Twitter Thread by Sahil Bloom



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Frameworks provide clarity in complex situations.

Here are 20 useful frameworks (on startups, investing, writing, & life):

The Feynman Technique

To learn anything:

Step 1: Identify a topic.
Step 2: Try to explain it to a 5-year-old.
Step 3: Study to fill in knowledge gaps.
Step 4: Organize, convey, and review.

True genius is the ability to simplify, not complicate.

Simple is beautiful.

Directional Arrow of Progress

"Study the undeniable arrows of progress." - @wolfejosh

The future is extremely difficult to predict—but there are clues.

Look at the trend line of progress and where it's pointing—directionally, not precisely.

Invest (or build) accordingly.

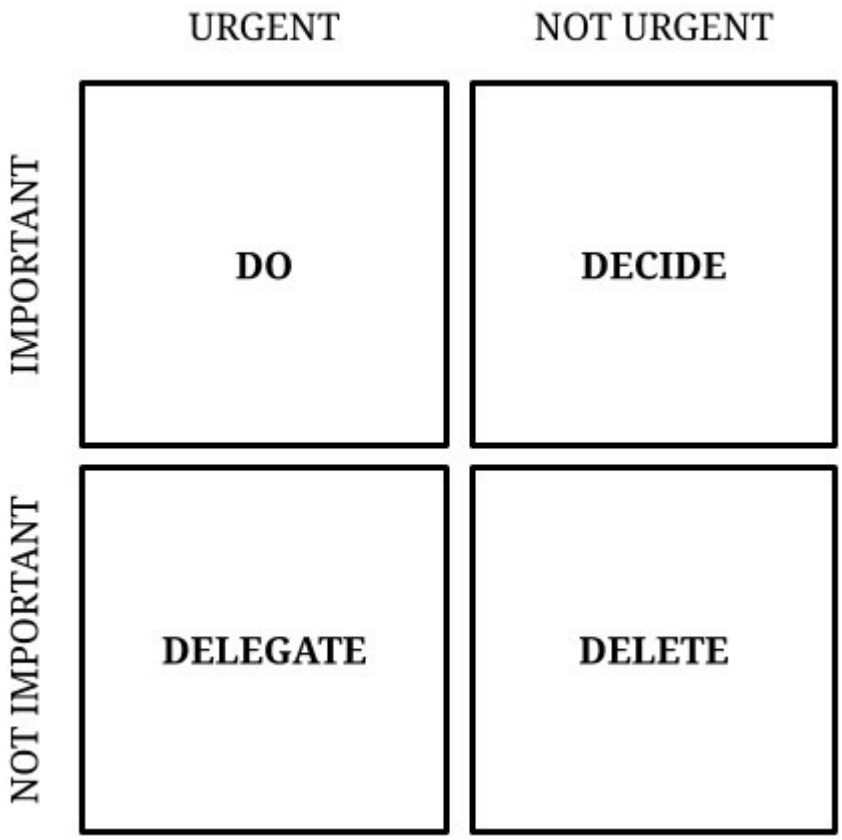
The Eisenhower Decision Matrix

Place all of your tasks on a 2x2 matrix of urgency and importance.

(1) Important & Urgent
(2) Important & Not Urgent
(3) Not Important & Urgent

(4) Not Important & Not Urgent

Prioritize, delegate, or delete accordingly.



The Regret Minimization Framework

The goal is to minimize the number of regrets in life.

When faced with a difficult decision:
(1) Project yourself into the future.
(2) Look back on the decision.
(3) Ask "Will I regret not doing this?"
(4) Take action.

The @KatColeATL Pygmalion Effect

High expectations lead to high performance (and vice versa).

If you consistently see people as their potential, they will achieve more.

When you're occasionally let down, consider it a tax you pay for all the benefit from those you believed in.

The @nntaleb "Look the Part" Framework

If forced to choose between two options of seemingly equal merit, choose the one that doesn't look the part.

The one who doesn’t look the part has had to overcome much more to achieve its status than the one who fit in perfectly.

Decentralized Friend Groups

Centralized Friend Group: one cluster of friends with shared backgrounds and beliefs.

Decentralized Friend Groups: small clusters of friends unconnected to each other.

Opting for decentralized friend groups is the key to independent thought.

How To Think For Yourself

Written by George Mack

The best hack I've found for independent thinking: **Avoid centralised friend groups.**

1. **Centralised friend groups -** You have one large cluster of friends. They all have a lot in common and share the same history, beliefs and behaviours. They usually fit in one box: "School friends" or "Work friends".

2. **Decentralised friend groups** - You have many small clusters of different friends who aren't connected. The only thing they have in common is that they know you. Ambitious friends, fun friends, serious friends, relaxed friends, fitness friends, hometown friends, travelling friends etc

If you want to copy the crowd, opt-in for centralised friend groups. If you want to think for yourself, opt-in for decentralised friend groups.

Humans are mimetic creatures. We copy those around us. To think for yourself when you have a centralised friend base goes against human nature. You're constantly swimming against a one-way tide.

However, when you have decentralised friends living different lives - there are so many tides that you're not pulled in any direction. By definition, you can't copy the crowd. You have to think for yourself.

Decentralised friend groups reduce binary thinking too. You take different inputs depending on the situation:

- If you want to laugh all night - call your fun friends.
- If you want to settle down - call your serious friends.
- If you want to start a business - call your ambitious friends.
- If you want to get in shape - call your fitness friends.

Centralised friend groups are diseases for the mind. Decentralised friend groups are medicine for the mind. Get friends from all walks of life with different backgrounds, values and behaviours.

The Bragging Framework

Truly successful people rarely feel the need to boast about their success.

If someone regularly boasts about their income, wealth, or success, it’s fair to assume the reality is a fraction of what they claim.

The @naval Lion Framework

Modern work culture is a remnant of the Industrial Age. It encourages long periods of steady, monotonous work unsuited for the Information Age.

To do truly great, creative work, you have to be a lion.

Sprint when inspired. Rest. Repeat.

The Seinfeld Calendar Framework

Jerry Seinfeld would hang a huge calendar on the wall and use a red marker to put an X over every day that he completed his daily writing.

It wasn't about the writing being good, it was about the consistency.

Applies to more than just writing...

Christensen's Disruptive Innovation Framework

New innovation may take root by providing a simple solution to a segment of a market that is under or over-served by incumbents.

Upstarts provide the exact level of product/service needed and relentlessly drive this wedge to expand.

Skin in the Game

Skin in the Game means that the key principals participate in both the upside and downside associated with any decisions.

Always look for its presence in any new situation.

Avoid games where those making the rules don't have any skin in the game.

7 Powers

Hamilton Helmer's "7 Powers" is a holy grail of business strategy.

The 7 Powers are the foundation of durable value creation:

(1) Cornered Resources

(2) Counter-Positioning
(3) Network Economies
(4) Scale Economies
(5) Switching Costs
(6) Branding
(7) Process Power

Play to Learn

Old Way: Learn to Play.
New Way: Play to Learn.

We are living in an unprecedented era—historical boundaries are being broken, enabling anyone to participate.

If you're trying to learn anything new, insert yourself into the game.

It's the only way.

Porter's Five Forces

A framework for analyzing the competitive intensity of a given market.

The five forces to consider:
(1) Competitive Rivalry
(2) Supplier Power
(3) Customer Power
(4) Threat of Substitution
(5) Threat of New Entry

Thoughtful consideration = better outcomes.

The Weekend Test

"What the smartest people do on the weekend is is what everyone else will do during the week in ten years." - @cdixon

Observe the weekend projects of the smartest people in your circles.

Odds are those will become a key part of our future.

Invest accordingly.

The @paulg Crazy Idea Framework

If someone proposes a crazy idea, ask:
(1) Are they a domain expert?
(2) Do I know them to be reasonable?

If yes on both (1) and (2), you should take the idea seriously, as it may be an asymmetric bet on the future.

The Duck Test

If it looks like a duck, swims like a duck, and quacks like a duck, it's probably a duck.

You can determine a lot about a company or person by regularly observing its or their habitual characteristics.

Newton's Flaming Laser Sword

If something cannot be settled by experiment or observation, it is not worth debating.

This will save you from wasting a lot of time on pointless arguments.

"What Will Stay the Same?" Framework

Jeff Bezos famously said that investing in what might change is risky, but investing in what will stay the same is safe.

The future is hard to predict, so looking for constants you can deliver against may provide a cleaner path to success.

Those are 20 frameworks I have found useful for providing clarity in complex situations.

Follow me @SahilBloom for more threads on business, finance, and decision-making.

I plan to expand on many of these frameworks in individual threads in the future…

I write deep-dives on these topics in my newsletter. I'm biased, but I think you should join 43,000+ others and subscribe today. https://t.co/qMB8i60ney

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