

Part I

Everest Expedition

Turn around time rule

Making a plan to quit should be done long before you quit

Failure to adhere to Turn around time rule



Why quit ?

Great virtue

Chance to navigate the world

Best pro poker players

Quit 75% of the times

vs. Amateurs quit only 50% of times

Why is it difficult ?

Tendency to avoid what-if thinking

Don't want to lose the pot that is stacked

World is stochastic and we will never have complete information

Quit vs Grit



Quitters

Stewart Butterfield

Steven Levitt research

Quitting on time feels quitting early  
Two sides of the same coin

Cab drivers



Close call decisions - quitting is a better choice

Loss aversion

Emotional impact of loss > Emotional impact of gain

When in gains, we turn risk averse

When in a loss, we turn risk seekers

Retail investors

Quit when they are ahead

Stick when they are at a loss



Difficult to hone quitting skills

Feedback of things that never took place

Tracking becomes difficult

Part II  
In the Losses

Escalation of commitment

Double down

Harold Staw  
Retail genius to Pauper



Sunk cost effect

Public projects

Persist with losses

Knowing is not enough

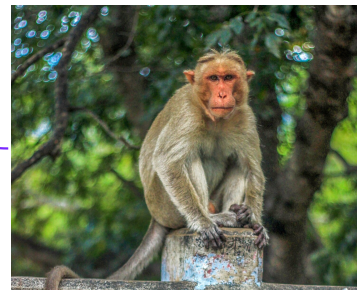
Persistence could be a culprit

Katamari



Richard Thaler

Monkeys and Pedestals  
Google X



Think about expected value  
of future outcomes

Mental accounting  
single stock vs portfolio

Kill Criteria

State  
and  
Date

Better NOT Perfect

courage to quit

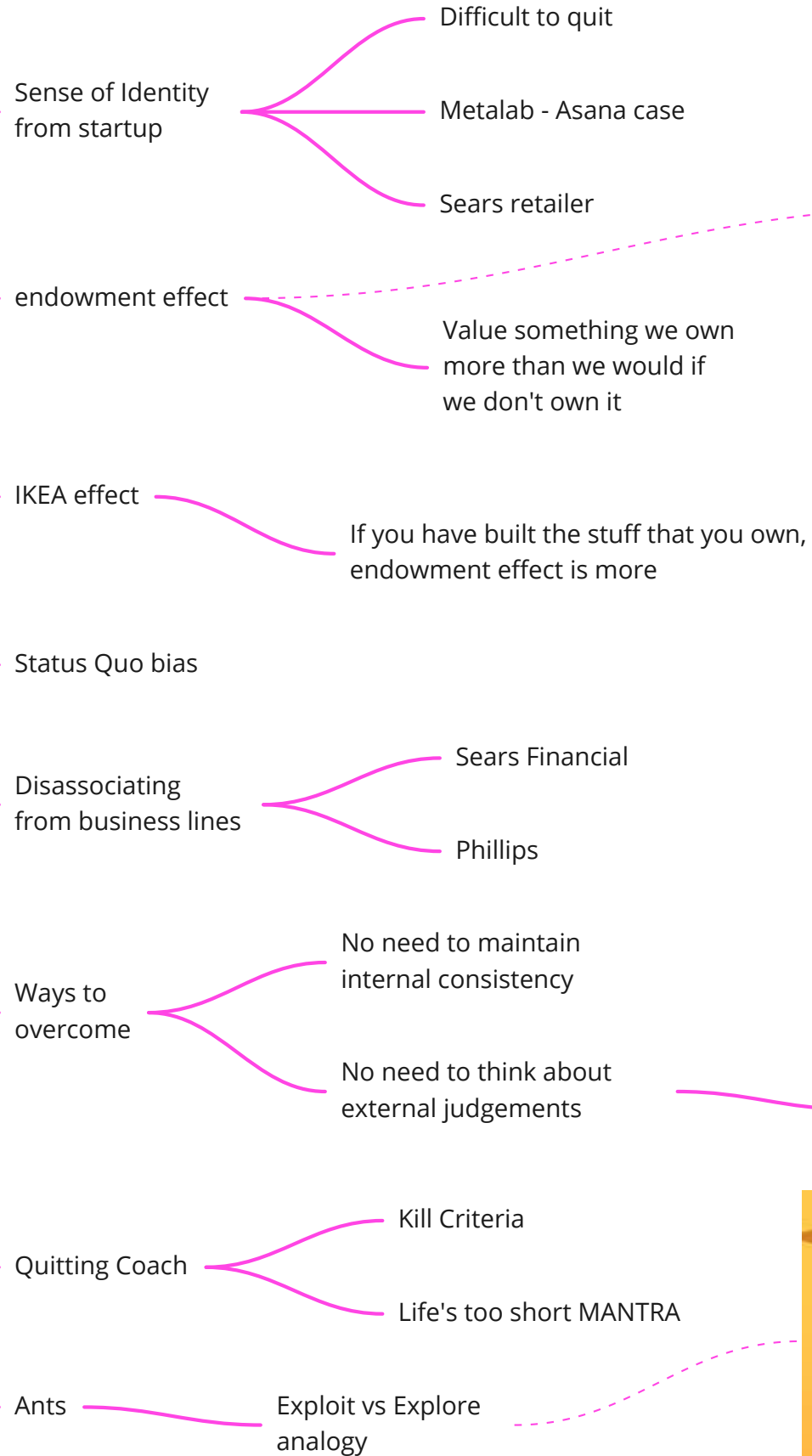
Alex Hannold



Expected Value

$$E(X) = X_1P_1 + X_2P_2$$

Part III  
Identity and Other Impediments



Richard Thaler

External validity concern===  
escalation of commitment



**DIVERSIFY  
WORK, EXPERIENCES, FRIENDSHIPS, HOBBIES  
EXPLORE**



Maya Shankar



Annie Duke

Underground commuters in UK



**BACKUP PLANS**

Ants analogy



We can't see what we are not even looking for

Forced Quitting

Always explore

One day of Rest  
Basketball coach mantra

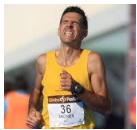
Waster  
Forward looking problem

Part IV  
Opportunity Cost

Goals

Escalation of commitment

Pass fail nature



**FINISH LINE PROBLEM**

Set it and Forget it  
Finish line does not move

Intermediate markers

Need to see gains

**UNLESS  
STATE  
DATE**

Make them flexible

Every goal needs a  
Kill criterion