

## Conclusion

### **Moon Over Miami**

Kadeesha had a tip. It arrived by anonymous e-mail. “Watch the 9:20 race at Wolverhampton. The winner will be a horse called Boz.”

Kadeesha was instructed not to place a bet; she was merely to watch. She had never put money on the races before. In fact, she had no history of gambling. Why would she, of all people, be receiving this tip? A single mom in Kew, England, working two jobs to support her son, Kadeesha barely had enough income to cover the monthly bills. “I never had a large sum of money,” she explained, “’cause it always goes out ’cause of all the responsibilities I’ve got in life.” But the sender insisted that he possessed a foolproof system for consistently predicting the winners at the race track. “I was gutted that I couldn’t put a bet on, but I checked it out and it won.”

Kadeesha was intrigued. The next e-mail came a few days later. Again it predicted the result of a race just twenty-four hours in advance, this one at Suffolk Downs in Boston. How could this “system” know anything about a race in America? Kadeesha figured, “I’m up for a laugh,” and this time, as instructed, she put a small amount of money on Laced Up. Though not the favorite, her horse won again.

Now Kadeesha was hooked. When the third e-mail came, she zoomed out from her desk at work to the nearest betting shop. She put down 20 quid, which for her was not a small sum, on a horse named Naughton Brook, an eighteen to one outsider. Nervous and excited, she repeated to herself, “This had betta’ win. Oh, God, this had betta’ win.” As the

announcer declared the winner, Kadeesha shrieked, "Thank you, The System!" She had just won 360 pounds.

Race four took place back at Wolverhampton. The 2:45, a horse called Formation. The odds of correctly predicting four of these races in a row stood at nearly a thousand to one. But Formation did win, and Kadeesha had now made over 500 pounds. The System, it seemed, could not lose.

After race five, Kadeesha's confidence in The System had solidified. She was now ready to put down serious dough. She went to her father to ask for 1,000 pounds. "The most I ever put on a horse was 20 quid," her father told her, "and when I lost it, I said that's it. Never again." Nonetheless, the predictions had been right so far. Kadeesha then borrowed more money from a loan company. For race six she had assembled 4,000 pounds. She bet it all on Moon Over Miami, the horse in the green and white checks. "I'm really, really scared now," she admitted to the TV cameras filming her story. The worst part, she confessed, was gambling her father's money as well as her own.

What Kadeesha did not know but was about to discover was that The System was simply an exercise in probability. Derren Brown, a British entertainer, wanted to demonstrate how difficult it is for most of us to think rationally about prediction. No such system could exist for accurately predicting horse races, yet Kadeesha and thousands more like her are willing to believe in a bogus ploy. Soon after his first anonymous e-mail, Brown informed Kadeesha that he was the actual sender. She then agreed to let him film her as she bet her money. But what Brown did not reveal (not yet) was that the same e-mail Kadeesha initially received Brown had also sent to 7,775 other randomly selected people. The only difference in all those e-mail messages was that the recipients were divided into six groups and each group was given the name of one of the six horses in the race. Kadeesha just happened to be in the group that was told to watch for Boz. The five groups whose horses did not win were sent a follow-up e-mail, blaming the loss on a glitch in the system. They were never contacted again. Kadeesha's group, however, was then subdivided into another six groups, each given the name of one of the six horses in a new race, and instructed to bet. And thus the process was repeated, until by the fifth race, only six participants remained, each one betting on a different one of the six horses. Kadeesha just happened

to be the lucky winner. By race six, however, she was the only one left. Moon Over Miami had as good a chance of winning as any other.

“Fuckin’ hell!” was all Kadeesha could muster after Brown explained what he had done. “I’m gonna’ be sick,” she declared. And yet, even after the explanation, Kadeesha seemed in disbelief. “I was lucky all this time and now it’s all gone wrong.”

Moon Over Miami did not win. The lucky horse was Marodima.

Only moments after Kadeesha’s horse had lost and her agony was plain, Derren Brown assured her that he had not actually bet her money on the unlucky steed. With dramatic flare, Brown handed her a ticket showing 4,000 on Marodima to win. (Most likely, he had put 4,000 down on each of the horses, just to be certain.) Kadeesha was about to receive 13,000 pounds in cash. She shrieked for joy. “I’m debt free for the first time in eight years!”

Brown’s experiment tried to show how poorly most of us grasp basic concepts of probability. What he actually revealed was something he himself might not have realized. Kadeesha always had the upper hand, and she very likely sensed it. She had no way of knowing whether Brown’s so-called system was legitimate or not. She probably lacked a firm grounding in the science of probability. What she really needed to know, however, was not whether Brown’s system could find her the winning horse. Instead, she needed to know whether Derren Brown would permit her to lose her and her father’s savings on national TV.

Kadeesha had two ways of thinking about what Brown would likely do. She could have tried to ascertain Brown’s character, observing subtle cues to gauge his kindness and compassion—the underlying drivers that make him tick. The second method was for Kadeesha to contemplate the limits on what Brown could actually do, regardless of his inclinations. With this approach Kadeesha had to focus on Brown’s constraints. The key question then would be not whether Brown, of his own volition, would let her lose, but whether his television network or the British TV-viewing public would permit a working-class single mom to be ruined by a clever TV host.

Kadeesha may not have had the skills to think deeply about the probability of predicting races, but rather than being a sucker for “The System,” Kadeesha may have worked the system—the larger social system in which both Brown and Kadeesha have to function. Moon

Over Miami had little chance of winning, but placing her money as Brown instructed her to do proved the shrewdest guess she could have made.

We will never know what Kadeesha really thought, but we can use her predicament to illuminate the kinds of questions leaders face when thinking like the enemy. Exactly like Kadeesha, leaders must seek out their adversaries' underlying drivers and constraints. They must gather information, filter out the ocean of irrelevant data, and devise shortcuts for locating the points that matter most. I have called this exceedingly difficult endeavor strategic empathy.

Kadeesha's story also highlights a related problem in prediction. Quantitative methods often miss the mark because they calculate the wrong data, as I described in the previous chapter. Even if Kadeesha had possessed training in statistics, math, or the science of probability, seeing through Brown's system would have done her little good. Kadeesha walked away a winner: 13,000 pounds richer than before. Moon Over Miami's fate never mattered. The only odds that counted were the ones on what Brown would do to her in the public eye. And those odds were probably always in her favor. Knowing which data matter most is what strategic empaths do best.

I began this book by asking what produces strategic empathy—the crucial yet all-too-rare capacity for divining an enemy's underlying drivers and constraints. I have argued that when leaders focused on the right data—their enemy's behavior at pattern-break moments—they improved their chances of reading their enemies correctly. When they ignored the pattern breaks entirely, or else grossly misinterpreted them as in Stalin's case regarding Hitler, they thwarted their capacity for accurate assessments. I further argued that when leaders assumed that their opponents' future behavior would resemble their past behavior, they hindered their own ability to identify and correctly interpret surprising new information, which could have afforded them useful insight.