Enigma of Reasoning, 2018

Institutionalized disconfirmation.

