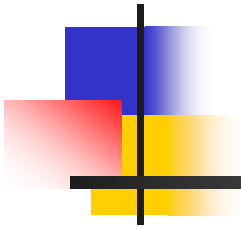


Presentation at the Penn Club of New York

July 20, 2007



WISDOM & INTUITION IN DECISION MAKING

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

周易

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Introduction

■ About myself:

- MBA, working in NYC in Financial Services
- Ph.D., Human Sciences, focus on East Asian traditions
- MS, Computer Sciences & Electrical Engineering
- Interest in bridging the gap between Business and Ancient Wisdom



Thesis

- Wisdom & Intuition play a key role in making decisions
- Business (and Western) environment puts emphasis on analytical skills, but lacks formal methods of cultivation of Wisdom & Intuition
- Eastern philosophies can help cultivate Wisdom & Intuition via specific methodologies



PART 1. FOUNDATIONS OF DECISION MAKING



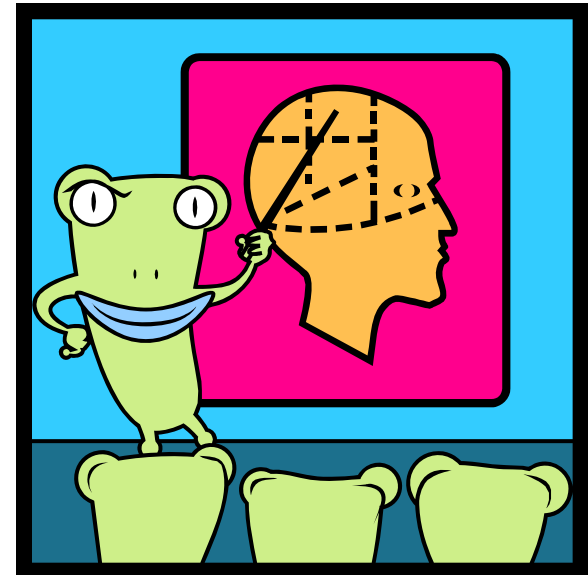
Contexts for Decision Making

- Modern vs. Ancient
- Analytical vs. Intuitive
- Eastern vs. Western mindsets
- Values, Beliefs and Perspectives

Ancient vs. Modern

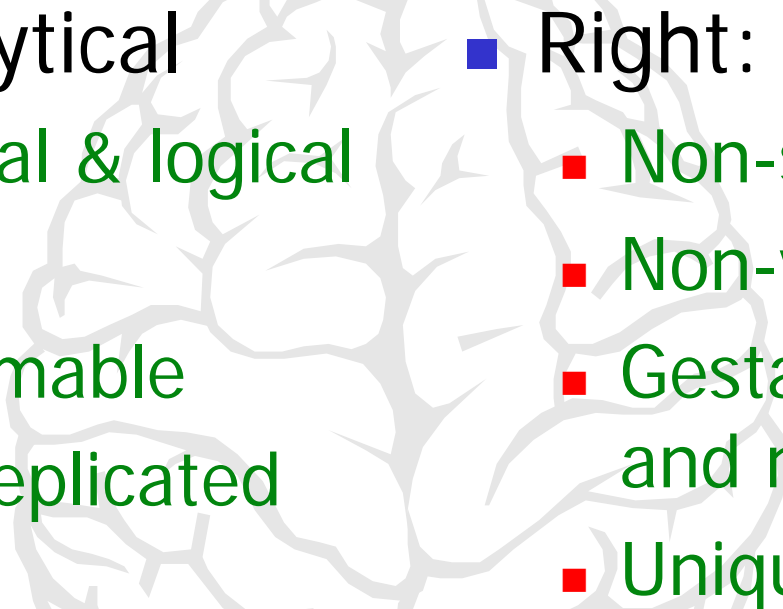
"The intuitive mind is a sacred gift and the rational mind is a faithful servant. We have created a society that honors the servant and has forgotten the gift."

- Albert Einstein



Analytical vs. Intuitive

Left & Right Hemispheres

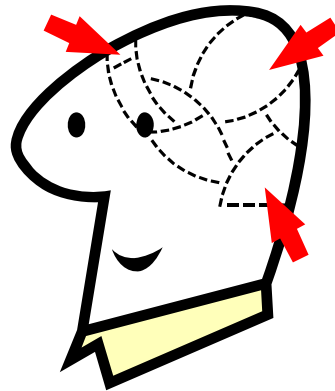
- 
- Left: Analytical
 - Sequential & logical
 - Speech
 - Programmable
 - Can be replicated
 - Right: Intuitive
 - Non-sequential
 - Non-verbal info
 - Gestalt: sees forest and not just the trees
 - Unique properties

Analytical vs. Intuitive

Neocortex, Limbic & Brainstem Brains

- **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

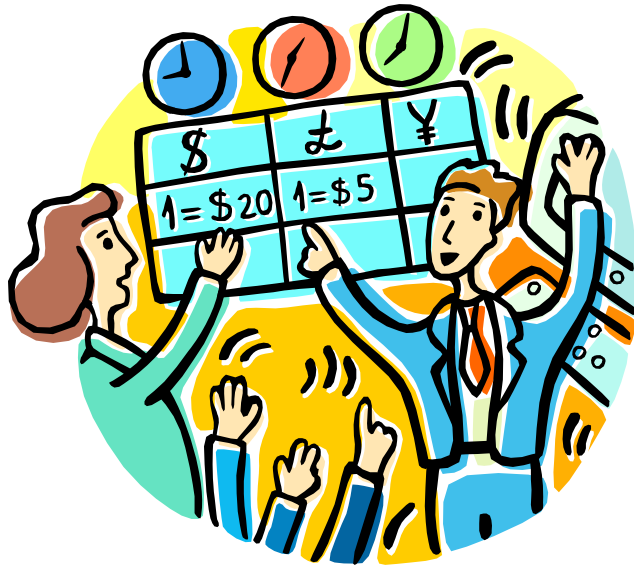
Analytical vs. Intuitive

Decision Making in Business and Battlefield

The Wall Street Traders

vs.

US Marine Corps



Source: The Chinese Tao of Business by Haley, Haley and Tan (Thomas Stewart tested decision making of Marines vs. Traders in 1995 in NY Mercantile Exchange)

Follow up: http://www.au.af.mil/au/awc/awcgate/usmc/cultivating_intuitive_d-m.htm (Commandant of US Marine Corps changed training in 1999 to include intuitive decision making)

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Eastern vs. Western

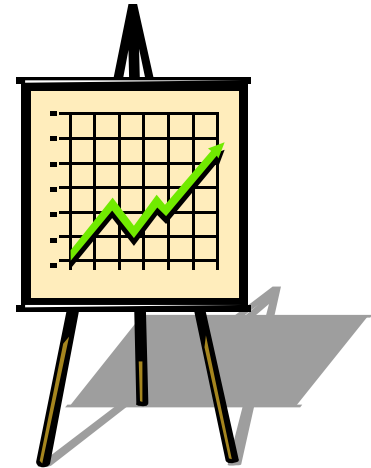
- East Asians emphasize different aspects of problems and think through problems differently than Westerners
- Fish-tank experiments:
 - East Asian subjects focused on the environment
 - Western subjects focused on the fish and its quality



East vs. West: 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



East vs. West: 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





East vs. West: Business Decision Making

Key Takeaways

- 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



The Taoist Perspective

Tao - "The Way" of the Universe

- 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

- 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 alphabet of Tao

The Taoist Perspective

Adaptability is a key component of Chinese Strategy



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 Tao of Leadership

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"

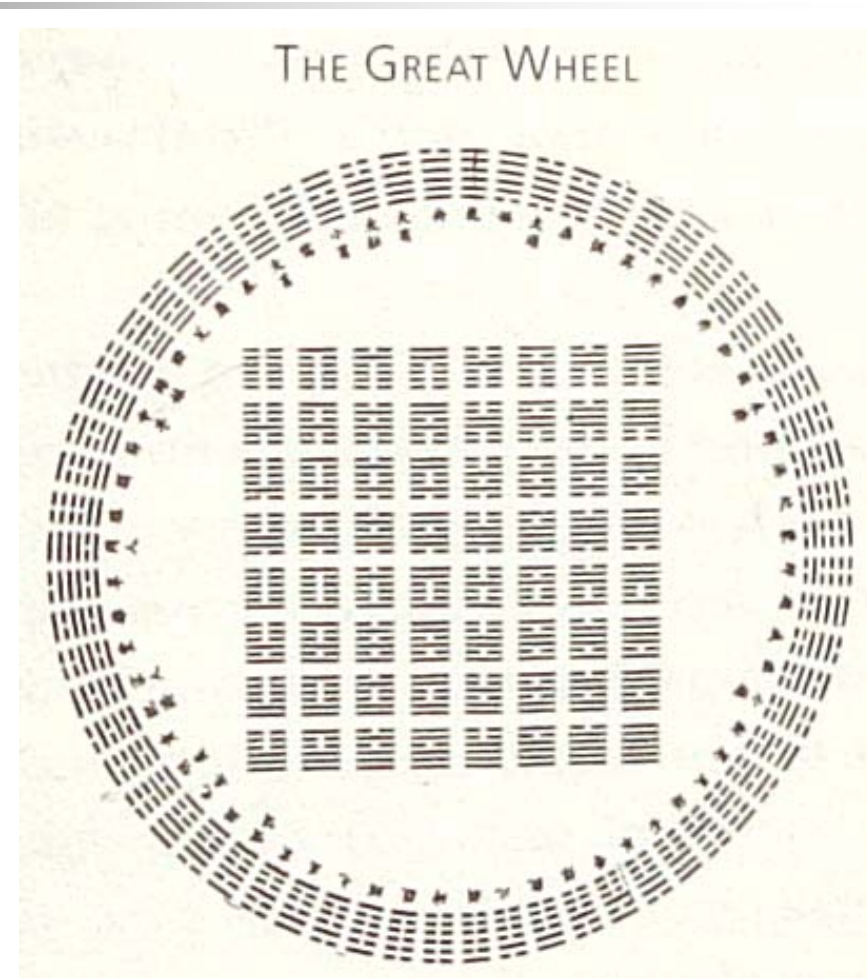


PART 3. THE *I CHING* AS A LANGUAGE OF TAO

The Taoist Perspective

The *I Ching* (the Book of Change)

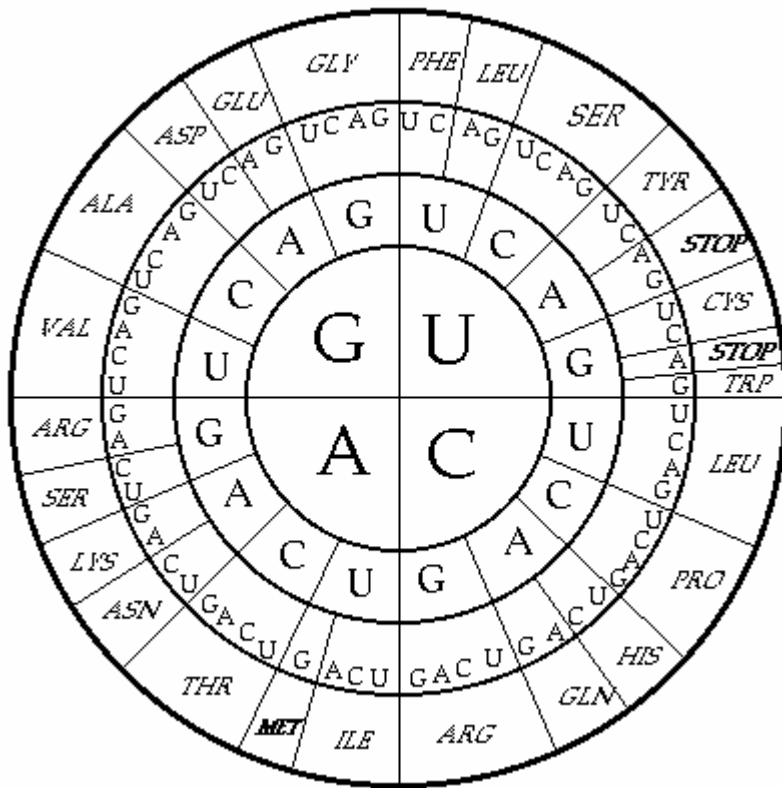
- Product of 6,000 years old Taoist philosophy originating in ancient China
- Originally used for divination and fortune telling; also referred to as Book of Wisdom
- Conceived & refined based on observations of the nature of change
- 64 chapters (Hexagrams) define key patterns of change



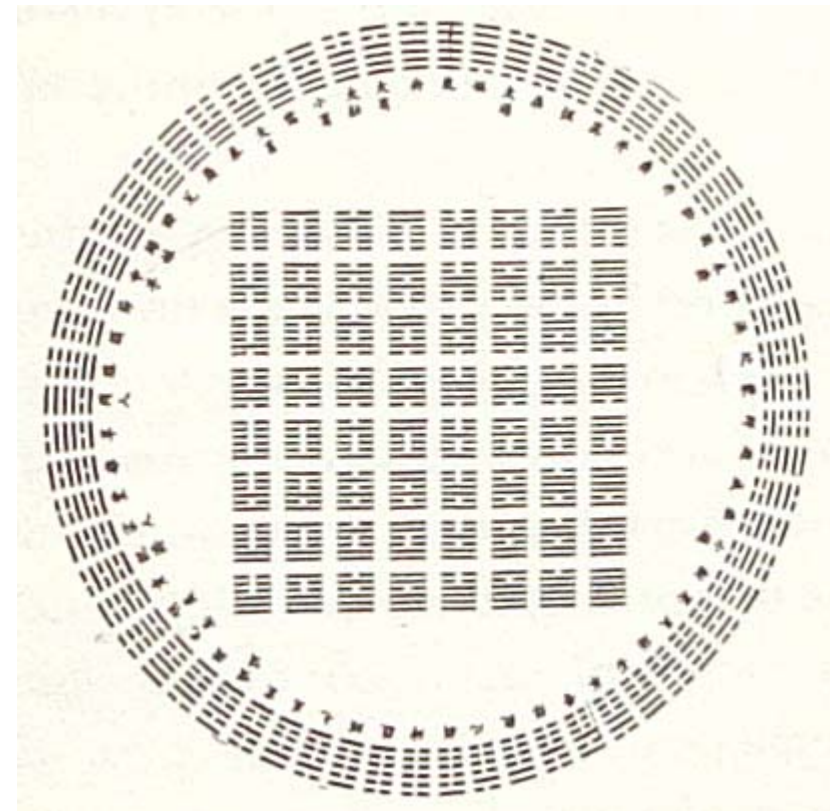
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I Ching and the Genetic Code

64 Rules of Genetic Code



64 *I Ching* Hexagrams



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Consulting the *I Ching*

Upper Trigram

Lower Trigram

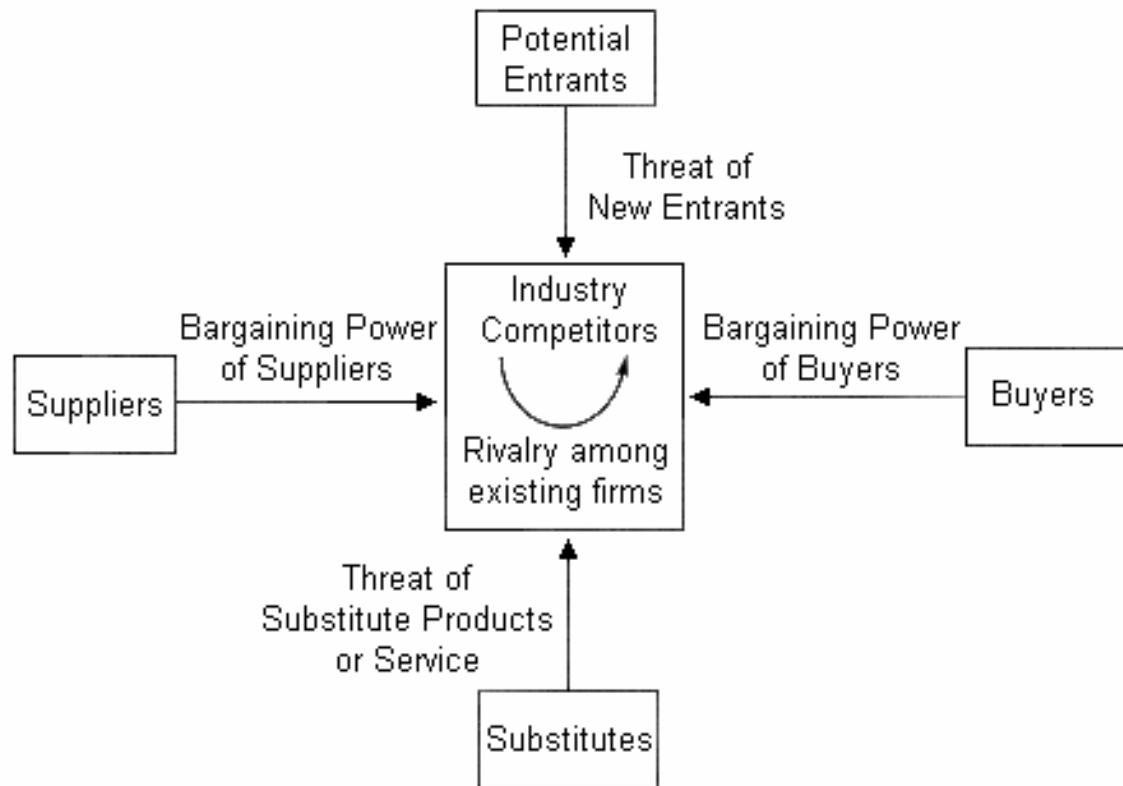
	1	34	5	26	11	9	14	43
	25	51	3	27	24	42	21	17
	6	40	29	4	7	59	64	47
	33	62	39	52	15	53	56	31
	12	16	8	23	2	20	35	45
	44	32	48	18	46	57	50	28
	13	55	63	22	36	37	30	49
	10	54	60	41	19	61	38	58



Hexagram

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

Other Change Frameworks: Porter Five Forces



Methods of Consultation

■ Chance Method

- Using coins or yard sticks
- *Mythos*



■ Deliberate Method

- Construct hexagrams
- *Logos*





Example of *I Ching* Consultation

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	Following	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	Fellowship With Others	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	Treading (conduct)	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	Obstruction	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	Inner Truth	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...





Modern Views on the *I Ching*

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

■ 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."

周易



PART 4. SUMMARY & TAKEAWAYS



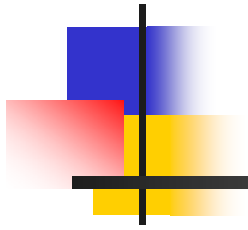
The *I Ching* Toolbox: How To...

- See the Big Picture
- Study Relationships
- Detect patterns of change
- Engage intuition & wisdom
- Perform inner inventory of resources
- Keep balance and inner strength



How does one learn The Way to the Tao?

- 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

Wudan – Taoist Sacred Mountain



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Wudan – Taoist Sacred Mountain



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Wudan – Taoist Sacred Mountain



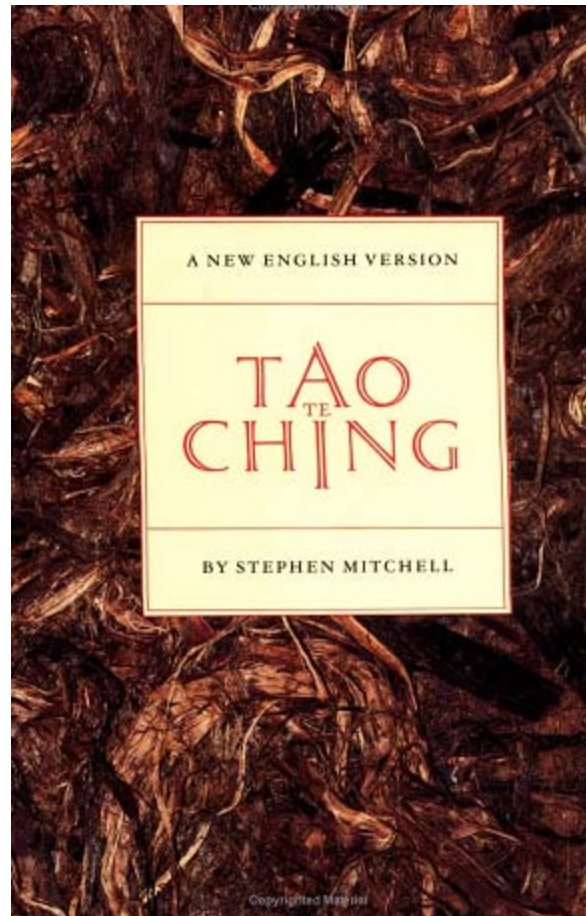
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APPENDIX 2. READING MATERIALS

Understanding Tao

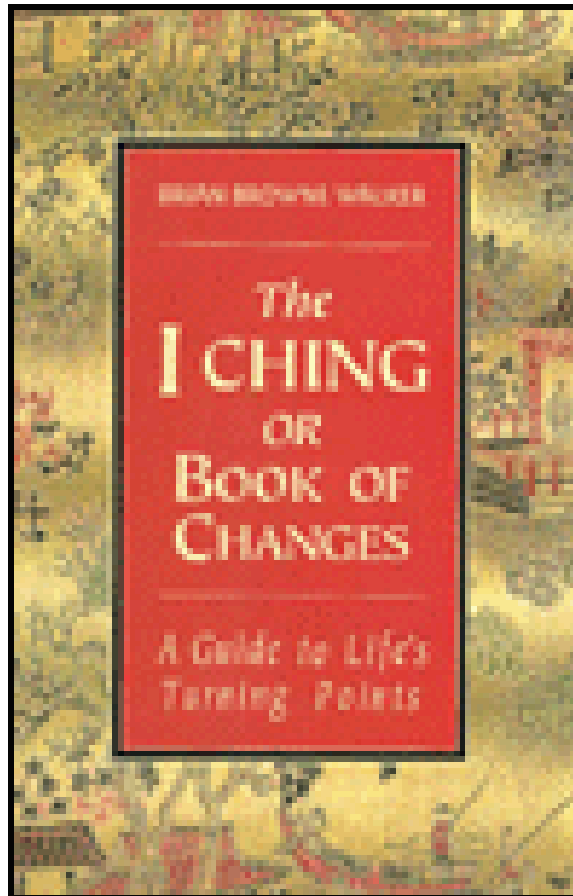
Tao Te Ching by Stephen Mitchell



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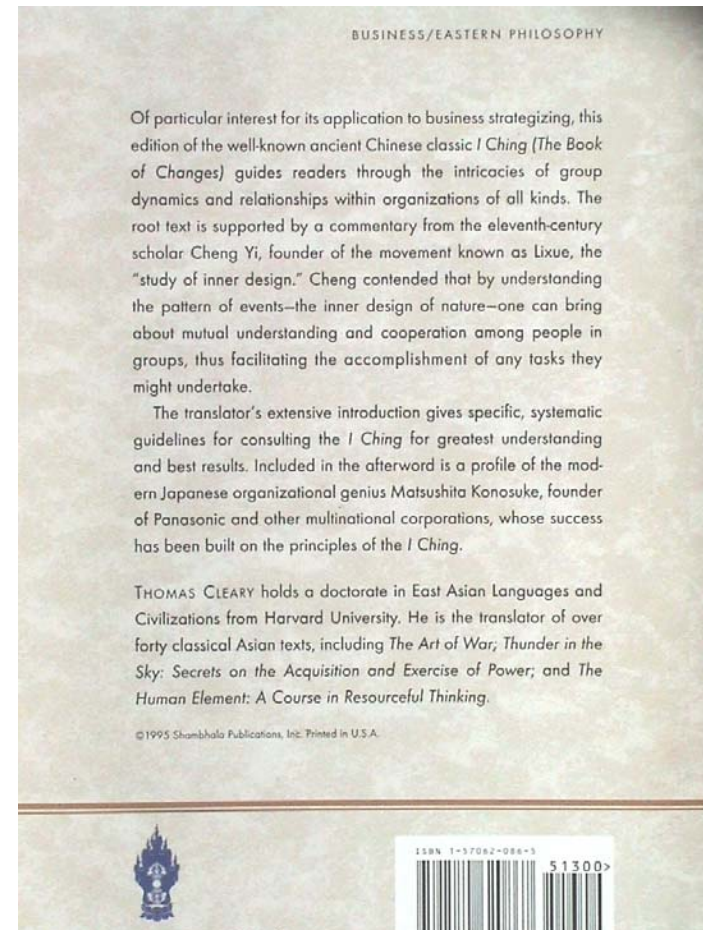
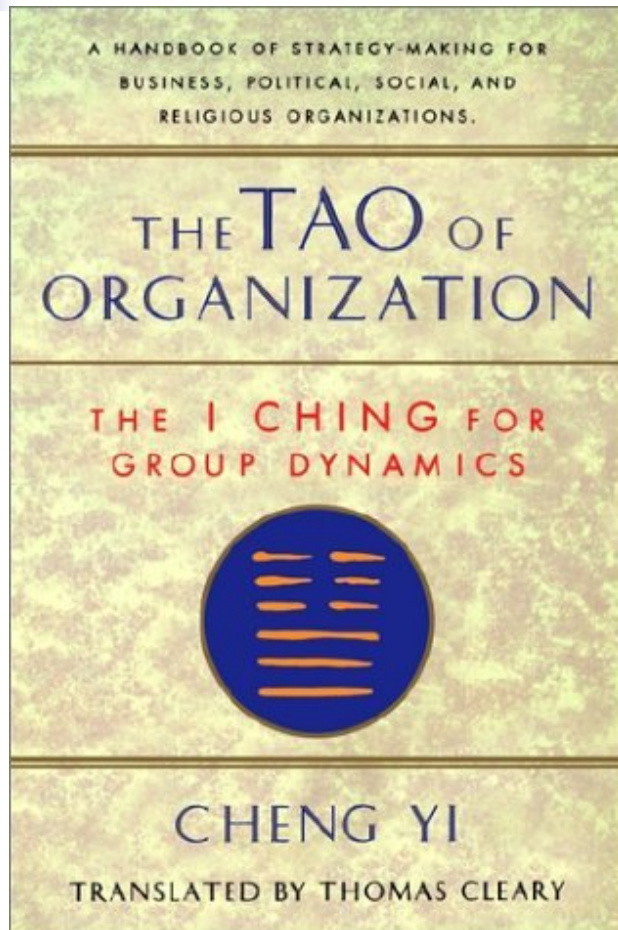
The Chance Method

The I Ching or Book of Changes. A Guide to Life's Turning Points
by Brian Browne Walker



The Deliberate Method

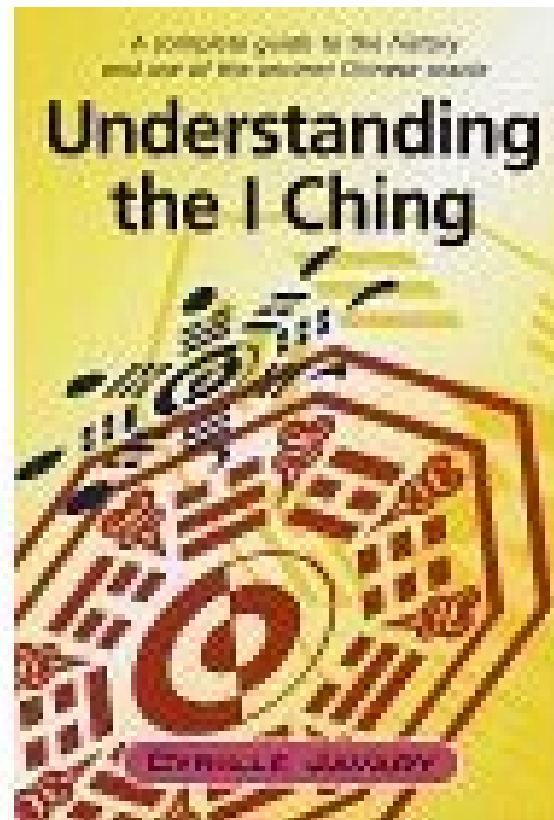
The Tao of Organization: The I Ching for Group Dynamics
by Thomas Cleary



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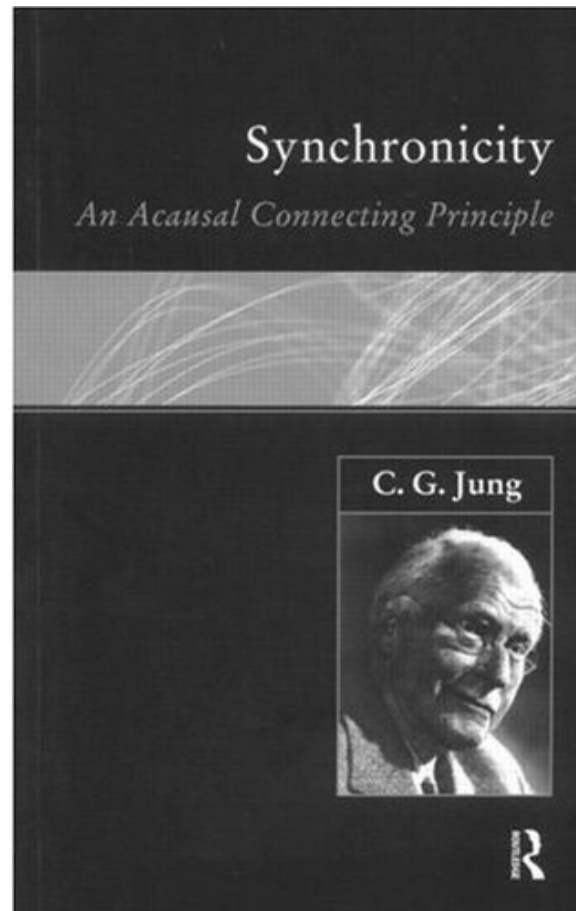
Understanding the *I Ching*

Understanding the I Ching by Cyrille Javary



Understanding the *I Ching*

Synchronicity. An Acausal Connecting Principle. by C.G. Jung



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From Tao to Dow

Confessions of a Taoist on Wall Street by David Payne



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*