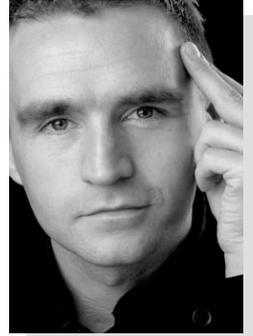


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As part of the *Café Insights* series of interviews with inspiring speakers, The Insight Bureau recently caught up with Caspar Berry, who specializes in the area of risk, decision making, innovation and leadership, and who brings his real-life experience as a former professional poker player to analyse the psychology of decision making.



AV: Hello and welcome to another in the series of Cafe Insights. I am Andrew Vine, CEO of The Insight Bureau and today I am in conversation with Caspar Berry.

CB: Hello

AV: Well we're not exactly in a café; we're actually in a Champagne bar in St Pancras Station

CB: Europe's longest Champagne bar, well that's its claim -- *Laughter* --

AV: Oh really! I wanted to take this opportunity just to have a chat to you, to share a little bit more with everyone about the kind of things you do as a Speaker. I find it a little difficult to know exactly how to introduce you, because you're known as the guy who spent three years as a professional poker player, that's your claim to fame

CB: Yes

AV: But what you *actually* do and why I want to interview today is to understand what you really achieve when you get to speak to audiences and the kind of difference you make to people.

CB: Yeah, people always ask me how I want to be credited on my badge and I never really know what to put, because most people are a doctor or something - which I'm not - or they've climbed Mt. Everest. So, yes, I'm the "poker guy", but as you say, for me the work extends way beyond that. It's what poker has to tell us about the way we take risk and make decisions. When you're playing poker professionally, as I did for three years in Las Vegas, you are making a decision every ninety seconds, a decision you can't abdicate, you can't delegate, you can't procrastinate, you have to make it and doing that ten hours a day for three years just makes you very aware of that meta process because you're not, you know, trying to remember someone's phone number or arranging a meeting for 11 o'clock, you are *just* making the decision, and pushing chips across a green base. And the second thing you're doing, because obviously both these things are one and the same essentially, is you're taking a risk - or not - every ninety seconds. And so that made me very aware of that process and what I've tried to do in the last ten years as a speaker is to bring that awareness to bear on people who very often don't think about the process.

AV: When you talk about risk, when you say the word *risk*, a lot of people think that's a negative thing. But if you take no risks in your life you'll achieve absolutely nothing, you have to take some risks, but they need to be measured.

CB: Yes ... but I think that is changing. I think in the immediate aftermath of the financial crisis, risk became a dirty word. The level of debate around the subject became so remedial; it was very frustrating if anyone knew anything about it. There was a positive legacy, which was that at least it put risk on the agenda, and I think it made uncertainty, the concept of uncertainty, much more

conceivable, and applicable and relevant to people's lives and once people realised that the money in their current account wasn't actually 100% safe, they went 'oh well, maybe uncertainty does affect me!' -- But then I think there was a second legacy -- which was two, three, four, five years later -- once people realised that the old normal is not going to come back, the realisation that, ok, risk is something that we do have to take because change is now necessary .. In fact I was in an organisation just this week who, by their own admittance, had spent seven of the last eight years writing processes and procedures like there was no tomorrow, and what to spend the next three years smashing them up. And although they are doing it very explicitly, I think, actually, implicitly a lot of companies are in the same place.

AV: Taking risks is very much part of what you must do as a leader, and as a leader it's about making the right decisions at the right time with the right information that you have.

CB: Absolutely! Whenever we are making a decision we are taking risks. I mean, listen let me just start by saying I am absolutely not advocating that people take risk willy-nilly, ok? In fact, we should always be minimising the amount of risk that we should take, ok? Let's start from that premise. However, when do you want to take risk? Actually it's quite simple; it is when you want to increase your ROI, your return on investment: risk – return – investment - resource allocation; these are all part of the same conversation and what are you doing as a leader if not ultimately managing the resource allocation of your own company. From your own personal time, which is incredibly valuable, to the thousands, millions of pounds, maybe more, in budget that you're allocating. So what I'm talking about is we take risk in order to increase our returns and because that is a continual struggle, we are continually taking risk.

AV: And of course we are human beings -- we're not machines -- and so there is a balancing between making rational decisions and reacting emotionally to situations

CB: Yes, there's that, there's also a couple of paradoxes within us, if you think about Maslow's pyramid of needs; right down at the bottom we have safety, security, shelter, a need for certainty. Right at the top we have self actualisation; a need to fulfil our potential. And when do we get that if not from jumping out of the aeroplane, going for the promotion, setting up our own organisation, going into a new market. Within individuals, you know, some people are hard-wired to be quite risk averse and communities, societies and organisations need them; as a premier league football manager once said to me, "Caspar, I need those people; they're called defenders". And some people are more hard-wired to take risk, to go out there, to try the new and different, these people were the pioneers, they found the new sources of food, they left the cave, they did different things, they found the better way of doing something -- they are almost like the mutations in a gene pool, if you like. And our societies wouldn't have thrived without them! So, there's definitely a balance and I acknowledge that in my work and sometimes that's called "risk management" -- that's actually a phrase I don't use because it comes up with such unbelievably dull images that it kills the conversation, but that is ultimately what we do, we are managing risk, but I like to say that we are embracing, taking or assuming risk in order to create the best returns on the investments that are appropriate to the level of risk that we feel comfortable with.

AV: I have seen you speak a couple of times and I love the way you talk in stories and use humour to get the message across. The key is that there are very important messages that come through, so you've been able to provide speeches at conferences, but also briefings for organisations as well which is what people don't see.

CB: Yes, there are two forms of speaking, I think really -- and I enjoy them both -- but they are very different; one of them actually draws on my skills as a screen writer from the early part of my career, because constructing a speech I think is about structure, and actually drawing on my skills as an

actor and a performance -- and I do see it very much as a performance rather than delivering a series of ideas -- with highs and lows and crescendos, and yes, to make people laugh and deliver an emotional response, as I think that's what an audience craves and certainly I think deserves. But then, as you say, there is the content, and for me, the second part of it is the Q&A, which is where we say "ok that was great, but what does it mean?" and it's where we get them to the skin of it, and it's where audiences will ask me questions, which will range from actually raw questions about poker --from which there is a great deal of learning to be had -- to questions about application, which I spent the last ten years doing.

AV: You've done a lot of work with organisations, led by their leadership development departments. This is very much part of helping organisations equip their people to be more effective in their roles.

CB: Yes, I tend to work with senior people in organisations because, as you said, risk is a leadership issue. Really once you move away health and safety and kind of ground floor, factory floor issues, risk is all about the decision makers in an organisation. And I guess what I try to do -- and I'm proud of this, really -- I don't have any simple acronyms, I'm not going to come into an organisation, and very specifically, I'm not going to come into any organisation and say what they should be doing. Some speakers do, and I completely respect that, because they have a certain five point plan that's pulled out of the case and you can apply it to any organisation and that's great. What I'm trying to do, actually, is give that team more of a framework, more of a calibrated language, more awareness of what they're really discussing so that they can discuss that issue to produce results. Because if they don't have that, risk is a subject that is swept under the carpet, as we said, this hot potato, let's not talk about it ... No, let's actually! Let's talk about how much risk, -- and in what way, and in what cases -- we're prepared to embrace in order to bring about the returns that we say we want to achieve.

AV: And in organisations you must see quite a spread of some companies which culturally are very different from others, that may encourage or discourage people being more assertive in their roles, making their own decisions based on good judgement. I'm thinking also, because I come from Singapore, you think culturally different parts of the world are embracing this in a different way.

CB: Yes, that's actually true -- I mean, listen, culture is huge, isn't it, and you can enter companies they have completely different feels, there's no doubt about it -- but I'll tell you what is interesting, almost every individual and every company bar two that I've ever worked with describes themselves as risk averse, both individuals and the company. And almost every individual I've ever worked with describes the company that they work for as *too* risk averse. So that there is a certain universality here because most people want more latitude to make decisions than a company allows them and there's a very specific reason for that, which comes back to my point earlier on which is, of course, most companies should be minimising the level of risk that they are exposed to in all its different forms, at one end physical harm, reputational damage, loss of all its different kinds, and that is fine, risk aversion is a good thing! Here is the interesting thing: take someone like James Cracknell, who is a former Olympic gold medallist for Britain who now does crazy things with his life -- you know, he rows across the Atlantic, he walks to the South Pole --- and when you ask him why he does these ostensibly very risky things, his answer is very interesting, he says "because I don't want to get to 65 and regret not doing them". Now what that means is he's doing these things, he's motivated after a form of risk aversion. He doesn't want the pain, the agony, of regret and so in order to avoid that he does these extraordinary things. And what that shows is actually we are all risk averse, none of us like pain but the way in which that manifests itself through our decisions is different for each individual and for each organisation.

AV: And there's a lot of pressure for companies now to be doing things differently, innovation is the key driver because opportunities may be harder to achieve without doing something a little different.

CB: Absolutely, and I think this is obviously precipitated by two things; first of all we can broadly agree there is an accelerating pace of change in our society now, but I think also something else; markets tend towards efficiency, markets are just becoming more and more efficient, how on earth do you differentiate yourself in a market that's just becoming more and more homogenous, you know, as Seth Godin says, you go and hire a car now it's fine -- all hire cars are fine and there was once a day when you wanted to avoid certain brands, that just doesn't happen now. So how are you going to create competitive advantage, which is of course the source of your return on investment? There is a strong synergy actually between what I talk about and blue ocean strategy, which is, you have to make a move into a place that requires some degree of risk. And here's the key - very important to make this point – risk will involve some degree of failure. A lot of organisations think that they can do the holy grail of embracing risk but not endure any short term failure along the way, and that is actually impossible because that is what the notion of risk requires! So, it's about understanding that in order to create that competitive advantage and that point of difference, whether you are involved in innovation or a number of other different processes, risk, and the attendant short term but managed failures, are essential.

AV: Hmm fascinating! You have a very busy schedule, you're flying all over the world, and it's great that we had a little bit of time to get together today. Thank you very much!

CB: Pleasure

<http://www.insightbureau.com/CasparBerry.html>