Simple Rules Summary

By Donald Sull

Have you ever heard of the acronym KISS? It stands for Keep It Simple Stupid.

Life is becoming more and more complicated in our global village, and *Simple Rules* provides us with practical ways to help us cope with complexity. Authors Donald Sull and Kathleen Eisenhardt believe that by developing a few *simple*, yet effective rules, we learn not just to cope, but to thrive in a complex world.

You may not know this, but the etymology of the term KISS comes from the U.S Navy in the 1960s. KISS is a Simple Rule. It's a rule which posits that if you keep design simple, you'll avoid unnecessary complications. The goal of design should be simple, and anything superfluous should be scrapped. The acronym was coined by Kelly Johnson, who argued that any engineer should be able to fix an aircraft with basic tools. While people may think the "stupid" element refers to people, it actually refers to the relationship between things breaking or going wrong, and the level of expertise needed to fix them. According to the KISS rule, a stupid design is one that only specialists can repair.

KISS is a minimalist concept that embodies the idea of Simple Rules. But why do we need Simple Rules, and how can they benefit us?

Former Harvard Professor Donald Sull is a global authority when it comes to business strategy. He also happens to be a management guru (although he hates this term) and is currently a Senior Lecturer at the MIT

Sloan School of Management. Co-author Kathleen Eisenhardt is a Professor of strategy at Stanford's School of Engineering. They have spent the last decade working with businesses worldwide, and have developed a set of highly effective, tried-and-tested rules to help tackle complex problems, both at home and in the workplace.

We'll briefly explore *Simple Rules*, and illustrate why it's an effective text in a complex world. We'll also look at the efficacy of these rules in various domains, and explain Six Simple Rules that can help anyone be more decisive and perform better. So, if you're struggling with information overload, wanting to kick a bad habit, or just curious to find out what comedian Tina Fey and Japanese honeybees can teach us about keeping things simple, then this is the book for you.

Complexity Can Be Taxing

Before we dive into what Simple Rules are, here's a quick question: 'Why do you think people dodge paying tax?'

You may think it has to do with factors such as tax rates, a person's income level or education, the perceived unfairness of the tax system, or the level of government scrutiny. These reasons, of course might play a role, but none more so than the issue of complexity.

A study analyzing personal income tax compliance, found that tax policies' complexity was the single most significant predictor of whether citizens dodge or pay their taxes. In 2010, the policies governing U.S income tax totaled 3.8 million words. *3.8 million words*. Let's put that in context. This is seven times longer than Tolstoy's *War and Peace*, but without any interesting plot twists and insight into the human condition.

This reveals that If something is too complicated, people get overwhelmed, struggle to follow, or stop following the rules.

We often attempt to address complex problems with complex solutions, but this doesn't always work. Meeting complexity with complexity can create more chaos than it resolves. But Simple Rules can be a powerful weapon against this.

In the early 2000s, our authors teamed up to study 'winning and losing strategies' of businesses faced with the twin challenges of globalization, and the internet age. To their surprise, the companies that formulated a handful of Simple Rules for linking strategies to implementation, flourished in the wake of increasing complexity. In thriving companies like Intel and Cisco, having a handful of Simple Rules helped leaders, managers, and employees cut through the noise, make on-the-spot decisions, and adapt to rapidly changing circumstances, while keeping the big picture in mind.

So what are Simple Rules? They're brief guidelines, or shortcut strategies that can save us time and effort, by focusing our attention and simplifying how we process information. Simple Rules work well in complex, challenging, and fast-moving business environments, but they don't just apply to the world of business. We *all* need Simple Rules.

Simple Rules Can Help Us Cope With Complexity

We've ascertained that despite living in a complex world, we don't always need complex solutions. However, the authors are cautious to explain that Simple Rules are not universally applicable, nor are they suitable or practical for every solution. This book isn't the answer to all life's

problems, and the core message isn't to throw out the proverbial rulebook in place of an abridged list. There are domains where Simple Rules just aren't feasible or logical. For example, would you be happy living next to a nuclear reactor that was run off a few Simple Rules?

Simple Rules work where there are clear boundary conditions, and for providing guiding frameworks. They can be a much-needed antidote for surviving and navigating our world of complexity and data overload. As we saw in *The Paradox of Choice*, *fear creeps in* when faced with too many alternatives, and we worry about making the "wrong" choice. As a result, we delay decisions, cling to the safest option, or avoid choosing altogether.

The Jam experiment shows that when shoppers are presented with too many choices, they're less likely to make a purchase because of decision fatigue. When presented with only six types of jam, shoppers were more likely to purchase a jar of jam. However, when offered 24 jams to choose from, the likelihood of a customer buying a jar dropped by 57%.

Many of us have felt the effects of decision fatigue, so having a set of Simple Rules can counter our tendency to slide into such fatigue, helping us act quickly and effectively.

Brian Wansink and his research team showed that dieters attempting to lose weight shed, on average, a pound a month by following one Simple Rule. Research also showed that small business owners who follow simple accounting rules are more likely to improve their accounting practices. Rules such as, 'Separate business and personal accounts,' and 'Pay yourself a set salary every month,' were instrumental in streamlining these businesses because they leapfrogged complex processes.

Our authors espouse the value of creating Simple Rules because without them, 'we'd be paralyzed by the sheer mental brainpower needed to sift through the complicated messiness of our world.'

Keeping Simple Rules Simple

Simple Rules work because they're easy to follow and leave room for choice.

If we look at the "Keep it Simple Stupid" rule, we can see how it came into being. The problem was that fixing planes was too complicated, and needed highly trained individuals to solve technical issues. By applying the KISS rule, they had a framework from which to work. Keep it simple.

Effective Simple Rules share the following characteristics. They're limited to only a handful of rules – the optimal number is four or five. They're bespoke to the person or organization using them, and they work best when applied to a specific action or event, such as prioritizing medical care.

Capping the number of rules makes it easy for us to remember and maintain focus on what matters most. Remember how Michael Pollan sums up his dietary advice in seven words: 'Eat food, not too much, mostly plants.' Research shows that living by these simple nutritional rules reduces diabetes, obesity, and heart attacks. Simple Rules work, not only because they're concrete and easy to follow, but they're also not too prescriptive.

Simple Rules aren't vague platitudes like "do your best." They provide

clear and practical guidance, and give us the scope to exercise judgment and adapt to changing circumstances, especially when people's lives are on the line. Hence, Simple Rules are short and sweet. They're tailored to a specific area of focus, they provide a framework rather than definitions, they're memorable, and they tend to focus on prioritization.

Simplifying Prioritization

How do you decide whether someone dies or lives in an emergency situation? To complicate matters, how do you allocate scarce medical resources to injured soldiers in a warzone? In cases such as these, there's no time to vacillate and go through a long manual of protocols. This is where Simple Rules are difficult, but necessary.

Physicians use a concept known as "triage." The word triage is French, meaning "to sort." It's a quick process of determining the severity of a patient's condition and how likely they are to recover with or without medical intervention. Wounded soldiers are divided into three groups, and treatment is prioritized accordingly. Less than a minute is spent checking vital signs and estimating the severity of the patient's condition. Patients with the most life-threatening conditions are treated first. If a patient's condition is beyond hope, it's better to focus on saving someone else's life. Before triage was implemented, wounded soldiers were treated based on a first-come, first-served basis, regardless of each individual's condition, resulting in high fatalities. The rate of survival has subsequently increased significantly. So while it may be emotionally challenging to implement the Simple Rules of triage, the framework has forced more careful prioritization.

Companies, Bees, and Communities Need Simple

Rules To Coordinate and Thrive

You've almost certainly seen infographics outlining complex processes in a series of simple steps.

Zipcar uses a six-step sequence to coordinate its operation. Zipcar is an alternative to traditional car rental and car ownership services. They offer low-cost car rentals and car ownership deals, and their company ethos is "community," rather than being cost-driven. When someone rents a car, their satisfaction is highly dependent on the state the vehicle was left in by the previous driver. Zipcar's Simple Rules are based on making sure every customer enjoys their trip. People stick to six Simple Rules, such as "Fill 'er Up," "No Smoking," and "Report Damage." The simplicity of these rules reduces costs, and takes away the hassle of signing long contracts in fine-print.

It's not only humans who thrive on group coordination. When it comes to Japanese honeybees, more wings are better than one. If a gigantic hornet approaches the honeybees' hive, a single honeybee can't defeat the hornet. However, together the bees can defeat the intruder through a coordinated technique called "thermoballing." Honeybees group around the hornet and vibrate their wings so fast that the attacker dies from overheating. For the hornet this means death by asphyxiation.

On a macro-scale, Simple Rules help keep societies in order. In the 1500s, Ignatius, the founder of the Society of Jesus, or Jesuits, formulated a short list of Simple Rules. These were known as the "Formula" to govern the order, and were in sharp contrast to the reams of rules that governed other religious orders. The Jesuit rules focused on what had to be done, namely education and "saving lost souls," not where, when, or with whom to do it. This streamlining released many

priests from time constraints, geographical boundaries, and daily cloistering. Hence, from the initial ten priests, their influence spread across the globe.

Three Simple Rules To Make Better Decisions

There are six Simple Rules in total; three of them center around decision making, and the other three focus on taking action.

Decision-making rules include setting boundaries, prioritizing, and setting limits or "stopping." These rules provide guidelines on what to do (*or what not to do*), what's important to do, and finally, how to set limits.

Boundary rules guide the choice of what to do without requiring a lot of time, analysis, or information. They help us to make quick decisions, especially when the stakes, or even fences are high. A study conducted on how criminals decide which houses to break into, revealed that criminals rely on one simple rule: 'Don't break into houses with a vehicle parked outside.' A vehicle parked outside a house is the single most reliable predictor of whether a home is occupied or not.

Prioritizing rules are useful when we need to rank various alternatives that compete for money, time, and attention. The prioritization rule is used in triage for example. In business settings, prioritizing rules can help assign engineers to new-product-development projects, focus sales representatives on promising customers, and allocate marketing expenditure to the most profitable income-generating products. When it comes to investing money, prioritizing quickly and correctly matters because investment options are endless, but funds dry out. Rather than complicated algorithms, a simple prioritizing rule investors tend to rely

on, dates back to the Babylonian Talmud: 'A man should always place his money, one-third inland, one third into merchandise, and keep a third in hand.' In today's modern money market, this rule translates into investing in diverse asset classes equally.

Finally, stopping rules help us know when it's time to pull the plug. This is important because we need to know when to end a project or pull out investment. In short, we need to know when to stop.

Three Simple Rules To Do Things Better

Process rules in contrast to decision-making rules, focus on *how* to do things better. Process rules work because they provide concrete guidelines on how to do something, but in a way that still allows people to be creative, exercise judgment, and adapt to the task at hand.

The most commonly used process rule is the 'how-to' rule. Far from being limiting, "how-to" rules have been successfully used by creative types to hone their crafts. The comedian Tina Fey drew from her experience of being part of *Saturday Night Live's* legendary comedy show. She crafted her own nine Simple Rules to help her manage her comedy show, *30 Rock*. Two of these rules were, "When hiring, mix Harvard nerds with Chicago improvisers and stir," or "Never tell a crazy person he's crazy."

The other two process rules, coordination and timing, are unique "how-to" rules that apply to particular situations.

Coordination rules help us get things done when there are multiple people involved. These rules orchestrate the behaviors of, for example, the Japanese honeybees and Zipcar customers. Coordination rules work

well in a context like improvisational comedy, where actors need to come up with good answers quickly. To buy themselves some time, they respond to everything mentioned beforehand, with 'yes and...' We don't have to be on stage to use this rule whenever we feel the spotlight of pressure to conjure up a quick and clever response.

Timing rules tell us when or when not to get things done. They can be used by insomniacs deciding when to wind down to sleep, athletes deciding when to retire, or corporates timing the launch of a new product. Timing can be determined using clocks, calendars, and circadian rhythms. Baron Rothschild, who established his banking business in the 1760s, had a more metaphorical approach to timing rules. His timing axiom for trading in stocks and bonds was, 'Buy when there's blood on the street.'

Three Steps To Craft Your Own Simple Rules

Our authors found that in the high-performing companies studied, managers typically followed three steps to form simple, specific rules. They identified one critical process, like "making acquisitions," or " allocating capital." They recognized what bottlenecks impeded growth, and then crafted a handful of guidelines to manage that process.

In order to create our own Simple Rules, begin by figuring out a critical action, finding the bottleneck, and then eliminating the bottleneck with a Simple Rule.

So if dropping a few pounds is the goal, here's how to craft a Simple Rule that works for you. First, figure out the critical action. This might be eating less or moving more. Next, find the bottleneck. Here we can ask

ourselves what's keeping us from achieving our goal. Is it overeating, binging, or eating too much junk food? Next, identify when, where, and why this happens. Perhaps one overeats while watching TV? In which case, eliminate the bottleneck with a Simple Rule. Based on the above examples, one Simple Rule could be, 'Never eat when watching TV.'

It's important to remember that, like anything in life, rules can and should change over time.

Sometimes We Need To Throw the Rulebook out the Window

Some parting advice from our authors is that 'Rules aren't forever.' Often we need to unlearn old rules and formulate better ones.

Remember the days when we used to wait each week to watch an episode of our favorite TV show? If we missed an episode and didn't record it, we'd rarely have a chance to catch up. To account for missing a few episodes, and to help us stay hooked, TV shows had one rule: 'Have a stable cast of characters that appear in every episode.' Therefore, viewers could still tune in and have a good sense of what was going on. However, times have changed. Streaming services like Netflix means that missing episodes is no longer a problem. We can rewatch episodes at the click of a button.

Markets shift, new technology arises, along with new competitors, and business models change. If companies are too rigidly rule-driven, they won't keep up and will lose customers if they don't adapt.

In Conclusion

We've heard the sayings on simplicity. 'Less is more,' 'Simplicity is the ultimate sophistication,' and 'Make Simple Tasks Simple.'

Whether we call them "guidelines", "rules of thumb," or "heuristics," Simple Rules provide us with a framework to fight complexity with simplicity. As with any guidelines, Simple Rules aren't recipes; they don't tell us *what* to do. Instead, they tell us *how* to decide *what* to do, and quickly. They help to drown out the noise, find what matters most, and take decisive effective action.

Complexity is not your destiny. So how are you going to develop your own Simple Rules to live by?