How To Create A Checklist

By Michael Simmons With Ian Chew



Checklist routines avoid a lot of errors... There is no other procedure in the world that will work as well.

- Charlie Munger

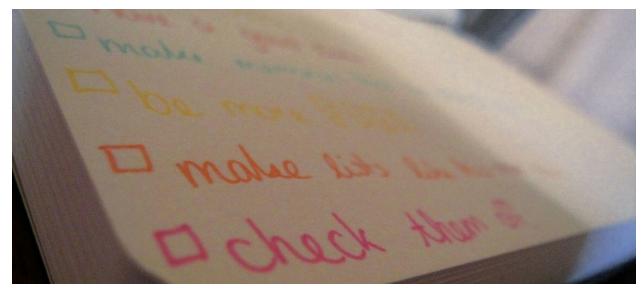


Photo Credit: mt 23

In medicine, aviation, engineering, and other industries, whole teams at large companies are dedicated to creating and refining checklists. That's how important checklists can be. This report will help you put the power of checklists to use in your organization!

Types of Checklists

- **Do-Confirm Checklist**. People carry out the tasks as they check them off like a recipe.
- **Read-Do Checklist.** Team members perform their job from memory and experience. Then, they stop, and use the checklist in order to confirm that everything that was supposed to be done was done.

Good vs. Bad Checklist Design

The head at Boeing is <u>Dan Boorman</u>, who Gawande features in his book, <u>Checklist Manifesto</u>, provides specific guidance on how to create a good checklist...

Bad	Good
Vague and imprecise	Precise, efficient, simple, and exact using the wording of the profession.
Impractical	Tested in the real world
Made by desk jockeys with no awareness of the situations in which they are to be deployed.	First drafts always fall apart. One needs to study how, make changes, and keep testing until the checklist works consistently.
Too long	To the point (ideally fitting on one page)
	A rule of thumb is to keep it between 5-9 items, which is the limit of working memory. After about 60-90 seconds at a given pause point, the checklist often becomes a distraction from other things, people start shortcutting, and steps get missed.
Hard-to-use	Easy-to-use (even in the most difficult situations)
They treat the people using the tools as dumb and try to spell out every step. They turn people's brains off rather than on.	Provide reminders of only the most critical and important steps; the ones that even highly skilled professionals using them could miss.
	These are the killer items; the steps that are most dangerous to skip and sometimes overlooked never-the-less.
	They do not try to spell out everything. A checklist cannot fly a plane.



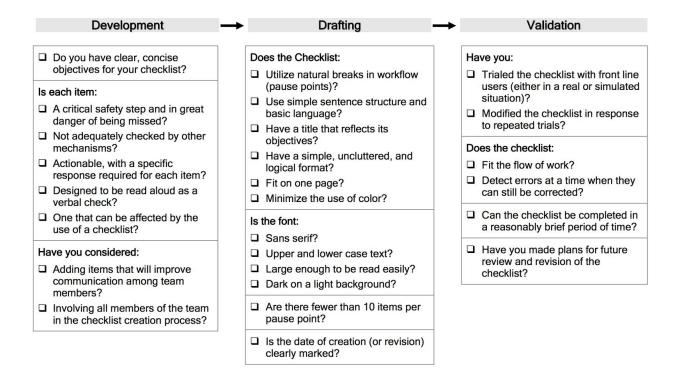
"We have an opportunity before us, not just in medicine, but in virtually any endeavor. Even the most expert among us can gain from searching out the patterns of mistakes and failures and putting a few checks in place. But will we do it? Are we ready to grab onto the idea?"

- Atul Gawande, author of Checklist Manifesto

Key Considerations

- Make it clear WHEN the checklist is supposed to be used. Many great checklists are sitting in dusty drawers and never used. Clearly specifying when to use the checklist will avoid this.
- Create DO steps and TALK steps. Do steps are steps where somebody takes an
 action. Talk steps are where two or more members of the team communicate with each
 other.

A Checklist For Checklists



Source: Project Check



...Under conditions of complexity, not only are checklists a help, they are required for success. There must always be room for judgment, but judgment aided – and even enhanced – by procedure.

- Atul Gawande, author of Checklist Manifesto

Take Action

- #1) What are the three areas of your business that could benefit from a checklist the most?
 - Where are areas where you and/or your team do the same thing over and over?
 - What are the critical processes to your businesses that you MUST get right?
 - What are complex processes where steps are often forgotten?

#2) Who are the people on your team that will be using the checklist? How could you involved them in the process of creating and testing the checklist?

#3) How can you ensure that the checklist is taken seriously and consistently used?

Examples

Bias Checklist

Cognitive biases are unconscious biases that have a huge impact on our decisions, and they often result in decisions that aren't rational. To counteract their effect in decision making, Charlie Munger uses a checklist to assess how the cognitive biases are impacting him and others. In <u>Seeking Wisdom</u> (294-295), a book fully endorsed by Charlie Munger and Warren Buffett, the following checklist is given for understanding the impact of our biases on any given decision:

- What is causing me to do this?
- What is the context?
- Can I judge him?
- What is in his self-interest to do?
- What are the psychological tendencies and shortcuts that influence him and can cause misjudgment?
- What are the consequences?
- What system would I like to have if the roles were reversed?
- Is this the right system?

Charlie Munger Two-Track Analysis

Another checklist Munger uses is Two-Track analysis. It combines insights from psychology, neuroscience and economics about the nature of human behavior. This model instructs that when analyzing any situation in which human decision-making is involved, which of course covers every business situation, he must consider two tracks:

- How they would act if they behaved rationally, according to their true best interests.
- How they would succumb to the pull of a number of irrational psychological biases that seem to be "programmed" into the human brain.

Resources

- Run Your Business, Restaurant, Or Office Like A Pro
- Checklist Apps
- Checklist Manifesto