

- Disclaimer:** 00:22 This podcast is for informational purposes only. Information relating to investment approaches or individual investments should not be construed as advice or endorsement. Any views expressed in this podcast are based upon the information available at the time and are subject to change.
- Rob Campbell:** 00:39 We're here with our Chief Investment Officer [Paul Moroz](#). Paul, welcome.
- Paul Moroz:** 00:43 Hey, Rob. Nice to see you again.
- Rob Campbell:** 00:45 Great to see you too. Paul, we've done a lot of podcasts here at the Art of Boring. I think we're up over a hundred episodes, and they're all a little bit different. Some are focused on our portfolios. Some are on big picture themes that are impacting markets. While some others dive into some very specific niches, [just like the one that we recently did with Justin on the DevOps trend in IT departments](#). But in this one, Paul, we're stepping back, because I know that you've been recently focused on something that's much more elemental, which is how to make decisions. And before we get in, and just to ensure that our listeners actually have something useful to take away from this, I suppose there's an implicit qualifier here that should be added. Like, this is how to make good decisions?
- Paul Moroz:** 01:26 Well, if you want, I could suggest how to make bad decisions. We could invert the problem.
- Rob Campbell:** 01:33 Sure. Let's go that way.
- Paul Moroz:** 01:35 Oh, okay. Well, if you wanted to make—everyone thought that we were going to talk about how to make good decisions—let's say you wanted to make bad decisions. What would you have to do?

- Paul Moroz:** **01:45** I think you'd have to treat the world as an objective reality. That the information you received was complete and perfect. It's just black and white. You don't really need much diversity of opinion or perspective or thought. I think you really don't want to rely on any sort of process or philosophy in making the decisions. And you want to avoid any context or any other communication with people. Now, if you do bring other people into this, if you are working with team members, you probably don't want to do that, but you want to avoid clarity in how the decision is made. If there are outside ideas, to avoid communication, and to make people scared, you kind of have to create a culture of fear. You want to hold people out, make fun of them when they fail.
- 02:39** (So it's difficult to change their mind if information changes.) You'd want to probably, yeah, skip the math. Don't do any math when you're making a decision.
- 02:51** There's something called—some famous economists talk about System 1 and System 2 [thinking], it's using kind of different parts of our brain or slowing down. You just want to make fast decisions. Don't slow down. Don't think through things. In the decision-making process, you want to make sure that if there are people that are involved in making these decisions, that they're incented on short-term things that they really can't control to guide their decisions.
- 03:16** How's that? We've inverted that. That's how I think you would make bad decisions.
- Rob Campbell:** **03:20** In your thinking, does it matter what type of decision that it is? Are there bigger, more important decisions versus the thousands of decisions that we probably make every hour?
- Paul Moroz:** **03:30** Absolutely. I think one way to segment your life, is there's things that probably don't matter very much and you don't even have to spend the mental time or energy on. And I noticed that you're wearing a blue shirt and I'm wearing a blue shirt too. At some point in my life, I just bought blue shirts. Because you know what, Rob, that doesn't matter. That decision doesn't matter. And maybe that's a learning for us now as I talk about it. It declutters your mind because some decisions aren't important. But other decisions are very important. Decisions that will result in a longer term stream effect. Decisions that you can't take back; once you go through the door, you can't take back. Decisions that actually have a lot of risk associated with them. It might be a large amount of financial money. It might be a large amount of your time.

- Paul Moroz:** **04:27** So I think you're right, there's different classes of decisions. So you can look at it that way. There's also a class of decisions that is more—and we can get into the way the world really operates—but there's scientific decisions where there's more of... kind of an expert answer. And those problems are different than decisions where the information's always changing, and the world's kind of murky, and there's a whole bunch of other elements to it where it's actually better to get input and build what I'm calling an “information collage.”
- Rob Campbell:** **05:03** Got it.
- Paul Moroz:** **05:03** So yes, different types of decisions.
- Rob Campbell:** **05:06** Just generally speaking, as human beings, are we good at making decisions?
- Paul Moroz:** **05:09** No, I think we're terrible at it. I was listening to a podcast. This was Tim Ferris, great podcast, brings on experts, and [they had someone by the name of Donald Hoffman](#) who was the Professor of Cognitive Science at University of California Irvine. He was talking about the mechanics, the machinery of the brain, and basically, he asked the question, “would evolution by natural selection shape our sensory systems to tell the truth about the physical world about us? Would it actually represent the true objective reality?” And his conclusion was absolutely not. [Laughs] We are sensory systems. If you believe in evolutionary theory, it evolved for fit so that you could reproduce effectively. It had nothing to do with evolving so that we are seeing reality and being able to tell the truth. And so, I mean, just consider that for a moment. All this information that you're taking in is sort of incomplete and imperfect in your brain, and there's different parts of your brain. We're just really not well-equipped to deal with it. We have to work hard at making decisions.
- Rob Campbell:** **06:31** Got it. So we're not very well set up for it. We do this stuff all the time. Some are less consequential, some are more consequential. The business that we're in though, Paul, like I said at the outset, sure, we've got an investment philosophy, we've got a process, but I think I've heard you say that really, it's about making decisions over and over and over. Is that the right way to think about investing?

- Paul Moroz:** **06:50** I think so. And I think it's the right way to think about a lot of things. What our product [is], as Mawer Investment Management, is making repeatable value-added decisions. That's what we do. It's rather invisible because people think, "Well, it's about picking stocks. It's about following our investment philosophy." We're really making decisions. And when [an] investment philosophy and a process supports that, picking stocks is actually making decisions. But we are very much in the decision business. And one of the reasons why I think that this is such a—not only excellent topic to bring up to remind our entire organization and people we're associated with in the investment community, that that is the purpose of what we're doing—
- 07:37** I think that there are many other organizations that their actual core purpose, what they're doing, is making decisions. And they should be elevating that concept and working really hard on doing that. And I think that goes for if you are a consultant or if you are a software firm or if you're in government or if you're a parent. So much of what you're doing is actually making decisions. That's a big drive for why we wanted to share some of these ideas, not only for our own organization, but for other organizations and roles. Elevating this invisible product.
- Rob Campbell:** **08:22** Well, let's go back to the bad decision-making, but maybe sort of reverse it from there and come back to things that are actually helpful to take away. So, one of the things that I heard you say was if you wanted to make a bad decision, assume that you had complete and perfect knowledge of the world. So, flipping that: the fragility of knowledge. Can you just maybe start there with the context that we're operating in with respect to decision making and offer some thoughts on what we can do to tackle that or handle that?
- Paul Moroz:** **08:50** There's lots of problems with the world. My views on this have certainly evolved. If you are an Ayn Rand fan, and have read the famous book, Atlas Shrugged, there's this concept that the world is an objective reality. And I used to have quite intense debates with [our Chairman, Jim Hall](#), about this. And my view has changed because I don't actually think that the world is nearly as objective as I thought I did 15 years ago. And there's a number of reasons for why knowledge is so fragile. First of all, most of our knowledge, on which we base decisions on, is inductive in nature. It's based on the observations that we see. And a very famous Scottish philosopher, David Hume, had pointed out this problem of induction, where just because you see something or hear something or experience something many times over, it actually doesn't prove that's true.

- Paul Moroz:**
- 09:50** It's the problem of induction. I think the example, and this might have been the Nassim [Nicholas] Taleb that talks about this, is the turkey problem. Where you're a turkey getting fed every day. Life is great. Your bin is always full of grain. And then comes Thanksgiving. That's an example of the problem of induction. It doesn't prove that, in that case, that your life is great. So that's just an element of our reality in making decisions. And you can apply that to lots of items in financial markets.
- 10:22** Imagine you've invested in some asset class, I'm not going to pick on any of the asset classes, but if the price goes up day after day, you might be basing your decisions on this fragile information. So that's one problem. You mentioned "perfect" and "complete" information.
- 10:42** A very famous investor, George Soros, wrote a book a long time ago called *The Alchemy of Finance*, which he talks about information really being imperfect and not complete. For me, the way that I take those comments, is that you don't know everything. You can't have all the information. Your knowledge of the world is not complete. And your interpretation of it—going back to our brain and the machinery and just how we take that information in—that's not going to be perfect either. That is really a problem when we're honest about our own capabilities of what we can know and how that serves as the foundation of knowledge. He makes another really good point in that most of the decisions we make in... call it sort of the social sciences versus hard sciences. These decisions are such that if you are involved, the participant involved in those decisions can actually impact the result. It's not like a science experiment, a chemistry experiment in high school. There's this real murky interplay between your own actions, as the decision maker, and what actually happens. And that's a really weird world when you start to think about it.
- 12:02** Imagine that you're worried that there's going to be a run on the bank. So you make the decision to stand up in line at the ATM machine. And someone else notices that you're standing up, you're getting in line to pull out money, so they do that too. All of a sudden, you have created a run on the bank. There's lots of problems in economics, and I'll call it social sciences, how humans are just organizing themselves, where that concept of that interplay is really important. And it makes decision making really difficult because the facts are changing. The world is not an objective reality. It's fluid and it's evolving.

- Paul Moroz:** **12:44** And so my takeaway from the type of world that we actually live in is, well, we don't have very much knowledge and it's sort of this slippery thing. So we have to implement processes and systems [just recognizing] we have a bad brain for doing this, one. And the second piece is, well, when the information changes, because knowledge is slippery, well, how can we adjust or how can we set oursel[ves] up with our original decisions so that we can make subsequent decisions and end up being in a good place.
- Rob Campbell:** **13:21** Interesting. Okay, so the world is "slippery," to use your language. Useful to have some process around that. [I remember the last time I think you were on the podcast, Paul](#), we talked a little bit about checklists, the value of them, and how they can be helpful. Is the goal there—and I don't know if this is the right way of thinking about it—but is the goal with a checklist or some sort of process to help you through a decision... is the goal there to make a good decision or is the goal to avoid a bad one or avoid an error?
- Paul Moroz:** **13:47** I think it's very much the latter. And it creates better decisions through avoiding [and] mitigating error, and better consistency ultimately in those good decisions. That's process. Now that's different than frameworks and philosophy. Because the world is so murky in terms of information, and there's so much stuff going on in each of our brains, and it's so easy to make errors. And those errors might be, "Well, I'm hungry, so I'm feeling negative," so I make a decision that I don't want to take [a] risk or I'm negative in the situation. Or the other way around: you're feeling happy and positive and you feel you can conquer the world, and you make a decision that's positive because I don't know, you just went jogging and there's a bunch of endorphins running around your brain. How do you avoid that? Well, that's a framework and a process thing.
- 14:37** So you pull up a philosophy or a framework to try to steady yourselves. I mean, in the investment world, what's our framework to steady ourselves? Well, we invest in—(listeners have heard this a thousand, a million times.—wealth-creating companies, excellent management teams, don't pay too much. That's the guiding star of what we're doing. You can use other philosophies to help you out.

- Paul Moroz:** **15:06** I'll share a personal story. Years ago, my wife and I sat down for a little offsite to determine how we wanted to raise our family. And we created this acronym, "HAPPY C" (my wife's name is Carla). And HAPPY C stands for the values and the focus of things that we wanted to impart upon our kids. This is to help guide us through decisions we'll make in everyday life with our kids. And the H is for honesty. The A is for always be learning. The first P is for being proactive. The second P is for following your passions. The Y is for do your best to the best of your abilities. And C is for care; care for other people, care for your family. I think that's a personal family example of applying this to help with decision making outside of a professional context. And that's helped us in the decisions we're making, because we can go back to it and sort of refocus on what's important.
- 16:13** Every organization is going to have a different emphasis, and your philosophy and a framework is a way to just steady that. Steady your focus in making decisions when your brain is going to have a lot of chatter over time and is going to be influenced by external things. So that's philosophy and framework, Rob, and different than sort of the process and checklist, which gets down into the, I think on the last podcast we were talking about your backcountry pack list.
- Rob Campbell:** **16:45** That's right. Maybe sticking with frameworks and philosophy for a second, though—maybe this is process too—but just on this idea of context, ensuring adequate context. I get the idea of the North Star with respect to just bringing it back to either decisions in your family or for our investment philosophy. How much do you use a framework or philosophy to ensure that context in making decisions?
- Paul Moroz:** **17:07** Well, this relates to creating an information collage because I've painted a picture of the world where the information that we have is kind of rough. So you have to patch it together. And so the risk is that you're making a decision when you don't have the full context of information. And I think it's really straightforward when you think about the decisions that young people make versus old people. As you get older, you have more wisdom. Why is that? Because you have more context in your life in your twenties versus when you're a teenager. And you have more context when you're in your thirties or forties after you've had kids. It's life experience. You make better decisions. Why? Because you have context. So, I believe that the first thing that you need to do when you're making any important decision is you have to invest some time in getting that information and context.

- Paul Moroz:** **18:04** Now for the investment business, that might mean not looking at a particular stock in isolation. You compare it to context historically. You compare it to context across its own industry. You compare it in context across the broader stock market. And probably not just one factor. Maybe it's not just the safety of the investment, it's what's the dividend yield like? What's the valuation like? Looking at different metrics. You can make better decisions because then there is more information or evidence to determine what's good-ish than what's bad-ish. Without that, you risk making a decision that's inappropriate, partly because you haven't gone that context and it might be just something in your head.
- 18:56** And I often see this where someone is making a decision and they just haven't generated enough context. And then the other element of that is they haven't generated enough options to compare. It's so powerful to get that context to develop options. Later, maybe, we can share a model that we use at work that helps us through that, that's a really simple model. It's called the GROW model. But that alone is, I think, a major contributor to better decisions—by gaining context and generating options.
- Rob Campbell:** **19:33** Another thing that we've repeated at length, I think, on this podcast historically, is—and you mentioned it earlier—just to help you get that context or to make sure that you've got appropriate context. Sure, maybe it's better with age and more experience, but you can benefit from other people on your team.
- Paul Moroz:** **19:47** Yeah. You have to have people that think differently. And that's diversity of cognitive thought. And I tell you, my wife and I, we think differently [laughs]. In raising our kids, we have different ideas. And we'll both reflect on this. Sometimes in the moment... There's two things here. Diversity of cognitive thought is good, but also it's not just like you can have diversity and that's enough. You have to work through it from a communication perspective. You have to build trust and have the lexicon to be able to communicate and have a culture to be open to different ideas. I talk about the sender has to be willing to communicate and have the candour; the receiver of the information has to have the trust, and be open enough to receive the information, and provide that feedback. So, Carla and I make, I think, overall better decisions together, but it requires work. There's a greater process around them.
- Rob Campbell:** **20:44** So context, cognitive diversity, structures for communication.
- Paul Moroz:** **20:49** The three Cs.

- Rob Campbell:** 20:50 Yeah. I don't know if you want to bring this one back to the investment team or maybe we stick with your parenting example, but the actual decision right...
- Paul Moroz:** 20:57 Clarity. Okay. That's the fourth C maybe. Context, cognitive diversity, communication, and clarity. So...this is so fascinating. How many times you have a conversation, and in making a decision, you don't know whose decision right it actually is. Are we actually making a decision this meeting?
- 21:19 Rob, are you making a decision on what to talk about this podcast or is that my decision?
- Rob Campbell:** 21:25 Yeah [laughs].
- Paul Moroz:** 21:25 It is wildly helpful. If you were to start every conversation, doesn't matter what organization, what meeting, just with a couple simple clarifications. One: We want to clarify, is this a meeting for discussion or decision? [And two:] Are we just exchanging information to share, or are we actually making a decision? If so, who has the decision right? Now, the decision right could be someone's in charge of that decision. The decision right could be, well, we're going to vote and it has to be unanimous. It could be, we're going to vote and it's a simple majority. But clarifying that is so helpful.
- 22:07 Because then you can turn the problem to, okay, here's our decision-making structure, and, okay, now let's focus on what process that we want to go through to make the best decision we have under that structure. And honestly, I think that one of the real powerful structures we have here at Mawer is we have clarity in [our] decision-making structure for each of our asset classes. It has always been a leader-decides-with-input model. Everyone knows that. And that allows for the ability to make nimble decisions if required; clarity in terms of who's making the decision, accountability for it; and also that understanding of being able to provide input and create good conversations and constructive debate to facilitate that decision. Different organizations will have different programs and I'm not saying that that's right for everyone, but I think it's really important.
- Rob Campbell:** 23:08 Just on that topic—you mentioned the GROW model before, which I think helps the decision maker, but also in understanding the input and the context. Do you want to just describe that a little bit more for our listeners?

- Paul Moroz:** **23:17** Sure. So, this is a model that we use and I think maybe in our transcripts we can—this certainly isn't our model. [We can give credit where credit's due, where this came from.](#) You can put that in the transcript or notes, but it's an acronym for a few things. One is, well, what's the goal? Getting clear on that. What's the current reality of the situation? What are the options that we have? And then finally after clarifying that, getting to, well, what's our way forward? It's about problem solving, but also about making a decision. There's another version of it, which has a second O which addresses also, what obstacles would there be in making the decision?
- 23:53** It's a real simple one. And I think we've picked up on it as one of our tools or frameworks that we use at Mawer for decision making, but it's also very applicable to pull out and use in any sort of situation where you're making a decision and trying to problem solve and move forward.
- Rob Campbell:** **24:18** I think I'm with you so far. One of the challenges that I'm foreseeing at least is... Take the GROW model. So, we can have a problem. We're trying to reach a decision, we've got a culture of communication and clarity, and we've got lots of different perspectives, we're getting the context. We know we've got some guiding principles to help guide our decisions. So that setup is there. We go through the GROW model, we come out with a way forwards, but then time goes on and things change. I think that's where I'd love to go next, Paul, is just the second you've made a decision. And to your point earlier about if it's a social-science-type decision, like your action may actually influence the way things carry out. But even if it isn't, the world evolves. Things change. How do you, as a decision maker, or what concepts can you offer or that have observed, really help with just dealing with not only uncertainty in the moment, but uncertainty that continues to evolve.
- Paul Moroz:** **25:08** It's really tough to change your mind on things. And I think part of it is because, one, is that just new information comes in. And secondly, people associate themselves with the ideas in the decision. And so let's take that one first. I think that it is vital that you don't tie your own identity to decisions. And the reason for that is, it's a lot easier to change your mind. No one has a lock on ideas. It's not your idea. You might make a decision, it's a decision. But if you can actively work to separate yourself from the idea that was implemented, whatever it was, it's a lot easier to go a different direction. And when the facts change, you can change your mind. Now that's the second thing—is that there is something about recognizing that the world is probabilistic and might turn out differently than what you thought. And that's a whole mindset.

Paul Moroz:

26:09

If you believe that there is sort of... only one plan, and you close off your mind to different scenarios and new information, that's going to be more difficult to change your mind. So that's more of a cultural element. And there's different personality tests, some people are just, I think, naturally more open than others. But I think you can also train yourself to be open and consider different pathways. There are processes, of course, that you can implement to do that.

26:34

Reviews and look backs are really important. Just structuring time to review decisions and doing so in a manner where you can rebuild that process. It's almost like zero-based budgeting, if people have heard that term before. You're just taking a fresh look at everything. I think there's also... the tough thing about it is people. Because people are messy, people are emotional. People get locked into ideas. And so any decision that relates [to] change [that's when people become] difficult.

27:11

So, I think the best way to think about that is you can use—I'm calling them some "magic tricks"—but when you make decisions with people, structure things so that things don't go on indefinitely. Sunset different decisions. Sunset roles. Try things for a period of time and then create that natural break so that you can make a different decision. So that's one. The other thing is, as the world changes, options have a huge amount of value. Give yourself the option to change your mind, but when you're making decisions, try to think about options that could make it better if the situation changes.

27:53

I'll just give you an example, I used it last night. A few of my friends are planning this bike trip down in Arizona. We do this once a year and drive a mountain bike a hundred miles or so over the course of three days. And we're trying to choose which route. And my comment was—we're collecting feedback for two legs, route A versus B and C—but my comment is "Well, is there any route that gives us more optionality in case something breaks down? That there's a convenience store along the way in case we run out of food [laughs] and get hungry?" Or because we're bike-packing, we're carrying our gear, maybe there's a hotel along the way in case after there's a long day, and we're completely wiped. And that creates optionality. There are options in real life, in business. Create options to help you with change management. That would be a big one for people to think about.

- Rob Campbell:** **28:46** Can I bring you back to investing, just on this concept of options and not to talk about options, specifically. But I guess what came to mind for me was liquidity. All else equal, you'd prefer the stock that's more liquid so that if you do decide to change your mind or have a change of heart, if there's new information, you can actually execute on that. It strikes me that a lot of decisions that might get made either by investment managers or allocators of capital, people who run companies, once the decision is made, whether it's to build a new plant or to invest in a new project, at a certain point, it might be really difficult to change your mind that way.
- 29:19** In those instances where it isn't as easy to shift based on new information, are there other things that can help there with those types of decisions?
- Paul Moroz:** **29:27** There's some things that just, you have to recognize when it's a bigger decision. I think this is Jeff Bezos' comment, but not all decisions are two-way doors. Once you walk through that door, that's it. So even recognizing that that's the nature of the decision, Rob, I think it means that you can allocate a greater amount of thought and process to it. There's still things that you can do, even if it's a big decision, to create optionality.
- 30:00** I'm thinking there's a building—this is in Calgary, across the street from our office—that we have gone through, of course, the downturn, and they made a decision to structure the project so they were building the one tower, but they capped the other part off. And they would only develop that as an option if things continued well, otherwise it could be used for parking or something like that. That was an active choice. Even though it was a big decision, it was a big deal. Another one is just being prepared, like mentally prepared to change your mind. So for us, in the investing world, that means doing research and having your inventory list ready. If you don't have a place to land in making a decision, it can be a lot more difficult.
- Rob Campbell:** **30:49** You got nothing to shift to. Got it. Any other magic tricks you think that we should know about?
- Paul Moroz:** **30:54** Redundancy. If something goes wrong, making sure that you're going to be in an okay spot. I think the frequency of decisions, actually, is really important because this does take work. If you take this approach to life, it does take work. So if we are making a decision on what we're going to wear in the morning, our blue shirts... you actually want to manage your time, your brain, to focus on the things that are important. So that means there's going to be some things that you might want to do easily. You get yourself into routines.

- Paul Moroz:** **31:31** Maybe you got up this morning at six o'clock in the morning and exercised. And you created that routine, which actually supplemented—rather than making a decision all the time—you just turn it into a routine. It's a series of good decisions. I think it's [Richard Thaler, who has a concept of Nudge](#) (that was his book). But this was a concept about... you can put yourself in a spot where, in making a decision, you typically make better decisions because of the environment around you.
- 32:05** I'm not sure what you have around in your household, Rob, to snack on. But if whoever buys the food in your household put out fruits and vegetables just on the counter versus if there was Chicago deep dish pizza on the counter every day, that would be nudging you one way or the other towards a healthier choice or less healthy choice. There's lots of elements to this. And there's as many permutations, combinations. It can be used at any different organization or family unit.
- Rob Campbell:** **32:37** I'm curious for your thoughts on, I guess, two things. One I had heard you in a meeting—this probably goes back a couple months—just with respect [to] an investor who starts maybe out of university, at Mawer, as an analyst and as their career progresses... just the way they spend their time and how their evolution as a decision maker kind of evolves. I don't know if you remember what I'm talking about. It struck me as kind of a good framework for where people start to become aware of just this idea of decision making—the way you're describing it. And maybe to ask the question differently. Is this something that you thought about when you were an analyst right out of the gate? Or this idea of thinking about good decisions... is that something that's been more of a focus of yours as you've evolved as an investor and gotten more grey hairs?
- Paul Moroz:** **33:21** Absolutely there's a learning curve there for me. I think the story that you're referring to, is, I suggested as an analyst in the beginning of your career you are more focused on self and on things that are concrete. And so the specific example is on self. Well, you're an analyst, you are building a model in Microsoft Excel on a stock. That Microsoft [Excel sheet], even though it's an abstract idea, it feels concrete. It feels like you're getting to that objective truth. You're focused on self because you're going to beat the market and it's about what you can do in modeling.
- 34:01** Then as you shift, I think you start to focus less about things that you can control, less about self, less about things that are concrete. So I think the next stage is management teams. Where, wait a minute, there's more emphasis (I'm not saying that there wasn't emphasis before, but more emphasis) is placed on how other people can influence events and the decisions that they're making and the value that's added is a little less concrete. It's not in a model. It's more of an intangible.

- Paul Moroz:** **34:34** Then I think in time, you start to realize that there's a whole bunch of factors in these decisions. And you just get more perspective, stepping back and realizing, well, you're part of a larger system. And it depends what long term interest rates do.
- 34:50** And it depends what government incentives do. There's all sorts of other factors at play in making that decision.
- Rob Campbell:** **34:59** When thinking about decision making right now, I've heard a lot of people—whether it's clients or other investors—just describing the current investment climate as very fast moving. A lot of themes evolving very rapidly, feeling the world is a bit on fast-forward at the moment. Or whether it's maybe the current climate with respect to this shift from working from home to coming back into the office, and being somewhere in between. What do you think are the most important lessons, as you've studied decision making, for the current moment?
- Paul Moroz:** **35:29** I actually think that the world moves very slowly and markets move very slowly. And that might surprise people. But there's a lot of themes that take a long time to play out. And you have to have the right mindset and cadence to appreciate that. So that's the first one.
- 35:49** The other one that we haven't talked much about in decision making but applies to this sort of environment, is you have to differentiate outcome from process. And this gets us into measuring decisions, which is so difficult because you could end up in a particular scenario and the outcome was different than what you hoped for, but your process was fine. Or vice versa. And so I would think that this environment we're going through is really tricky for people because it's going to throw you off process. You're going to be focused more on outcome. And I tell you what, Rob, the only reason our investment philosophy works over long periods of time is because sometimes it doesn't work over short periods of time. But that's what I would be looking at. Taking a real hard look at process versus outcome, and thinking hard about those two elements over a longer period of time.

- Paul Moroz:** **36:53** This gets us into measurement, which is really tough in the stock market. It is easier in other aspects of life. Maybe this is the question that I want to leave with people is, if you can think about the world as making good decisions and putting an adequate process into place, I think your life's going to be better. For organizations to take it to the next level, I think you have to think about, well, how you actually measure those decisions. We have lots of measurement here at Mawer, and I still think that we can take it to the next level because we're measuring outcome most of the time. We're monitoring process, but there's still more work to be done on getting to the nuts and bolts of the actual decision and measuring that.
- Rob Campbell:** **37:42** Fascinating. Well, Paul, thanks for those thoughts. I suspect I'll have to listen to this one a few times to really dig in[to] all the valuable lessons and things that you've been studying that you've shared. Really appreciate you coming on and sharing that experience and wisdom with us. Hope you thought it was a decent decision to join us today on the podcast.
- Paul Moroz:** **38:00** Absolutely. Thanks.