

My Notes: Power of Habit by Charles Duhigg

By Pradeep Anand; July 2012

HabitNotes@seeta.com; www.seeta.com; +1 281 797 0797

Summary

It is always a pleasure to learn something new. The discovery is more enlightening when it sets everyday occurrences/events/actions into frameworks and processes, which can then be tempered and changed to yield better results.

This book shed some light on personal, organizational and societal habits and routines.

Very simply: Forty Percent of actions people perform each day were not actual decisions, but habits. Habits can be changed if we understand how they work. Basal Ganglia are a golf ball sized portion inside the brain where habits reside. It is there to conserve brain power and size of the brain. We don't have to call upon brain cells to think before each and every action we commit.

The brain spends a lot of time at the beginning of a habit looking for something, a cue that offers a hint of as to which pattern to use. A routine follows, which can be mental, physical or emotional. Finally, there's a reward, which helps you figure out if this particular loop is worth remembering for the future.

Over time, this loop—cue, routine, reward—becomes more and more automatic.

The cue and reward become intertwined until a powerful sense of anticipation and craving emerges. Eventually, a habit is born. Learning the structure of a habit loop makes it easier to control habits.

The book goes on to talk about catalysts that enable new habit creation, such as the community, keystone habits, such as exercising for individuals and safety for organizations.

Yes, there are sections about how "marketing" groups within companies help us create habits and trigger purchasing their products/services.

However, the most significant insight I gained was how social movements emerge from old habits and create new societal habits. The Civil Rights movement was used as a compelling example. Of course, I could create my own analogy of how Mahatma Gandhi created his freedom movement.

The last insight I got while reading this book was that unknowingly my consulting work was really based on helping businesses break old habits by creating new routines that yielded better rewards. Its all in my 4C process.

Similarly, my pricing headroom workshop creates new routines/processes that break out old habits from individuals' and organizational basal ganglia and bring these processes to the active, thinking brain.

It's wonderful when I can explain why the things I do make my clients more successful. Break old habits, create new routines that deliver better rewards.

I am sure other readers will find their own rewards in this book. Habits are universal and any insight into them will have personal takeaways.

1

(First 14 lines are in the "Summary")

Forty Percent of actions people perform each day were not actual decisions, but habits.

Habits can be changed if we understand how they work.

Basal Ganglia are a golf ball sized portion inside the brain where habits reside. It is there to conserve brain power and size of the brain. We don't have to call upon brain cells to think before each and every action we commit.

The brain spends a lot of time at the beginning of a habit looking for something, a cue that offers a hint of as to which pattern to use.

A routine follows, which can be mental, physical or emotional.

Finally, there's a reward, which helps you figure out if this particular loop is worth remembering for the future.

Over time, this loop—cue, routine, reward—becomes more and more automatic.

The cue and reward become intertwined until a powerful sense of anticipation and craving emerges. Eventually, a habit is born.

Learning the structure of a habit loop makes it easier to control habits.

Start Here> Increases in fast food consumption are caused by consistent cues and rewards. Fast food restaurants look the same and offer identical food. Cues are the same and so are the rewards to create a habit loop.

When a fast food restaurant closes down, people don't look for another one. They eat at home.

Small shifts can change a pattern. Perhaps, that's why my eating habits changed when Sujata went to India for four weeks.

Pepsodent lessons: Hopkins formula.

First, find a simple and obvious cue. Tooth film.

Two, clearly state the rewards. Beautiful teeth.

Habits create neurological cravings.

Blackberry buzzing in a meeting can create a craving for a distraction.

Exercise satisfies craving for endorphin.

Only when a brain starts to expect and crave a reward does it become a habit.

The cue in addition to triggering a routine must also trigger a craving for a reward.

Pepsodent's craving was a tingling sensation that makes people feel that their mouth is clean. :) The tingling doesn't make the toothpaste work any better but it convinces people it is doing its job better.

Foaming is a huge reward. Shampoo doesn't have to foam; neither do detergents and toothpaste. There are no cleaning benefits to them. But people feel better when there are suds around their mouth.

Cravings drive habits.

Cue ==> Routine ==> Reward

Cue ==> Craving for Reward

2

You can't extinguish an old habit but it can be replaced.

To change a habit, you must keep the old cue and deliver the old reward but with a new routine.

Any behavior can be changed if you keep the cue and reward the same.

Football- create better routines, faster response times to situations.

Alcoholics Anonymous- craving for relief from anxiety- routine changed from sitting at a bar and talking to someone else, to talking with a group and a sponsor.

Nail biting- she bit because she was bored. She craved for physical stimulation.

Awareness of cues can help. Keep track of it and follow new routines consciously. And habits will change.

(Aha! My pricing headroom workshop makes the team follow new routines consciously, thereby breaking old habits, to focus on new processes. The cue and the reward remain the same but the routine is a conscious effort!)

Besides changing routines you have to believe. You cannot allow belief to break down when something is on the line.

The feeling of community helps belief.

Belief is easier when it occurs within a community.

3

Keystone Habits: those habits that, when they start, shift, dislodge and remake other habits.

This is why some college students outperform their peers.

Individuals have habits, organizations have routines.

Routines are organizational analogs of habits.

It is ceding decision making to processes that actually occurred without thinking.

However, you can't flip a switch and expect everyone to work harder or produce more.

“Alcoa was more like the Manson family, but with the addition of molten metal.” :)

Safety: cue- any time a worker was injured the division president had to report it with a method of how to prevent it from ever occurring again.

Reward: only people who embraced the system were promoted.

To make all this happen, Alcoa had to build a new communication system where the lowliest employee could easily convey an idea to the loftiest executive.

Alcoa's processes changed for the better and so did its profitability.

Safety is a Keystone Habit

Keystone Habits are those that transform us by creating cultures that make clear values that, in the heat of a difficult decision or a moment of uncertainty, we might otherwise forget.

Exercise is another keystone habit. It changes other habits.

Small wins are part of how keystone habits bring about widespread changes. Small wins are a steady application of a small advantage.

Small wins set into motion other small wins and fuel transformative changes by leveraging tiny advantages into patterns that convince people that bigger achievements are within reach.

When you make lists you, for example, write down everything you eat, you begin to see patterns that you didn't know existed. Then slowly the journal gets into your head. And slowly becomes the new habit.

Conscious communications with yourself and conscious communications with others is the secret of breaking habits and in creating new ones. (Aha! Pricing Workshop has a process and intense, logical communication)

Organizationally when you embrace a keystone habit, you should be prepared to fire someone who violates the culture based on this habit.

Keystone Habits are those that transform us by creating cultures that make clear values that, in the heat of a difficult decision or a moment of uncertainty, we might otherwise forget.

Examples:

West Point: Grit - tendency to work strenuously toward challenges, maintaining effort and interest over years, despite failure, adversity and plateaus in progress. (Love it!)

Gertsner at IBM: Research and Selling Routines

McKinsey: Continuous Improvement, wide-ranging internal critiques that are core for every assignment.

Goldman Sachs: Risk Assessment.

4

Willpower is a very important keystone habit for individual success.

Study- students who exerted high levels of willpower were more likely to earn higher grades, in their classes and gain admission to selective schools. Highly self-disciplined adolescents outperformed their impulsive peers on every academic performance variable.

Best way to strengthen willpower is to make it automatic.

How to make it automatic?

Willpower is not a skill. It is a muscle. It gets worn out when it is tested often. You have to conserve willpower during the day.

(Another Source: Social psychologist Roy F. Baumeister demonstrated that there is a finite store of mental energy for exerting self-control--it was a form of mental energy that could be exhausted. His studies showed that people with the best self-control are the ones who structure their lives to conserve willpower. They don't schedule endless back-to-back meetings. They avoid temptations like all-you-can-eat buffets, and they establish habits that eliminate the mental effort of making choices. Instead of deciding every morning whether or not to force themselves to exercise, they set up regular appointments to work out with a friend. Instead of counting on willpower to remain robust all day, they conserve it so that it's available for emergencies and important decisions. Even the wisest people won't make good choices when they're not rested and their glucose is low, Baumeister points out. When glucose is low, the human brain stops doing some things and starts doing others. It responds more strongly to immediate rewards and pays less attention to long-term prospects.

Dieting is a uniquely difficult test of self-control. The mere expectation of having to exert self-control makes people hunger for sweets. Even people with phenomenally strong willpower in the rest of their lives can have a hard time losing weight. They start out the day with virtuous intentions,

resisting croissants at breakfast and dessert at lunch, but each act of resistance further lowers their willpower. As their willpower weakens late in the day, they need to replenish it. However, to resupply that energy, they need to give the body glucose. They're trapped in a nutritional Catch-22:

1. In order not to eat, a dieter needs willpower.

2. In order to have willpower, a dieter needs to eat.

Shopping can be especially tiring for the poor, who have to struggle continually with trade-offs.

Because their financial situation forces them to make so many trade-offs, they have less willpower to devote to long-term activities--school, work, other-- that might get them into the middle class. In one study, Social psychologist Roy F. Baumeister found that when the poor and the rich go shopping, the poor are much more likely to eat during the shopping trip. This might seem like confirmation of their weak character — after all, they could presumably save money and improve their nutrition by eating meals at home instead of buying ready-to-eat snacks, which contribute to the higher rate of obesity among the poor. But if a trip to the supermarket induces more decision fatigue in the poor than in the rich — because each purchase requires more mental trade-offs — by the time they reach the cash register, they'll have less willpower left and less glucose to resist the Mars bars and Skittles. To see some interesting information see <http://pradeepanand.com/SUI.pdf>

Going to the gym is a keystone habit- people's life in other areas also improved. They were also less depressed.

Once willpower touched one area, it touched everything. As willpower muscles strengthened, good habits spill over into other parts of their lives.

People get better at regulating their impulses. They learn how to distract themselves from temptations.

Once you get into the willpower groove, your brain is practiced at helping you focus on a goal.

When you learn to practice music or soccer, you start building a self-regulatory strength.

Key to willpower is anticipating the painful inflection points and designing solutions for them. Once the inflection point plays out in your head (as it did for Phelps, the swimmer) when the real situation occurs, you overcome it.

Anticipate a cue; develop a new routine for a reward.

That is why we need role playing for customer facing organizations. A routine for employees to use when they hit rough patches.

Starbucks LATTE: Listen to the customer, Acknowledge the complaint, Take action to solve the problem, Thank them, and Explain why the problem occurred.

Manuals with empty pages for employees to write—anticipate how they will surmount problematic inflection points.

Container Store, Deloitte Consulting—all employees have proactive methods of handling customer complaints.

IMPORTANT: When people have control, autonomy in making decisions, willpower is taxed less than when there is no control.

Giving employees a sense of control improved how much self-discipline they brought to their jobs.

Sense of Control==> Willpower==> Routine

5

Organizations

Firms are guided by long-held organizational habits, patterns that emerge from thousands of employees' independent decisions.

Workplaces are made up of fiefdoms where executives compete for power and credit.

“Companies are not families. They are battlefields in a Civil War.”

However routines and truces offer rough organizational justice within a company.

Fashion world: To survive, every fashion designer has to possess the basic skills: creativity and flair for haute couture as a start. But that is not enough to succeed. What makes the difference between success and failure are a designer's routines--whether they have a system for getting Italian broadcloth before wholesalers' stocks sell out, a process for finding the best zipper and button seamstresses, a routine for shipping a dress to a store in ten days rather than three weeks. Without the right processes, a new company will get bogged down with logistics, and once that happens, creativity ceases to matter.

The Power of a Crisis

Alcoa, Starbucks were turned around because of leaders seizing the possibilities created by a crisis.

During turmoil, organizational habits become malleable enough to assign responsibility and create a more equitable balance of power.

Sometimes it is worth stirring up a sense of looming catastrophe rather than letting it die down.

Challenger explosion, NASA changed.

“You never want a serious crisis to go waste.” Rahm Emanuel.

“This crisis provides the opportunity for us to do things that you could not before.”

6

Companies predict and manipulate habits.

At grocery stores, aisles and products are set up in such a way that you buy healthy stuff first, so you can buy unhealthy stuff later.

They don't organize cereal in alphabetical order so you will search and find something else too to purchase. The longer you stay in a store, the more you will buy. (They hope.)

Membership cards tell retailers exactly what you buy so they can predict what to sell to you.

Buying habits change after a life event- marriage, pregnancy, death, changing residence...

Pregnancy prediction algorithm at Target. Suggest pregnancy related products between other products so as to not to spook the mother to be.

Radio songs. People want to listen to something familiar, something they can hum and sing-along. Not a good place to introduce a great new song, unless it is placed between two old hits. People have a “familiarity loop” habit.

When changing eating habits, add new ingredients to dishes that look familiar.
The secret to changing a diet is familiarity with the new routine

Social habits in the gym. Getting them to exercise in groups keeps them committed to the program.
Community effect.

Make the novel seem familiar and you will have success.

7

Changing Societal Habits

3 stages of changing societal habits

1. A movement starts because of the social habits of friendship and the strong ties between close acquaintances.
2. It grows because of the habits of a community and the weak ties that hold neighborhoods and clans together.
3. It endures because a movement’s leaders give participants new habits that create a fresh sense of identity and a feeling of ownership.

Only when all three parts of this process are fulfilled can a movement become self-propelling and reach a critical mass.

1. Rosa Parks had a broad network that transcended societal stratifications of the black community. She was friends with field hands and college professors.

There is a natural instinct embedded in friendships, a sympathy that makes us willing to fight for someone we like when they are treated unjustly. We help someone we respect.

2. The sense of obligation that held the community together was activated after Parks’ friends started passing the word. People who hardly knew Rosa decided to participate because of weak social peer pressure (known as power of weak-ties) that made it difficult to avoid joining in.

When job hunters approached strangers for assistance, they were rejected. When they appealed to friends, help was provided.

In fact, in landing jobs, weak-tie acquaintances were more often more important than strong-tie ones because weak-tie ones give us access to social networks where we don’t belong.

Many of the people learned about new job opportunities because of weak-ties rather than strong-ties. Our weak-tie acquaintances are the ones who tell us about jobs we would otherwise never hear about.

Individuals with few weak ties will be deprived of information from distant parts of the social system and will be confined to the provincial news and views of their close friends.

This deprivation will not only insulate them from the latest ideas and fashions but may put them in a disadvantaged position in the labor market, where advancement can depend on knowing about appropriate job openings at just the right time.

Furthermore, for such individuals it may be difficult to organize or integrate into political movements of any kind....while members of one or two cliques may be efficiently recruited the problem is that, without, weak-ties, any momentum generated in this way does not spread beyond the clique. As a result, most of the population will be untouched.

The power of weak ties helps explain how a protest can expand from a group of friends into a broad social movement.

Peer pressure.

If you ignore the social obligations of your neighborhood, if you shrug off the expected patterns of your community, you risk losing your social standing.

You endanger your access to any of the social benefits that come from joining the country club, the alumni association, or the church in the first place.

On a playground, peer pressure is dangerous. In adult life, it's how business gets done and communities self-organize.

When strong ties of friendship and the weak ties of peer pressure merge, they create incredible momentum. That's when widespread social change can begin.

People can withdraw from communities or activities, when they suffer little or no decline in the social hierarchy. No peer pressure to join.

3. Embedded within King's philosophy was a set of new behaviors that converted participants from followers into self directed leaders.

Summary:

Movements happen because:

They rely on social patterns that begin as the habits of friendship.

They grow through habits of communities.

They are sustained by new habits that change participants' sense of self.

8

To pathological gamblers, near misses look like wins. Their brains react the same way. But, to a non-pathological gambler, a near miss is like a loss. People without a gambling problem were better at recognizing that a near miss means you still lose.

Gaming companies are well aware of this tendency. During the past decade, slot machines have been reprogrammed to deliver a more constant supply of near wins. Gamblers who keep betting after near wins are what keep casinos, racetracks and state lotteries so profitable.

Adding a near miss to a lottery is like pouring jet fuel on a fire. Every scratch-off ticket is designed to make you feel like you almost won.

A new class of pharmaceuticals targets the Basal Ganglia and the brain stem, where habits reside. These drugs caused patients to compulsively bet, eat, shop, and masturbate by targeting the circuitry involved the habit loop. A jury awarded a Minnesota man \$8.2 million because a drug caused him the gamble way more than \$250k. Hundreds of such cases are pending.

My first act of free will is to believe in free will.

Aristotle- Some thinkers believe that it is by nature that people become good, others that it is by habit, and others that it is by instruction.

For Aristotle, habits reigned supreme. He said that behaviors that occur unthinkingly are the evidence of our truest selves.

“Just as piece of land has to be prepared if it is to nourish the seed, so the mind of the pupil has to be prepared in its habits if it is to enjoy and dislike the right things.”

Habits are like water for fish, the unthinkable choices and invisible decisions that surround us everyday. And which, just by looking at it, conceptualizing it, it becomes visible.

Like any fluid, it hollows out a channel to flow, and when it settles, it can be made to flow again. When it does, it follows a similar path drawing upon its own laws.

The End.

I learned a few things about my world, my community and me from this book :)