

Workshop at the California Institute for Human Science

March 30 – April 1, 2007

Encinitas, CA

# WISDOM & INTUITION IN DECISION MAKING

NAVIGATING THE MODERN BUSINESS ENVIRONMENT WITH THE ANCIENT *BOOK OF CHANGE*

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Misha Goussev, Ph.D., MBA  
goussevm@yahoo.com  
215.668.0156



# Introduction

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- About myself:
  - MBA, working in NYC in Financial Services
  - Ph.D., Human Sciences, focus on East Asian traditions
  - Interest in bridging the gap between Business and Ancient Wisdom
- Themes for the Workshop:
  - Wisdom & Intuition vs. Rationality & Analytics in Decision Making
  - Personal Life Philosophy, Values & Beliefs as Decision Drivers
  - West Meets East: Introducing the Taoist Worldview



# Schedule Overview

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- Friday, March 30<sup>th</sup>, 7-9:30PM
  - OVERVIEW & INTRODUCTION
  
- Saturday, March 31<sup>st</sup>, 9-6pm
  - PART 1. FOUNDATIONS OF DECISION MAKING
  - PART 2. THE TAOIST PERSPECTIVE
  - PART 3. UNDERSTANDING THE I CHING (CHANCE METHOD)
  - PART 4. HANDS ON CASE STUDIES WITH THE I CHING (CHANCE METHOD)
  
- Sunday, April 1<sup>st</sup>, 9-6pm
  - PART 5. TAO AND BUSINESS
  - PART 6. THE TAO OF DOW (BUSINESS LESSONS FROM THE TAO TE CHING)
  - PART 7. UNDERSTANDING THE I CHING (DELIBERATE METHOD)
  - PART 8. HANDS ON CASE STUDIES WITH THE I CHING (DELIBERATE METHOD)



# PART 1. FOUNDATIONS OF DECISION MAKING

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# How do we make decisions?

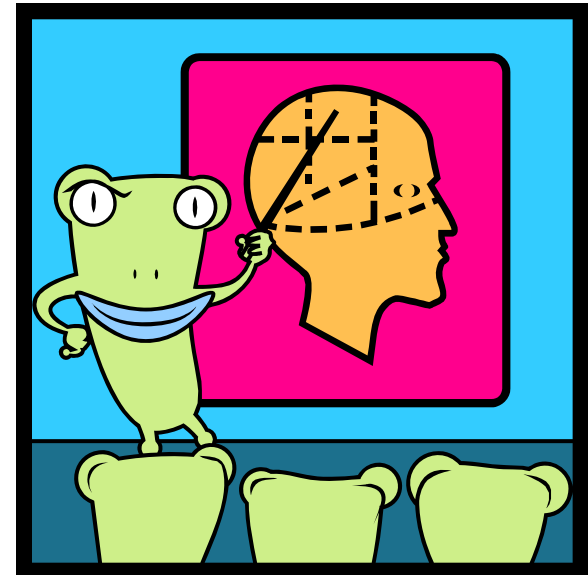
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- Set your goal & preferences
- Gather Information
- Consult with experts
- Weigh pros & cons
- Get wise advice
- Check your gut feeling
- Hope for good luck

# *Intuitive vs. Rational Minds*

*"The intuitive mind is a sacred gift and the rational mind is a faithful servant. We have created a society that honors the servant and has forgotten the gift."*

- Albert Einstein



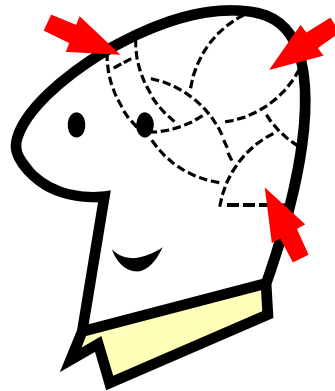
# Anatomy of Man's Brain: Left & Right Hemispheres

- Left: Analytical
  - Sequential & logical
  - Speech
  - Programmable
  - Can be replicated
- Right: Intuitive
  - Non-sequential
  - Non-verbal info
  - Gestalt: sees forest and not just the trees
  - Unique properties

# Anatomy of Man's Brain: Neocortex, Limbic & Brainstem

- **Neocortex (Executive Center)**

- Language
- Concepts
- Analysis



- **Limbic (Emotional Brain)**

- Intuition, emotion, memory
- 'Gatekeeper': "friend of foe"?
- ≈7000 times faster than Neocortex

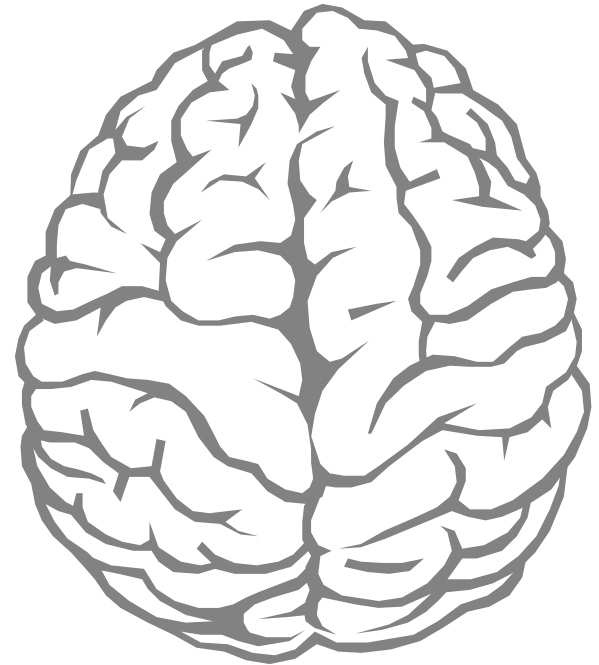
- **Brainstem (Reptilian Brain)**

- Breathing, metabolism, organs
- Physical reactions
- Does not think or learn

# Anatomy of Man's Brain:

## Left & Right Hemispheres Are Independent

- Each part can function and develop independently from each other
  - Severing the cord connecting both parts
  - Stroke generally damages one side only
  - Measurement of brain waves for each part
- IQ score measures Left brain activity
  - Little or no decline in IQ score in patients with removed Right hemisphere



# Bicameral Brain at Work: The "F" Test

(Source: Inferential Focus at <http://www.inferentialfocus.com/>)

The screenshot shows a web browser window displaying the 'F' Test page. The page is split into two panes. The left pane contains the test instructions and the sentence to be read. The right pane shows the same content mirrored, but with the text rotated 180 degrees. The browser's address bar shows the URL <http://www.inferentialfocus.com>.

**THE "F" TEST**

Read carefully the sentence below and count the number of F's in the sentence. Reread it again, carefully:

**FINISHED FILES ARE THE RESULT OF YEARS OF SCIENTIFIC STUDY COMBINED WITH THE EXPERIENCE OF MANY YEARS.**

Click for "F" test results

**THE "F" TEST**

How many F's did you count? If you are like most people, you counted 3.

**FINISHED FILES ARE THE RESULT OF YEARS OF SCIENTIFIC STUDY COMBINED WITH THE EXPERIENCE OF MANY YEARS.**

**The correct answer? 6!**

- Most people miss Fs in the word "OF". The F in "OF" is missed because you know how to read. As you read, you actually pronounce the F in "OF" as a "V". Your knowledge gets in the way and your ears override your eyes. Children, who know the letter F but do not know how to read, see six every time!
- If you did count 6, you have excellent observation skills. In fact, you see what most people miss.

# Anatomy of Man's Brain: The Dominant Hemisphere

- Most people have dominant side
- Dominance helps avoid indecisiveness
  - Buridan's Ass (starved to death not being able to decide b/w two piles of hay being in equal distance from each)
- Four general modes of dominance
  - Ned Herrmann's (General Electric) test for determining the dominant brain side

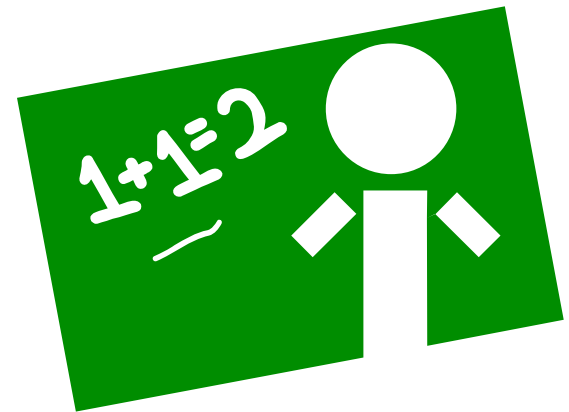


# Hermann's brain dominance test



# Left-brained dominance of the West: Whole-brained approach is needed

- Left-brained approach, though imbalanced, has been very effective
  - Communication via airwaves, man to the Moon, nuclear energy, life-span expansion etc.
- Left-brained approach has many limitations
  - Over reliance on technical analysis
  - Over reliance on specialists
  - Overload of information
- Over reliance on IQ scores discriminates against Right-brained
  - The Renaissance is the last time when our society a balance between science and art
  - "Cognitive Era" - if it can't be count, it does not count



# Eastern vs. Western Cognitive Styles

- East Asians emphasize different aspects of problems and think through problems differently than Westerners
- Fish-tank experiments:
  - East Asian subjects focused on the environment
  - Western subjects focused on the fish and its quality





# Eastern vs. Western Cognitive Styles

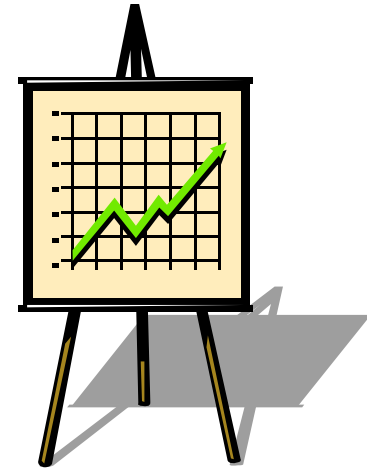
<b>Characteristic</b>	<b>East Asian</b>	<b>Western</b>
Processing	Holistic	Particularistic
Focus	Relational	Differentiation
Validities	Multiple	Single
Analytical Preference	Experience/Empirical	Formal explanatory models
Decision-making preference	Reasoning-based	Rule-based
Solution preference	Unique	Universal
Locus of control	Situational	Individual

Source: *The Chinese Tao of Business* by Haley, Haley and Tan

# Business Decision Making

## Western Strategic Planning Technologies

- Analytical step-by-step approach
- Relies on abundant information
- Requires significant investments in staff to collect & analyze data
- Depends on accurate explanatory models
- Separates companies' "minds and hands"
- Does not work well in *information-void* and *increasingly complex* situations



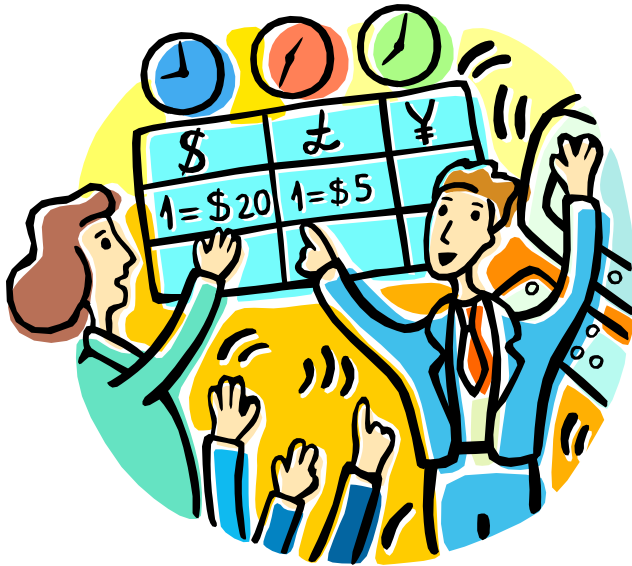
# Business Decision Making

## Western Strategic Planning Technologies

The Wall Street Traders

vs.

US Marine Corps



# Business Decision Making

## Decision Making in Chinese Strategy

- Holistic information processing
- Hands-on experience
- Lateral transfer of knowledge
- Reliance on qualitative information
- Action-driven decision making
- Lack of “institutional memory”
- Lack of information and data transparency





# Business Decision Making

## Key Takeaways

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- In the battlefield, on the trading floor and/or in the global business environment intuition usually beats straight-line rationality.
- The planning usually lacks the heart, guts and instinct that Asian managers rate so highly.



## PART 2. THE TAOIST PERSPECTIVE

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# The Taoist Perspective

## Tao - "The Way" of the Universe

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- Tao is a Mystery

There was something formless and perfect  
before the universe was born.

It is serene. Empty.

Solitary. Unchanging.

Infinite. Eternally present.

It flows through all things,  
inside and outside, and returns  
to the origin of all things.

It is the mother of the universe.

For lack of a better name,

I call it the Tao.

(Tao Te Ching, Ch. 25)



# The Taoist Perspective

## Tao – Guidance for Daily Living

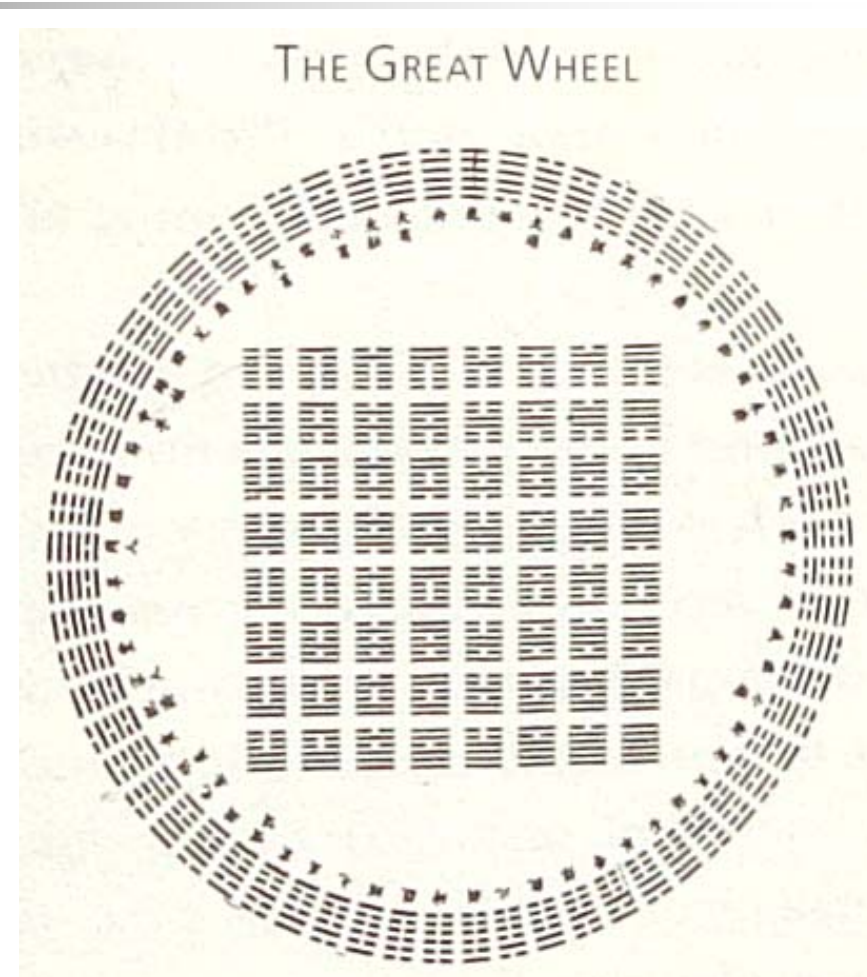
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- Tao is very practical in daily life
  - Three pillars: Confucianism, Taoism & Buddhism
  - Chinese medicine
  - Tai Chi for healing & martial art
  - Power of water: soft, but not conquered
- Yin/Yang is the language of Tao

# The Taoist Perspective

## The *I Ching* (the Book of Change)

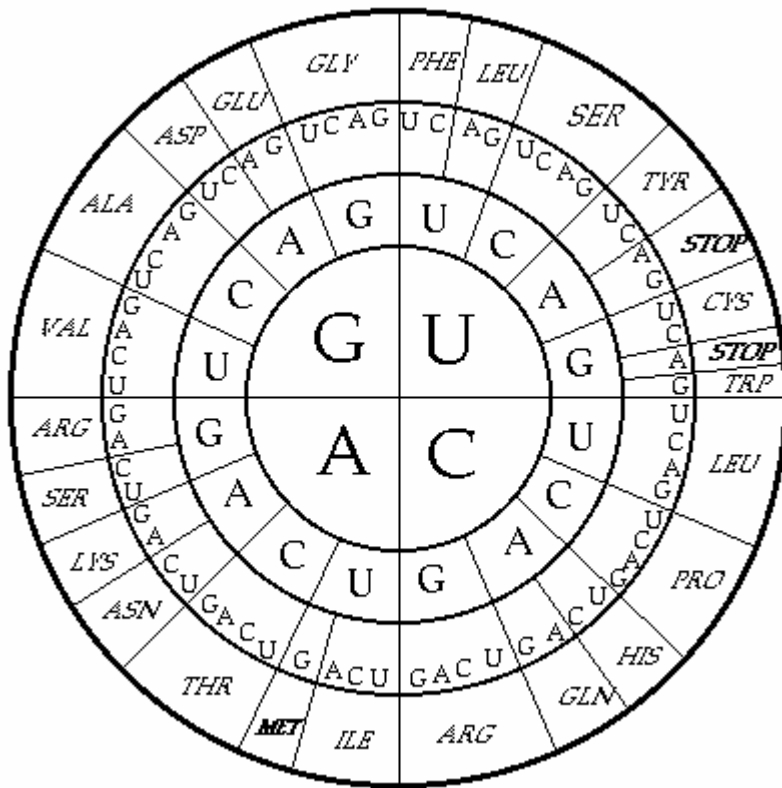
- Product of 6,000 years old Taoist philosophy originating in ancient China
- Originally used for divination and fortune telling; also referred to as Book of Wisdom
- Conceived & refined based on observations of the nature of change
- 64 chapters (Hexagrams) define key patterns of change



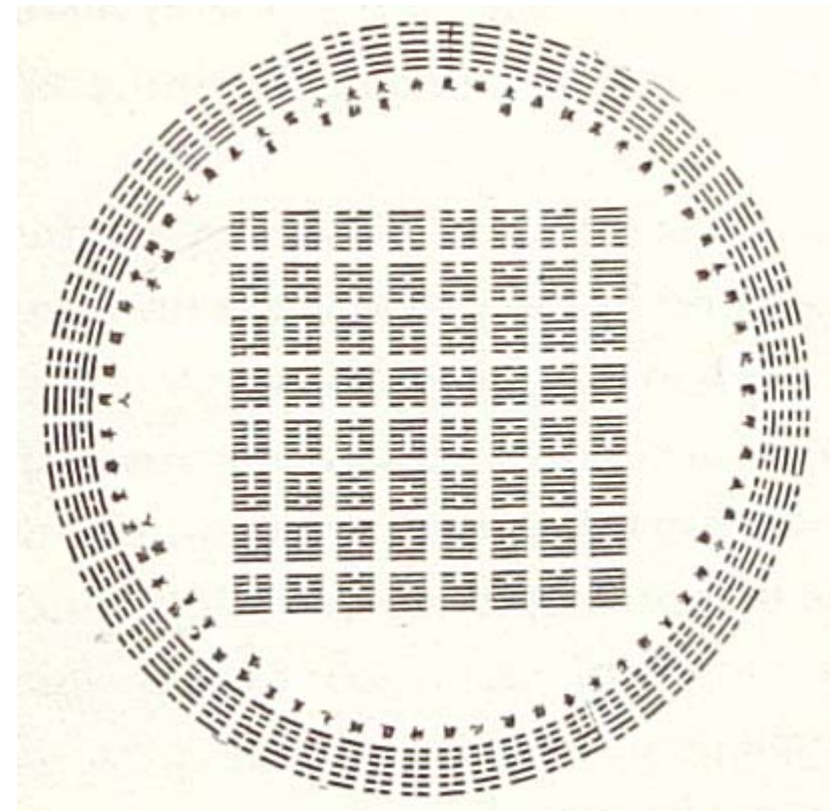
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# *I Ching* and the Genetic Code

## 64 Rules of Genetic Code



## 64 *I Ching* Hexagrams



(C) M Goussev

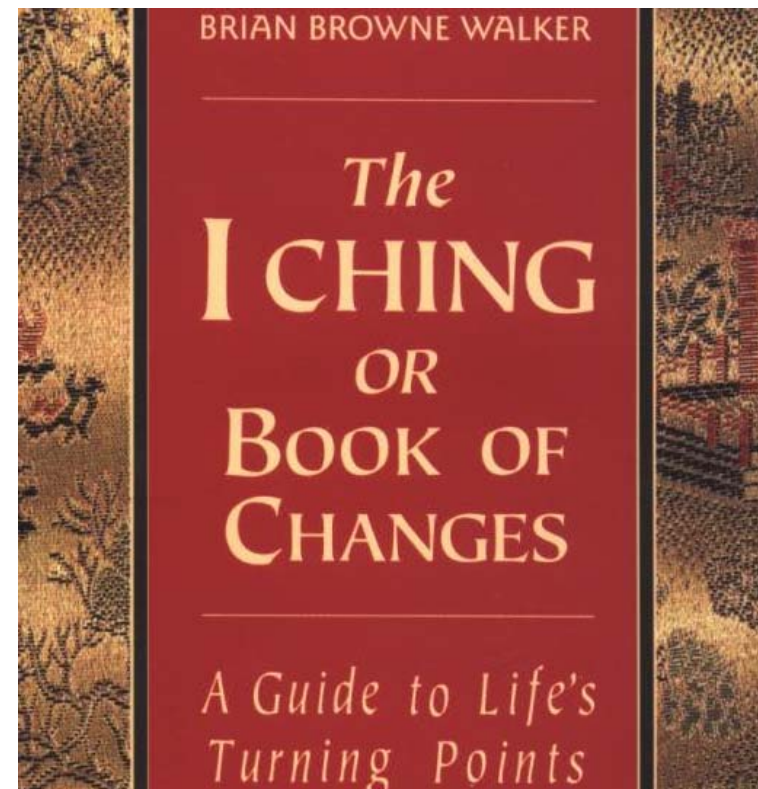
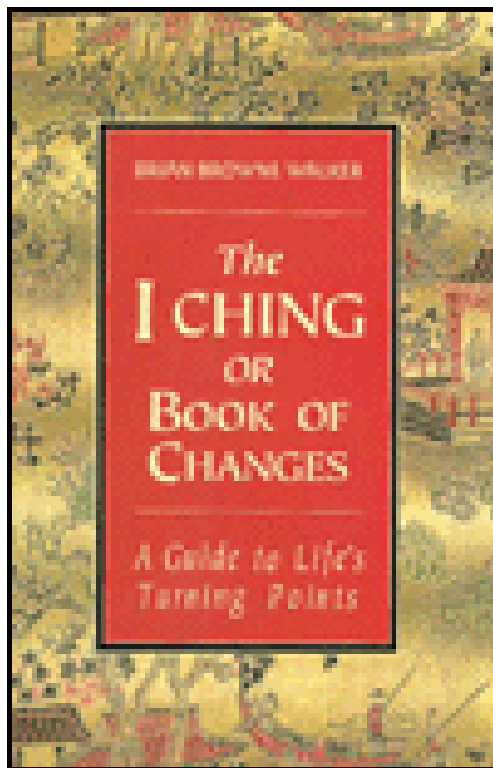


PART 3. UNDERSTANDING THE / *CHING*  
(THE CHANCE METHOD)

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# Chance Method

## The I Ching: A Guide to Life's Turning Points





# Introducing the *I Ching*

From the introduction to Brian Browne Walker's translation of the *I Ching*

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- This Is Just a Book
- This Is More Than Just a Book
- What Does the *I Ching* Teach Us?
- What Must We Bring to the *I Ching*?
- About the "Sage"
- Where to Begin

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# Methods of Consultation

## ■ Chance Method

- Using coins or yard sticks
- *Mythos*



## ■ Deliberate Method

- Construct hexagrams
- *Logos*





# Consulting the *I Ching*

- **Assign the value 2 to one side of the coin.** This is the yin side, as even numbers are associated with yin. Traditionally, the tail side of a coin is yin.
- **Assign the value 3 to the other side of the coin.** This is the yang side, as odd numbers are associated with yang. Traditionally, the head side of a coin is yang.
- Take three coins in the hand. Spend a moment to **formulate a question**. While thinking of the question, **throw the three coins**.
- **Add the values** assigned to the sides showing and note down the result. It will be 6, 7, 8, or 9. This will become the first (bottom) line of the hexagram. Some results will produce a changing line (a line where yin or yang can change to its opposite – values 6 or 9).
- **Repeat the process five more times** writing the results above the previous one.
- **Draw** the current and future states **hexagrams** by referring to the hexagram table.

SIXTH LINE	■	■	8
FIFTH LINE	■	■	8
FOURTH LINE	■	■	6
THIRD LINE	■■■■■■		7
SECOND LINE	■■■■■■		9
FIRST LINE	■■■■■■		7

# Consulting the *I Ching*

Upper Trigram

Lower Trigram

	1	34	5	26	11	9	14	43
	25	51	3	27	24	42	21	17
	6	40	29	4	7	59	64	47
	33	62	39	52	15	53	56	31
	12	16	8	23	2	20	35	45
	44	32	48	18	46	57	50	28
	13	55	63	22	36	37	30	49
	10	54	60	41	19	61	38	58

Hexagram












SIXTH LINE			8
FIFTH LINE			8
FOURTH LINE			6
THIRD LINE			7
SECOND LINE			9
FIRST LINE			7



# Consulting the *I Ching*

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## Current State Hexagram

SIXTH LINE			8
FIFTH LINE			8
FOURTH LINE			6
THIRD LINE			7
SECOND LINE			9
FIRST LINE			7



## Future State Hexagram



# Example of *I Ching* Consultation

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## Question:

- Should I consider relocating to Asia for my job?

## Hexagram:

- **#7 – THE ARMY:** *In times of war it is desirable to be led by a cautious and humane general*

## Interpretation:

- Challenge & adversity (war as an allegory)
- Agreement & loyalty within family is critical
- Success depends on discipline & caution

# More Consultation Examples

Theme/ Topic	Question	Hexagram		Participant's Interpretation	
Work	<i>Financial Stability of the Company?</i>	17	<b>Following</b>	Do not argue with what is; simply follow the progress of truth	It sounds like I will have to prove my leadership first, before I will be able to reap financial rewards for and from the company. It looks to me like I have to be less concerned with what the company has to offer me financially right now and what I have to bring to the table, instead.
Relationships management	<i>I am looking to start a business with C. Is this a wise decision?</i>	13	<b>Fellowship With Others</b>	In fellowship with others embody the principles of the Sage.	This reading hit the hammer on the nail. I cannot enter this partnership with reservations. I have committed myself to being honest and open to this business venture. It has been going well, I am glad I let down my defenses and stuck to truth and honesty.
Decision Making	<i>Which Palm should I buy?</i>	10	<b>Treading (conduct)</b>	Lasting progress is won through quiet self discipline	This data point should probably be overlooked. I don't believe the I Ching is designed to deal with these trivialities. Yeah, this should probably be deleted, I wanted to try a reading out on a random decision I was about to make. Seems as though I-Ching works well only with human behavior, specifically, relationships and interactions.
Work	<i>Should I quit my job?</i>	39	<b>Obstruction</b>	Surrounded by obstruction, one must first retreat, then seek the direction of the Sage.	What I take away is that I should retreat from emotions and self-examine and self-reflect. I think it is very applicable because I am very frustrated about the current situation and the frustration can be all encompassing and blind judgment. A tough, but probably very good advice since it is hard not to be carried away by emotions and hard not to blame the situation but look inward for self-improvement.
Relationships management	<i>Where are things going in my relationship with D.?</i>	61	<b>Inner Truth</b>	Through openness and gentleness the correct solution is reached.	Patience, do not pull do not push, just be true to myself. I am glad I followed the I-Ching's advice, did not act and instead just surrendered to the Universe. He and I are friends now, had I nudged the way I originally intended, I don't think I would have been happy with the outcome.

# Let's Give It a Try...

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# Understanding the *I Ching*

From Carl Jung's foreword to Wilhelm's translation of the *I Ching*

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## ■ Chance vs. Causality

- "Theoretical considerations of cause and effect often look pale and dusty in comparison to the practical results of chance."

## ■ Synchronicity

- "*a meaningful coincidence* of two or more events where something other than the probability of chance is involved."

## ■ Let it find its audience

- "It offers neither facts nor power, but for lovers of self-knowledge, of wisdom [...] it seems to be the right book."





PART 4. HANDS ON WORK WITH THE *I CHING*

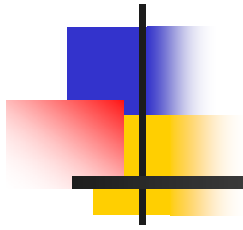
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# Let's Give It a Try...

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## PART 5. TAO AND BUSINESS

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# The Tao of Leadership

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Honors can be bought with fine words,  
respect can be won with good deeds;  
but the Tao is beyond all value,  
and no one can achieve it.

Thus, when a new leader is chosen,  
don't offer to help him  
with your wealth or your expertise.  
Offer instead  
to teach him about the Tao.

**(Tao Te Ching, Ch. 62)**

# The Tao of Leadership

Matsuhita Konosuke, founder of Panasonic



- Matsuhita's phenomenal success has been built on principles originally articulated in the ancient *I Ching*:
  - Having many difficulties perfects the will; having no difficulties ruins the being.
  - When you come to an impasse, change; if you change, you can get through.
  - Harmony with the governing laws of nature and society:
    - "An appropriate business philosophy shouldn't just be the businessman's own subjective idea – there must be some natural principle and social principle underlying it".
- Vision of society as an organic whole.
- Success due to "intuition and openness to new ideas"



# The Tao of Leadership

Matsuhita Konosuke, founder of Panasonic

## *The Way*

*Every person has a path to follow.  
It widens, narrows, climbs and descends.  
There are times of desperate wanderings.  
But with courageous perseverance and  
personal conviction,  
the right road will be found.  
This is what brings real joy.*

*Konosuke Matsushita*



# The Chinese Tao of Business

## The Historical Roots of Chinese Strategy

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Hold fast to the way of antiquity  
In order to keep in control the realm of today.  
The ability to know the beginning of antiquity  
Is called the thread running through the Way.

(Tao Te Ching, Ch. 14)

The more things change, the more they remain  
the same.

Alphonse Karr (*Les Guêpes*, 1849)

# The Chinese Tao of Business

Taoist Values, Communist Regime & Present-day Chinese Businesses have a lot in common

<b>Taoist Values</b>	<b>Implementation by Communist Regime</b>	<b>Implementation by Present-day Businesses</b>
Respect for authorities	Central planning; monopoly, state control	Centralized decision-making; vertical communication with authorities
Collectivism; group-oriented behavior; harmonious relations between individuals	Collective leadership; political incentives and disincentives	Companies as family-like multiple functional units; economic, political and social obligations for companies
Personal relations; trust; family kinship	Negotiated orders along government hierarchies	Power dynamics between managers and other personnel; bargaining power
Saving face	Presenting one's good side	Presenting one's good side; informal behaviors and communications; formal regulations and procedures

Source: *The Chinese Tao of Business* by Haley, Haley and Tan



# The Chinese Tao of Business

Adaptability is a key component of Chinese Strategy

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A man is supple and weak when living,  
But hard and stiff when dead.  
Grass and trees are pliant and fragile when living,  
But dried and shriveled when dead.  
Thus the hard and the strong  
Are the comrades of death;  
The supple and weak are the comrades of life.

*(Tao Te Ching, Chapter 76)*



# The Chinese Tao of Business

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- Tao promotes harmony and controlled competition based on the belief that:
  - Societies and individuals prosper when cooperation rules and social harmony prevails
  - Uncontrolled competition can lead to disastrous results.

# The Chinese Tao of Business

## Holistic Approach to Decision Making

- China is an emerging and rapidly evolving market, characterized by the informational void
- Conventional Western models don't work very well, while experience-based intuitive models work best



# The Chinese Tao of Business

## Holistic Approach to Decision Making

- With experience-based intuitive models, managers take a general approach to problems, define parameters intuitively and explore situations holistically.
- Successfully diversify into very different, non-core businesses (in contrast to Western business wisdom).
- Generalize past experiences for the context - this often takes conceptualization skills different from analytical skills.





## PART 6. THE TAO OF DOW

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# The Tao of Dow

- **Tao** – “The Way” – the Way of Life, the Way of the Universe, the way things are.
- **Dow** – Dow Jones Indexes – reflect the pulse of the economic activity of the world
- **Is Dow a part of Tao?**



# The Tao of Dow

## Common Principles

- Oneness & Interdependence



- Change



- Mystery



# The Tao of Dow

## Oneness & Interdependence

It [Tao] flows through all things,  
inside and outside, and returns  
to the origin of all things.

It is the mother of the universe.  
For lack of a better name,  
I call it the Tao.

(Tao Te Ching, Ch. 25)



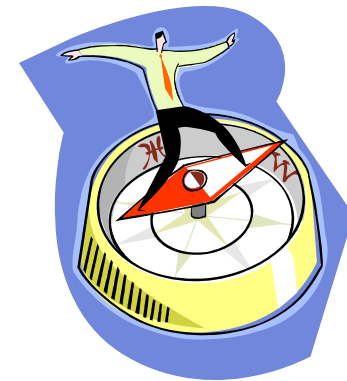
- Two principle forces directing the **flow of life on the Planet**:
  - **Force of Nature** – workings of the Tao
  - **Force of Human Progress** – reflected by the Dow

# The Tao of Dow Change

If you realize that all things change,  
There is nothing you will try to hold on to.  
If you aren't afraid of dying,  
there is nothing you can't achieve.

Trying to control the future  
is like trying to take the master carpenter's place.  
When you handle the master carpenter's tools,  
chances are that you'll cut your hand.

**(Tao Te Ching, Ch. 74)**



- Modern management dilemma: maintain control in a continuously changing environment (**control uncontrollable**)
  - Internal organizational changes
  - Changes of the external market forces

# The Tao of Dow

## Mystery

As it acts in the world, the Tao is like the bending of a bow.  
The top is bent downward;  
the bottom is bent up.  
It adjusts excess and deficiency  
so that there is perfect balance.  
It takes from what is too much  
and gives to what isn't enough.

(Tao Te Ching, Ch. 77)



- The workings of Tao and of the “invisible hand of the market” (Adam Smith) are alike:
  - **The mechanisms are known**
  - **The outcomes remain a mystery**

# The Tao of Dow

## Takeaways

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- The workings of the Dow are not always sustainable in the long term
  - Energy crisis
  - Global warming
  - Pollution
- The working of the Tao are
- Can Dow learn from the Tao?

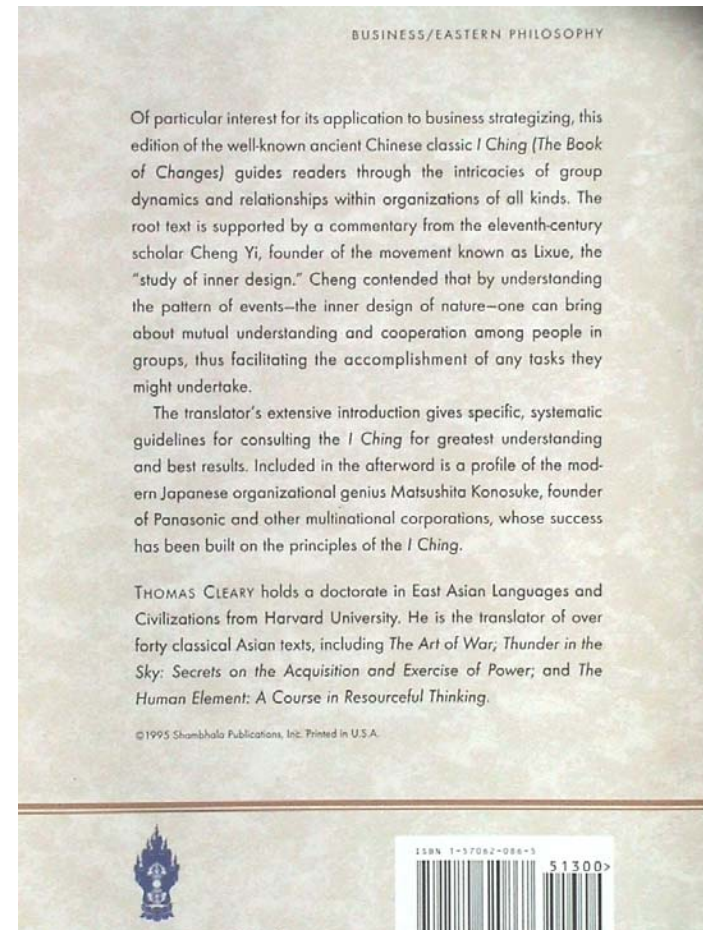
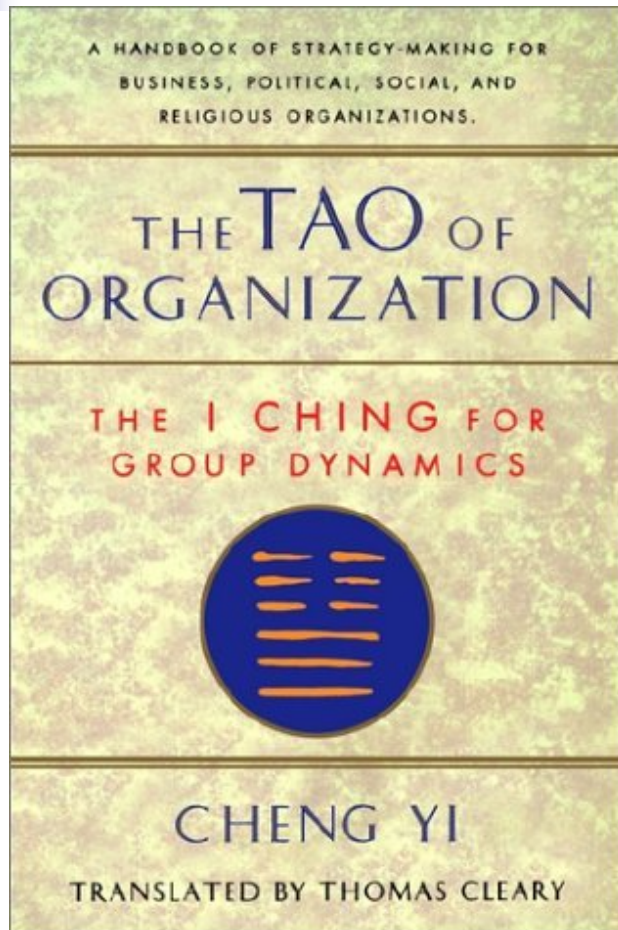


PART 7. UNDERSTANDING THE *I CHING*  
(THE DELIBERATE METHOD)

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# Deliberate Method:

## The Tao of Organization: I Ching for Group Dynamics



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# Anatomy of the I Ching

## Five Elements and Cycles of Change






### Cycles of Change:

Creative, Reducing & Controlling



### Five Elements:

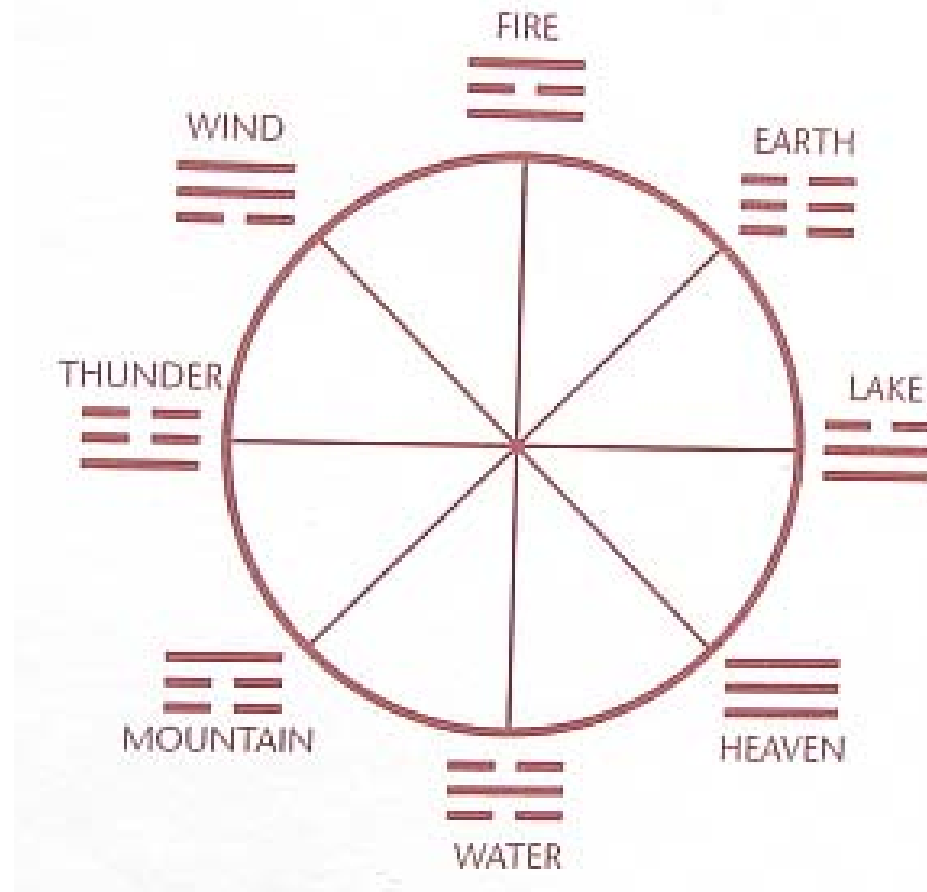
Metal, Water, Wood, Fire & Earth

-  **METAL**—the quality of contraction, sharpness, focus; when too strong, METAL energy can make you sharp-tongued and critical
-  **WATER**—the quality of flowing, making connections; too much WATER energy can make you “wishy-washy” and indecisive
-  **WOOD**—the quality of easy growth and progress; too much wood energy makes you aggressive or impatient, lacking compassion
-  **FIRE**—the quality of excitement, expansion, quickness; too much FIRE energy can leave you stressed out and anxious
-  **EARTH**—the quality of settling down, being receptive; too much leads to depression, sluggishness, feeling stuck or weighed down



# Anatomy of the I Ching

## The Cycle of Trigrams – Bagua



# Anatomy of the I Ching

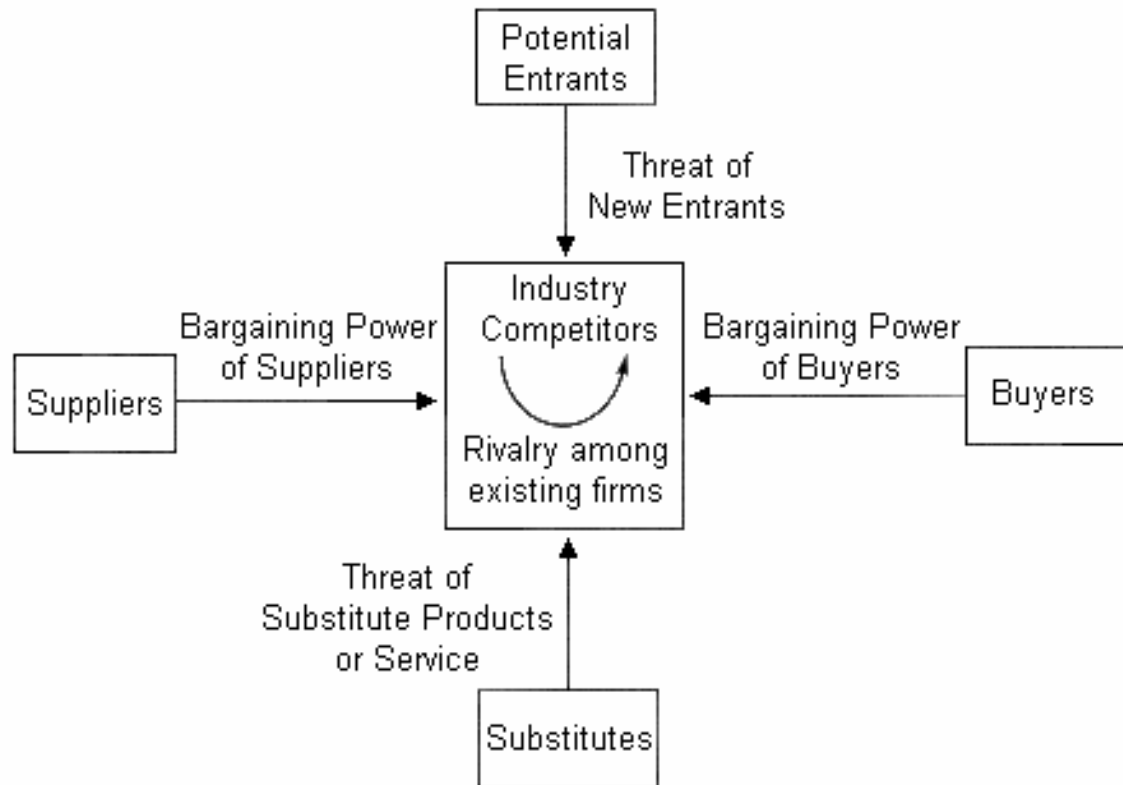
## The Trigrams



### TRIGRAMS

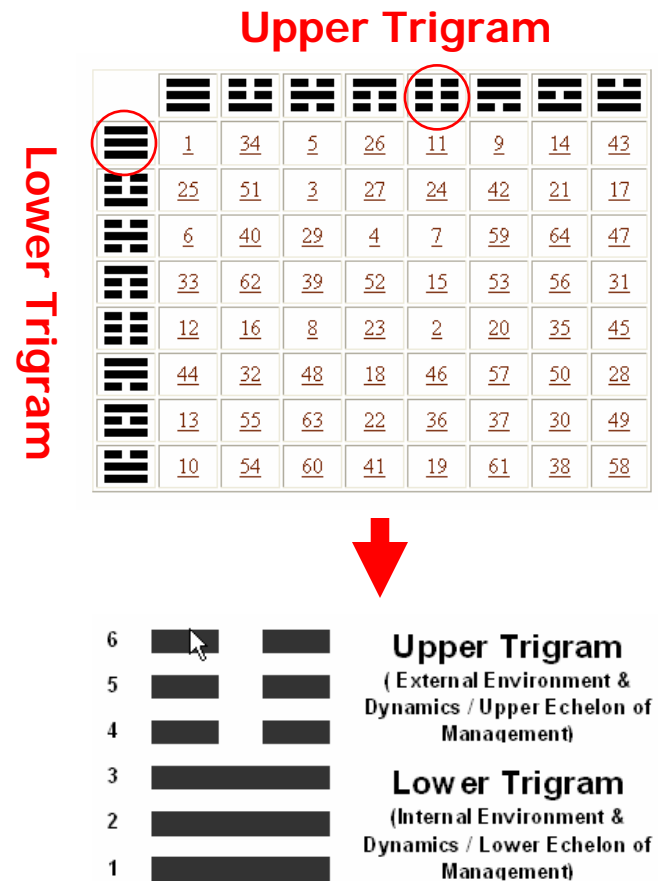
Trigram	Symbol	Chinese Name	Image	Action	Symbolic Aspect	Element	Direction	Qualities	People
	Thunder	Chen	SHAKE	Stirring-up Arousing	Movement Activity	Wood	East	Agitation, awakenings, exaltations, elevation, excitement, impetus, stimulation, vehemence, impulses,	Eldest sons, males aged between thirty-one and forty-five, prime movers, action men, those with "act now think later"
	Wood/Wind	Sun	GROUND	Entering Penetrating	Initiation Obedience	Wood	South-East	Romance, dispersion, vehemence, pursuit of gain, decisions, lying, profound influences and effects, obedience,	Eldest daughters, women aged thirty to forty-five, those with broad foreheads, those with breezy characters, business
	Fire / Brightness	Li	RADIANCE	Congregating Clinging	Intelligence Understanding	Fire	South	Radiation, warmth, recognition, passion, talent, clarity, expansion, apexes, peaks, extremes, awareness, fame, uniqueness,	Middle daughters, women aged sixteen to thirty, movie stars, clairvoyants, intellectuals, fundamentalists,
	Earth	Kun	FIELD	Responding Yielding	Receptivity Harmony Accord	Earth	South-West	Elegance, passivity, surrender, devotion, service, hollowness, downward motion, dependability, support, calmness,	Women aged forty-six or older, wives, mothers, wise women, farmers, servants, midwives, butlers, doctors
	Lake / Marsh	Tui	OPEN	Stimulating	Joy Enjoyment	Metal	West	Gracefulness, serenity, tranquillity, sensuality, talkativeness, narcissism, and gaiety	Youngest daughters, girls up to fifteen years old, female shamans, magicians, sorceresses, concubines, fortune-
	Heaven	Ch'ien	FORCE	Persisting	Productive Energy	Metal	North-West	Justice, forcefulness, unyieldingness, rigidity, stiffness, movement upward, virtue, duty, perseverance, power,	Fathers, senior males, men over the age of forty-six, heads of state, leaders, bosses, owners, wise men, emperors
	Water / Stream	K'an	GORGE	Venturing, Falling	Cautious Danger Desire	Water	North	Great forward movement like a river, vitality, journeys, careers, libido, adventures, concealment, translucence,	Middle sons, men aged sixteen to thirty, diplomats, writers, playwrights, sailors, plumbers, fisherman, autoworkers,
	Mountain	Ken	BOUND	Stopping	Stillness	Earth	North-East	Accomplishment, rest, halting, meditation, stillness, inner reserve, inertia, faithfulness, downward motion, retreat,	Youngest sons, boys up to fifteen years old, children, security guards, wise teachers, spiritual guides, bachelors,

# Change Frameworks: Porter Five Forces



# The I Ching Hexagrams

- Key Elements
  - Number
  - Name
  - Brief description / summary
  - Main text / situation analysis
  - Sub-texts for each line
- Comprised of Upper & Lower Trigrams
- Main text describes present situation
- Lines represent change drivers & levels of management



# Basics of the I Ching Methodology

## Based on the Deliberate Method of Analysis

- Pose a question/strategic objective
- Determine **Upper** and **Lower** Trigrams
- Identify the resulting hexagram
- Analyze presented situation (main text)
  - General direction, key forces, warnings
  - Map to context of the present situation
- Analyze drivers of change & role of each level of management (each line)
- Draft Strategic Options
- Analyze Future States for Each Option



### Organizational Structure Reflected in Lines Order

- **Top:** the aged, the retired, the emeriti, extremists and diehards
- **Fifth:** central directorates
- **Fourth:** upper managerial levels
- **Third:** middle classes, lower and middle management, large local landlords and developers
- **Second:** educated and skilled people from among unenfranchised people, artists and intellectuals, grass-roots organizers, trade unions
- **First:** workers, peasants, artisans, small independent businesses



# Example of a Strategic Situation Analysis with the I Ching

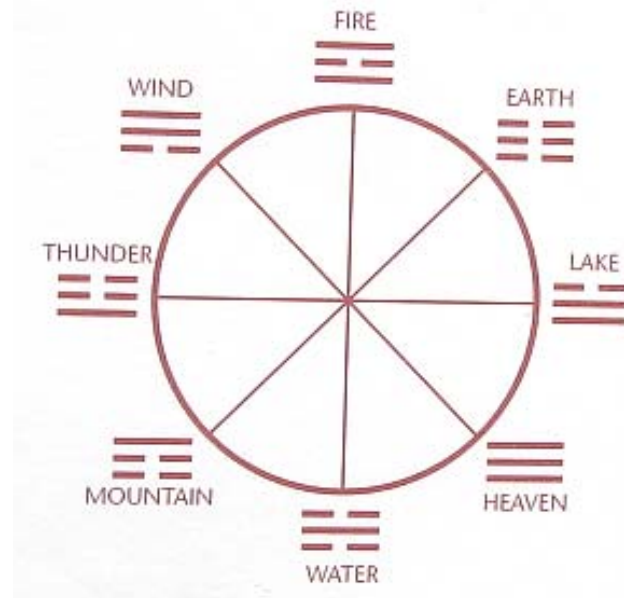
- **Objective:** Assess current situation at the Firm and outline factors critical to successful integration of the new leadership and strategic objectives within the organization
- **Hexagram: #50 – THE CAULDRON**
  - **Upper Trigram:** Fire (brightness, clarity, clinging together, sharing of Ideas)
  - **Lower Trigram:** Wind (new ideas & energies are beginning to penetrate and have effect)
- **Analyze present situation:** The function of a cauldron is to change things (the raw to cooked, the hard to soft). Hexagram *Cauldron* follows hexagram *Revolution*. Clearly, this well describes the current changes taking place in the Firm (radical transformation is followed by the phase of "cooking" of the new processes and expected end results).
- **Analyze drivers of change**
  - **Line 1:** Overturn cauldron: eject what is wrong and bad in order to make something new. Importance of having the right workers.
  - **Line 2:** The cauldron has substance. The first line management has the right qualities/skills and should follow the lead of the senior management, as opposed to being influence by the first line workers, in order to be successful.
  - **Line 3:** Lower/Middle management, even though capable and talented does not align well with the objectives & lead of the senior management. This causes obstruction in their careers. There is a potential that they will eventually realign and find balance.
  - **Line 4:** Upper Management is not always strong and suitable for the job, which may spoil the success of the firm on a large scale.
  - **Line 5:** Senior management is strong, centered and balanced; and in good accord with the first line of management; promises success and prosperity
  - **Line 6:** People of high rank, but not in a position of influence or power can be very useful now (e.g. senior management who are no longer with the firm due to retirement or change of firms can be beneficial for advisory roles or coming back on board)
- **Draft Strategic Options**
  - Ensure that the first line workers have adequate skills & background (may need to hire & fire personnel)
  - Ensure that the first line, lower & middle management align with senior management's objectives & direction
  - Make sure the upper management qualifies for the job and bring in the right people if necessary (hiring & firing may be required)
  - Reach out to the retired leaders for advisor roles and invite back senior management who had left the firm



PART 8. HANDS ON WORK WITH THE *I CHING*

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# Let's Give It a Try...





## PART 9. SUMMARY & TAKEAWAYS

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# The *I Ching* Toolbox: How To...

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## **See the Big Picture**

- Expand Tunnel Vision

## **Use Intuition & Wisdom**

- Validate Numbers and Check Fundamental Values

## **Study Relationships**

- Understand Cause & Effect



# Value of *I Ching* in Business?

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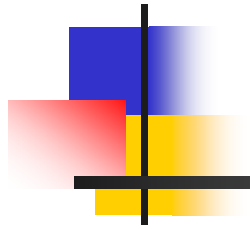
**A Method for Leveraging  
the Intuitive Mind  
To Help  
Navigate Change & Uncertainty**



# How does one learn the Tao?

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- Study the *Tao Te Ching*
- Consult the *I Ching*
- Practice Tai Chi
- Empty Your Mind
- Listen to Your Heart
- Keep Peace



## APPENDIX 1. PHOTO ESSAY

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# Wudan – Taoist Sacred Mountain



(C) M Goussev

# Wudan – Taoist Sacred Mountain



(C) M Goussev

# Wudan – Taoist Sacred Mountain



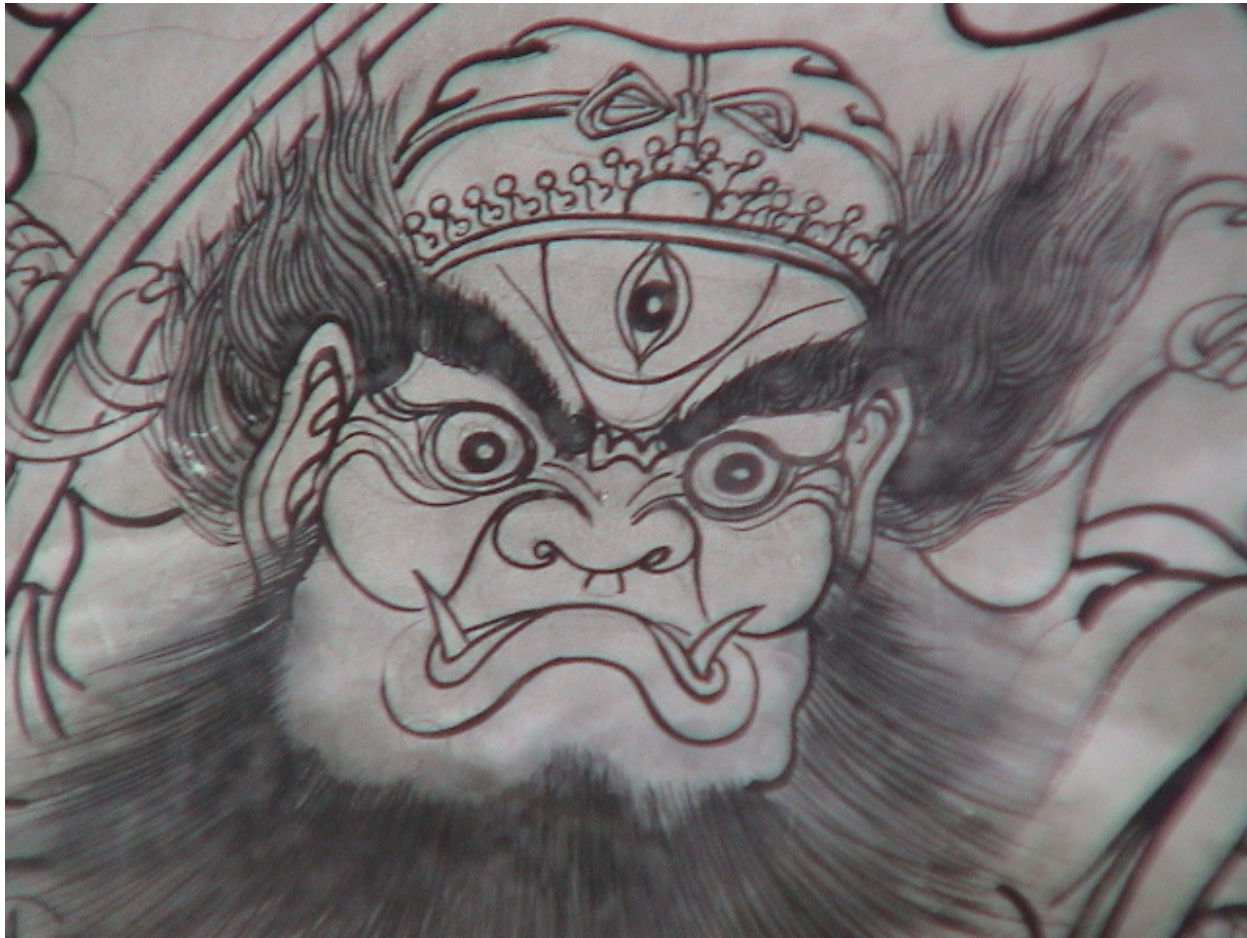
(C) M Goussev

# Wudan – Taoist Sacred Mountain



(C) M Goussev

# Wudan – Taoist Sacred Mountain



(C) M Goussev

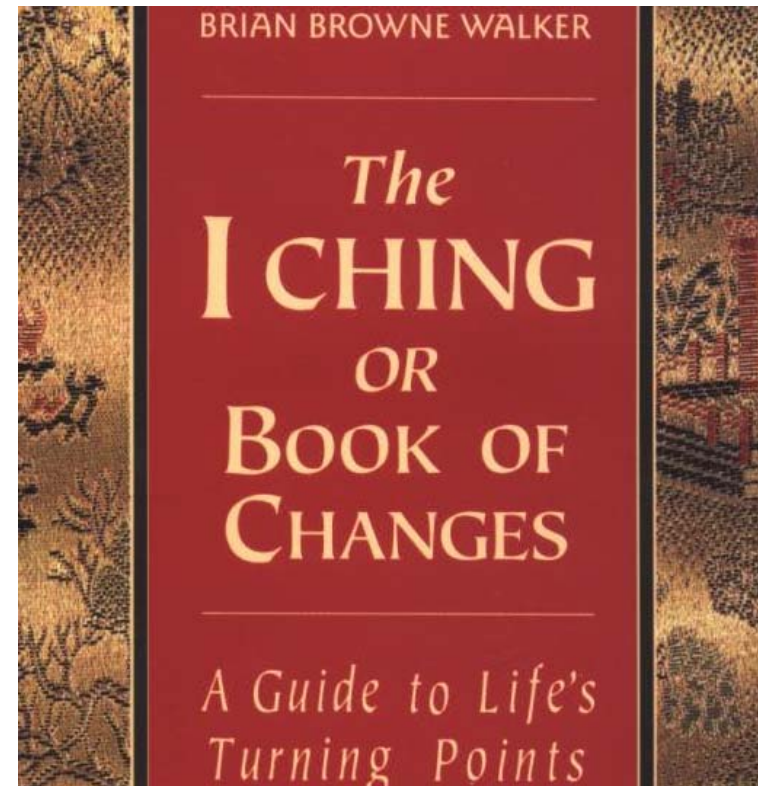
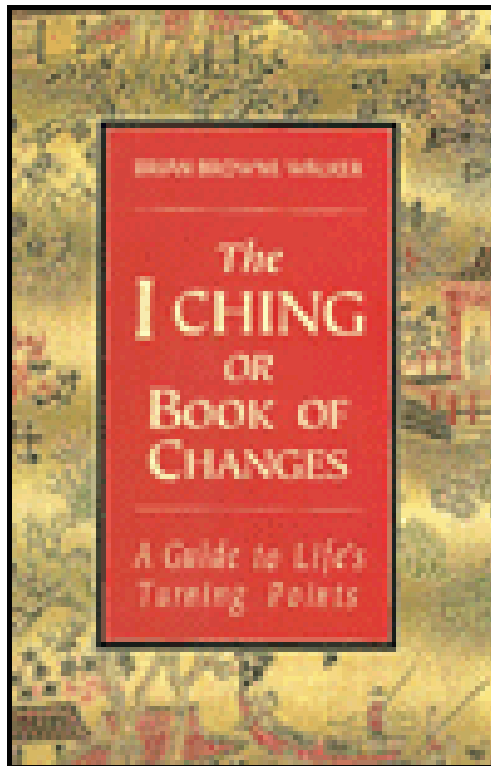


## APPENDIX 2. READING MATERIALS

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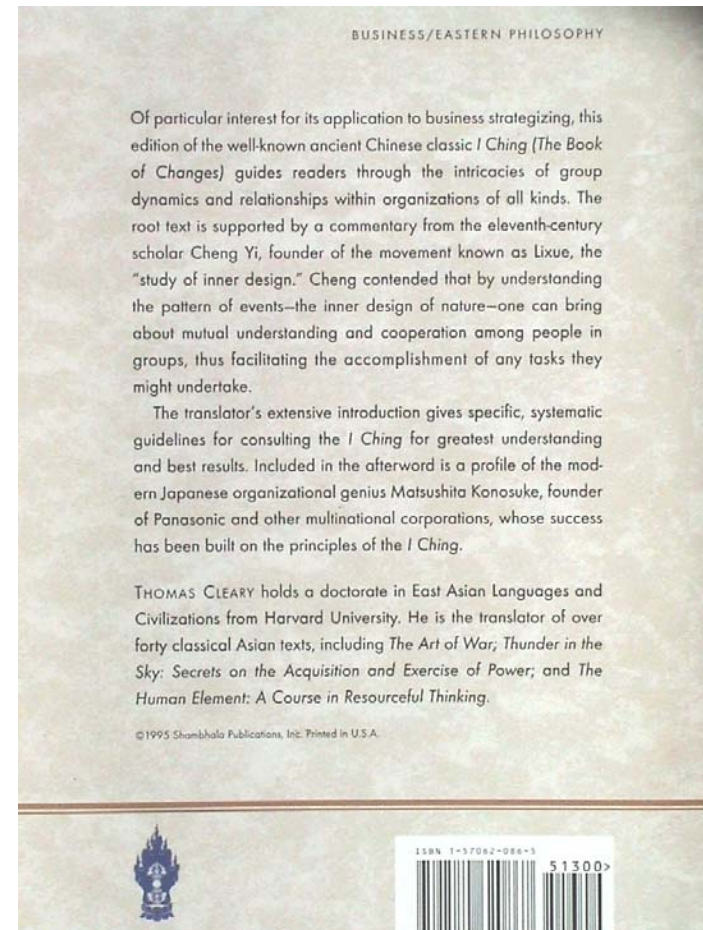
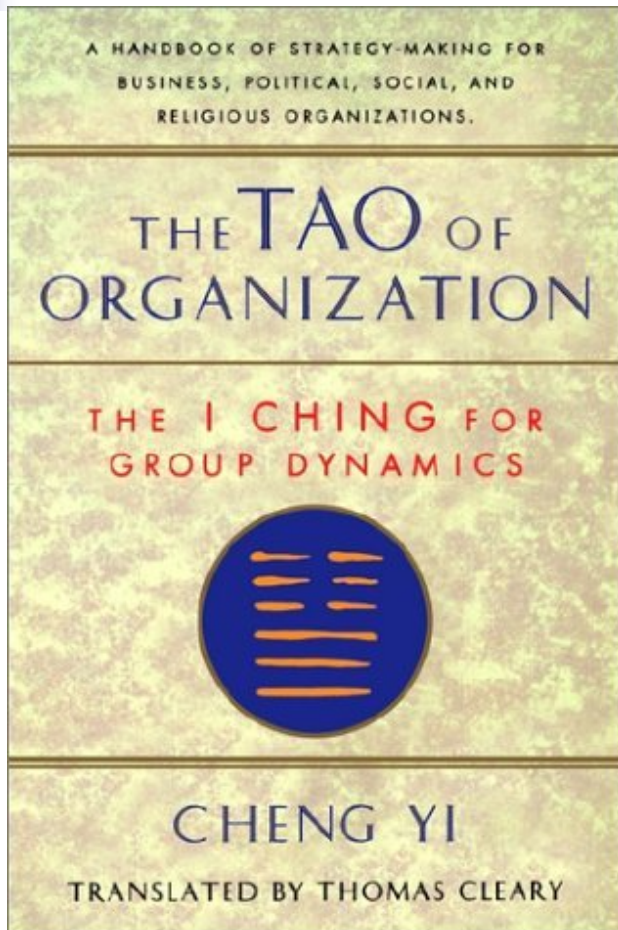
# Chance Method

## The I Ching: A Guide to Life's Turning Points



# Deliberate Method:

## The Tao of Organization: I Ching for Group Dynamics



(C) M Goussev

# From Tao to Dow

## The I Ching on Wall Street



### ***Confessions of a Taoist on Wall Street (1984)***

From the tranquility of an Oriental monastery to the tumult of the New York Stock Exchange, the hero of this amazing novel embarks on a quest for a father, a fortune, and the ultimate essence of the universe. The illegitimate son of a Chinese woman and an American officer, he was reared as an orphan by Taoist monks. When he learns that his father may be a wealthy Wall Street entrepreneur, he feels compelled to go to New York. His efforts to reconcile his two lives -- to find the Tao within the Dow -- make a story rich in character, wit, and insight.

“David Payne’s first novel reads like the happy collaboration of the eastern mystic Lao Tzu and the discount broker Charles Schwab, a hybrid of the *I Ching* and *How to Profit from the coming Stock Market Crash* co-written by a prophet and a profiteer. I marvel at Payne’s virtuosity, his technical brilliance, his enormous ambition. Take a tip: his stock is bound to rise.”

--*The Dallas Morning News*