

8 Ways

TO TURN CAUTION
INTO CALCULATED RISK

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An AlwaysInspiring
guide to succeeding
at change.

8 Ways to Turn Caution into Calculated Risk

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— Growth happens at the corner of life and change.



Are you ready for the opportunities change can create?

I'm Matthew Ferrara, philosopher, speaker, photographer and innovator. Thanks for reading my thoughts and experiences about navigating change.

Succeeding at change takes practice. It starts by becoming open to possibilities, then overcoming the urge to stand still. And eventually taking steps to turn cautions into calculated risks. For yourself. Then for others. Even for entire organizations.

If you're excited about the potential to grow beyond your current limits, then these eight methods will help.

I've shared these ideas with friends and clients who have **transformed their worries about change into** a journey filled with excitement that leads to success. I hope they do the same for you, too.

8 Ways to Turn Caution into Calculated Risk

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Ultimately, you'll find that the secret to your success has always been **you**.



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A Calculated Risk?

Before you jump into this book, let's talk about calculated risks.

How can you be motivated to turn caution into something that sounds, well, *risky*?

What are calculated risks, and why do you want them?

Usually we **avoid risk**. That's how we survive, minimizing dangers to life and limb. Yet, it turns out, that's not the whole story. Because some risk is necessary - even **vital** - to living a good life. Our most precious achievements come from taking risks of the best kind. Finding love. Pursuing a career. Practicing a hobby. Striving against injustice. Making a difference.

We accept many risks, even purposefully seek them out.

That's because we've *calculated* their dangers and weighed them against potential *rewards*. We're not talking about random, hazardous activities that create unwarranted peril. We're using our minds to make a judgement call by estimating factors like opportunity, experience, caution and success, because we hope to achieve something that matters more than the potential challenges.

What makes a risk *calculated* rather than foolish?

- **A calculated risk conforms to our values.** We choose it because it helps us live up to the traits and standards we consider central to living our lives.
- Calculated risks are made from **information as well as emotion**. We combine knowledge, data, experience and emotions into **reasonable choices**, not just blind reactions.
- Calculated risks involve a **tolerable amount of uncertainty**. Life is built around an acceptable amount of jeopardy. We don't need to experience extreme circumstances to make progress, but we understand the meaning of some discomfort.
- We **estimate ourselves better off having tried** a calculated risk and failing, than letting the opportunity pass us by. We're motivated to at least make the attempt.



Sunrise or sunset?

When risk shows up, what do you initially think?

Do you see “the end” or “the beginning”?

Your beliefs about change determine whether you’ll attempt taking calculated risks - and explore the opportunities of growth. If you see it like a sunrise, change lights up possibilities. If you see it as sunset, you get cautious about the downsides.

You will have to choose.

Some people see change as **prohibiting them** from doing what they did before. Others see it as **permission to try** something new, or have been putting off for too long.

Which do you see? It matters.

If you’re focused on prohibitions, get ready to get **stuck**.
If you see permissions to explore, get ready to **succeed!**

Tell Yourself a Good Story

Recently I was talking to a friend.

"Did you see that plane on fire?" he asked.

"Yes, all 379 people got out alive," I replied.

"And the plane whose emergency door blew out in flight?" he said.

"Amazing how it landed safely and nobody was killed," I answered.

"I hear a lot of people left the housing industry this year," he tried.

"Some did," I agreed. "And some had their best year ever."

"You never see the bad stuff," he laughed. "Always the optimist!"

"I leave the negativity to the press," I chuckled.

Being an optimist doesn't happen naturally. It's hard work against belief that everything is broken. I just can't accept that. **But we're wired to be worried, so it takes a lot of energy to find the good news.**

Dr. Price Pritchett says in *Hard Optimism*, "Make a few simple changes in the way you think and you'll have a lot more room for the 'good news' power of optimism." Cutting off pessimistic inputs leaves space for me to solve problems positively.

I watched a psychologist discuss our country's leaders on TV. "We have leaders who are just **unfailingly negative** about the country; media that's talking-down. It's all bad news all the time. People are grumpy... they can't get through it to see some relatively good economic news. **We need happier leaders!**"

Think about your sphere of influence: If pundits, panelists and practitioners constantly repeat bad stories - the market is slow, inventory scarce, rates too high, consumers hesitating - is it a surprise that people start to believe them. Including you?

The fish stinks from the head, as they say.

You don't have to fix everything to focus on positives. Optimism and pessimism aren't opposites. They're different states of mind. Start with what you tell yourself, so you have the energy to think your best, try your best, do your best.

Teach yourself to see - and tell - the positive stories.

They'll eventually catch on, for yourself as well as others.

A Different Perspective

Imagine taking these stairs in Vienna every day going to work or home.

I walked down them a few years ago: They're grey, dull, concrete - from the top. Most people didn't even notice them. The same old stairs they see daily - the same routine - without any surprises.

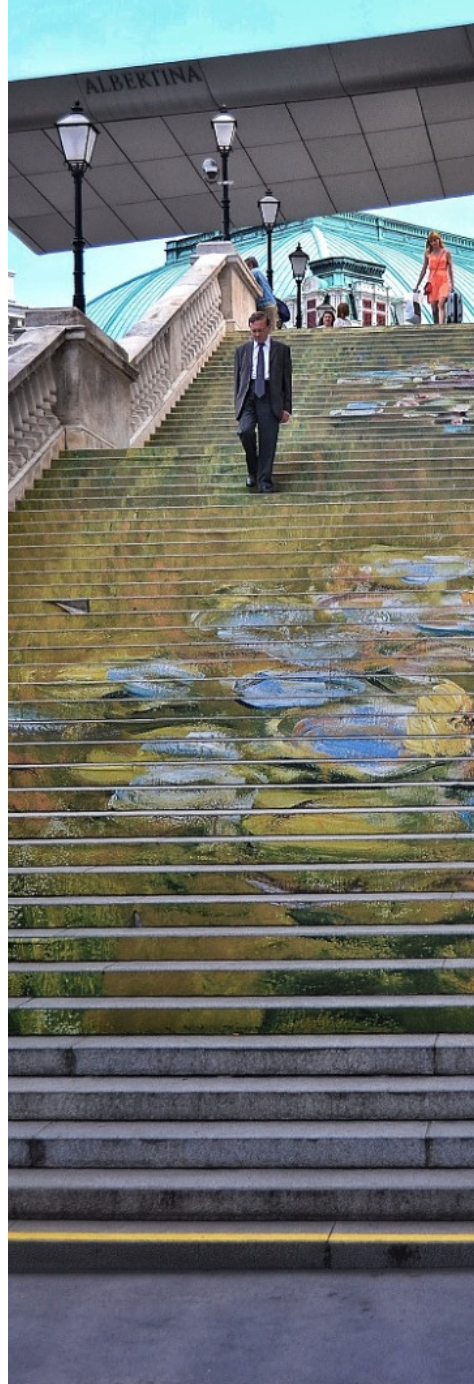
Now imagine you started at the bottom, and looked up, like this photo!

The climb towards your goals depends upon your perspective. It can look dull and daunting one way. But move your starting point and see something powerful enough to motivate you to make the climb.

There's inspiration built into every step, and together they form an exciting picture.

A small change of perspective can shift your thoughts from cautions to calculated risks on your way to somewhere important.

How can you change your views about risk and growth?



— Get in Position



Navigating change can be chaotic.

It's not normal. It often approaches fast, from many directions, and causes distractions. It can seem like you'll never get to your destination. Or that your routes are all blocked. So, how do you navigate the risks?

Some people think you should simply wait for your turn.

But they'd be wrong.

A better first step is to get positioned for growth. When the light turns green, it won't matter if you're not at the starting line.

Be in the right place before it's your turn to move.

You can practice readiness for change by taking little risks that nudge you closer to fresh starts. It's often the **little moves** that position for a big turn.

Not luck or timing. You don't want to cross against the light - that's too dangerous. Rather, make a little progress until you're next in line to proceed towards your destination. Be ready before the signals change.

A photograph of a busy Japanese street at night. The scene is filled with vibrant neon signs and advertisements. In the foreground, a person wearing a wide-brimmed hat is seen from behind, looking towards the street. To their left, a person in a bright green shirt is walking. The background is a dense wall of signs, including a red circular 'no entry' sign with a white horizontal bar, and various vertical signs with Japanese characters. One sign prominently displays '2F' in a black box. The overall atmosphere is one of a bustling, illuminated urban environment.

Take Action to Become

Consider this question:

What motivates people to act? You might think it depends upon what they will **get as a reward**.

Yet many people **fail to act** even when promised big rewards, like more income, social recognition, or power. **What they get is not enough** to spark action and commitment. Especially if they're comfortable enough.

So what really motivates people to act when outcomes are uncertain?

The opportunity to become.

People act to become the person they dream about. At work, school, home or life; in health, wealth, status or any other dimensions. They act to **evolve into the next, best version of themselves**. Once they see that, nothing can stop them.

That's what turns cautions into calculated risks. A chance for a **new You!**

Get Bold

What's your belief in taking risks? Here's what happened when I **almost played it "too safe."** I'm glad I didn't.

When I moved to Las Vegas, I was enthralled with the desert. Beautiful vistas, unique plants, weird insects and incredible colors. After years in city congestion, a drive in the desert is a treat. One August I drove across the Mojave Desert. Over 115 degrees in the shade.

That's when I turned the corner and saw far into the future.

The GPS said 85 miles to the next gas station. The fuel gauge said 95 miles to empty. One bottle of water left. Yet here was the beautiful, open road! The ultimate metaphor.

To get the shot, I had to take a few risks. To stand in the blazing sun and compose the photo while avoiding heat stroke. To drink the last bottle of water. To risk running out of fuel.

I knew I wouldn't die, but I risked becoming mighty uncomfortable. Why bother, when I could play it safe until I came to a comfortable spot later? I could live with the memory of the time I missed a promising shot.

Or could I?

You take risks all the time. You don't think of them because they usually aren't big. But a few times in life, they will stand out. That's when we must remember **we're designed for risks.** Be on the lookout for those moments when they appear on the horizon.

So you don't accidentally let them pass by.

Way 1: Take a Stand

When change rolls in, what's the first thing to do? **Stand up.** And stand forth. Change-ready people rise to the occasion and never let the "fog of confusion" undermine their self-confidence. How, when they cannot see far into the future?

By knowing what they stand for.

Their "brand" of confidence and competence. Which we call **values.**

Your **values** express certainty in yourself. They provide strength, clarity and guidance. You see them clearly from within and others see them at a distance, like a beacon. Your values confirm, *you've got this!* You can handle change with certainty and pride.

Values reassure you that taking smart risks is the right step.

When change rolls around, **check in with your values.** Know your **motivations.** Reaffirm **commitments.** Lean on yourself. Strong values stand above doubt. They shine through, like a bright light, attracting the internal thoughts, strength and people you need to succeed.



Way 2: Make Any Move

When things change, leaders **adapt** quickly. They don't cry over spilt milk or waste time wondering "what might have been." They assess the situation and discover **what can be done instead**. That's how they uncover **valuable opportunities** even in the face of disappointment.

Consider this trip to Zurich. We were supposed to sail the lake, but a storm blew in. The trip was cancelled. Most of the adults sat with arms crossed and hunched backs, upset that their plans for a nice day on the lake were unexpectedly cancelled.

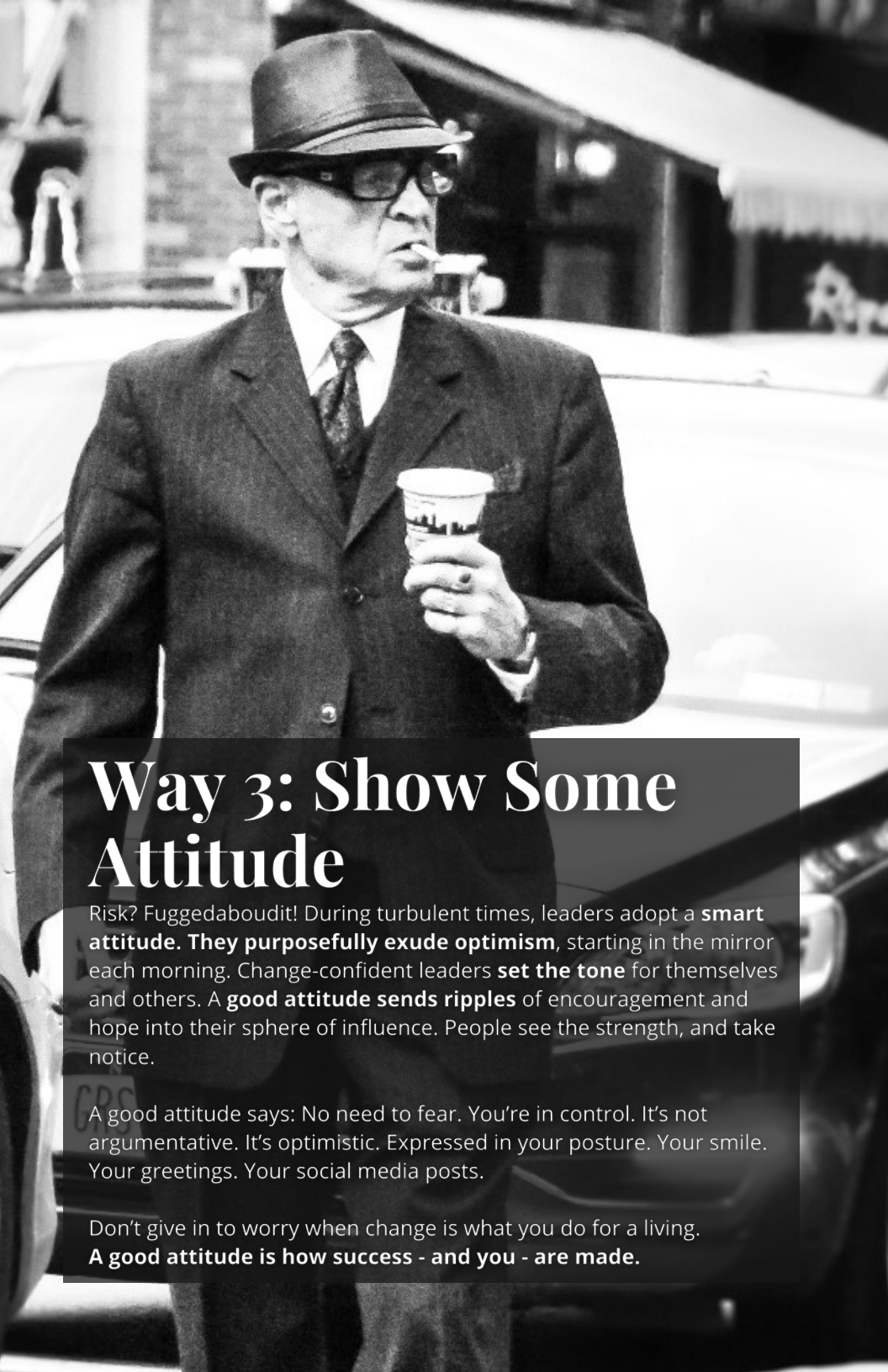
But not the little girl.

She rolled with the changes. Looking over the pier, she saw some pretty swans nearby. She broke up a cookie and started feeding them. A few swans swam over, then more. Suddenly, a beautiful scene unfolded, filled with happy swans and a delighted little girl.

There's always **a move to be made**.

Think like the little girl and find the swans amidst the storms.





Way 3: Show Some Attitude

Risk? Fuggedaboutit! During turbulent times, leaders adopt a **smart attitude**. They **purposefully exude optimism**, starting in the mirror each morning. Change-confident leaders **set the tone** for themselves and others. A **good attitude sends ripples** of encouragement and hope into their sphere of influence. People see the strength, and take notice.

A good attitude says: No need to fear. You're in control. It's not argumentative. It's optimistic. Expressed in your posture. Your smile. Your greetings. Your social media posts.

Don't give in to worry when change is what you do for a living.
A good attitude is how success - and you - are made.

Way 4: Fight Confusion

Change comes with unknowns. Making the attempt to grow can cause confusion. Challenges arise. You might think things are out to get you. Uncertainty and hesitation stem from the misunderstanding and disorientation that accompanies change. So what can you do?

Learn to **dispel confusion and provide direction** during periods of change. **So you can get back to growth, by reducing fear.**

When these paper mache monsters appeared one morning all over Florence, the citizens became confused and worried. But within a few minutes, leaders sent out text messages explaining they were part of a provocative art exhibit, that's all. Instantly, people calmed down. Some even became curious.

When you **investigate unknowns quickly** and confront problems with curiosity, you open yourself to new information. You generate fresh instructions to maintain your momentum. By **actively disputing unknowns** with inquiry, you can regain your confidence in taking a calculated risk.



Play a Different Game

What will I get out of it?

We hear that question a lot, especially in business. Whether it's a client considering our help or a prospect deciding to take our call. Even someone hesitating to join my newsletter occasionally emails to ask: What do I get if I become a subscriber?

It's primal. A stone-age game built into our brains, hedging against wasted energy and trying to maximize every encounter. But you aren't scavenging for survival any longer: So the ancient impulse to look at things transactionally can backfire in a modern world, causing you to miss opportunities before they have a chance to offer:

An unexpected - and delightful - reward.

A trip to New York City once reminded me of the need to set aside the measuring impulse. I was staying in an apartment-style hotel. Great for a week where I didn't want to eat out every evening. After a day teaching salespeople to focus on value not volume, I headed back to make a light meal.

As I got in the elevator, I noticed a woman crossing the lobby, crabbyly telling people to move out of the way. She was carrying six bags of groceries, headed right for me. My initial thought was, *Nothing good will come from a long ride with this person.*

But I'm a well-trained prep-school kid, so I held the elevator doors open and politely asked, "What floor, please?"

"34th," she growled, frowning, out of breath, dropping the bags by her side.

As the elevator rose, I sensed her staring at me. I looked down at her bags and said, "That's a lot of groceries. Are you staying here long?"

"I've been here for three months. My apartment had a water leak," she complained.

"Seems like a long time just to repair a leak," I said before I could stop myself.

She rolled her eyes, "Last week I was supposed to move back in. The night before, it had a *second* leak!"

"That's awful," I said. *Could the elevator please hurry up,* I thought.

Sensing the conversation heading in a stressful direction, I made a joke:

"Sounds like you should call in *Seal Team Six!*" I said in an off-the-cuff pun.

The woman looked me in the eye. Her frown deepened. Her shoulders hunched. Tears filled her eyes and she clenched her jaw. I thought, *Now you've done it; you've made a complete stranger cry.*

Suddenly, she burst out laughing! Full, big, heartfelt guffaws. I was shocked, but joined in with a few giggles. "Oh my god," she said. "That was so bad! But it's the first time I've laughed like that in months. I've been sitting alone in this hotel brooding over my misfortunes."

"Perhaps you should ride the elevator more?" I suggested with a mischievous grin.

"Thanks. I needed that. Glad you held the doors," she said as the elevator came to a stop.

"It was worth the trip," I said, realizing we'd passed by my floor. I'd forgotten to press the button.

Afterwards, in my room, I thought about the conversation: Maybe that's why I was in the city today. Not to teach a class about sales deals. To do something that paid off, without a transaction.

To help a stranger overcome a bad day.

If I'd stopped to ask, *What will I get out of it?* I would not have held the elevator doors. And I would have missed a chance to do something *nice*. That's all - just *nice*.

All it took was a bad pun to have an impact.

As I flew home at the end of the week, I watched the landscape below. Some things are **valuable simply because they are there**. Rivers and mountains and saying something nice to a stranger. Learning a skill or reading a story or listening to a sales pitch. They exist to be encountered, to be enjoyed.

If you're willing to play a different game.

Be on the lookout for unexpected opportunities. Seek the un-transactional sides of life, that don't offer immediate returns.

They often contain that thing we all deeply need from life:

A moment of thanks for being together.
And a chance to pass through some very powerful open doors.



— Way 5: Look Around

When dealing with change, it's typical to "put our heads down" and work through it. Hard work is needed. But there's a danger in getting too absorbed in your work.

You might miss the calculated risks right in front of you.

This taxi driver in Vienna almost missed an opportunity (and nearly ran me over). He was so intent on finding his usual fare on his phone that he didn't see me waving from the sidewalk. He would have passed if I hadn't whistled. But don't expect every opportunity to call out to you. You have to practice looking around.

Take time to observe what's going on around you regularly. Read, listen, converse, ask others what they see happening. There may be options you hadn't considered, and fresh perspectives to experience. Not every chance will show up like they have in the past. Seek them out.

Old habits can blind you from taking the reins of a new journey.

Way 6: Change Your Step

Taking calculated risks combines existing skills and new behaviors. Not all at once, but one step at a time. You can maintain balance while you're moving forward. Even a moving person has to put one foot on the ground while in motion.

Start by making two lists: one with **skills and talents** that have served you well this far. These provide stability while you try experimenting. **On a second list**, identify behaviors you'll need to **be effective in the future**.

Your two lists become your plan of action.

Merge the lists by seeing connections between your existing strengths and future behaviors. Explore ways to lean on your talents, while learning new steps forward. Then devise a plan for taking calculated risks without the fear of completely falling down.





Way 7: Learn from Resistance

Want to succeed at change *before* completing it? Alter your **attitude towards resistance**. If you treat push-back like something to be dispelled as soon as possible, you'll miss something important:

Because setbacks teach us lessons about current beliefs and actions.

Calculated risks won't all go smoothly. That's the problem - and the beauty. So when we encounter resistance - like little failures - we could react like they're troublesome. Or, we could learn to see problems as **diagnostic**.

Discomfort is often for our own good. Like a fever in the body, it's a signal to **re-evaluate and adjust course** before a bigger crisis arises. Pause, analyze, learn and correct course from the lessons of setbacks.

What goes wrong can tell us how to make it right.

Way 8: Take Moonshots

When we went to the moon in the 1960s, it was **unprecedented**. But so is every day. We've never lived it before, **so why do it the same as before?** Especially when change **invites** you to take calculated risks.

Consider this “pirate ship” in the Hudson River. Seems like an unlikely place to find treasure. Unless you're **seeking something you've never achieved before**. As the crew rowed through choppy waters and past the larger ferries, they paid no attention to people who thought they were crazy.

They were focused on a bigger goal.
A sunset over the Statue of Liberty.

Was it risky? Not really. They took precautions (like life vests). But it was late in the day, and they had to decide whether to go for it, or turn back.

They went all in!

Sometimes you have to **turn a calculated risk into a moonshot - because it's your best chance to find the gold.**



The Eight Ways

Here's a summary of the eight ways you can turn caution into calculated risks. Glance through this list each morning, so your mind will be on the lookout for opportunities to practice them in your daily routine.

1. Take a Stand. Know what you value and reaffirm your central beliefs regularly. Lean on your morals and standards, to rise above the fog of confusion that accompanies moments of growth and change. Let your values become a beacon for others, too.

- What are your core values?
- How do they provide you with strength and confidence?
- How can they attract the support you need to grow?

2. Make Any Move. When things change, don't get stuck in disappointment. Figure out what's still possible - even little actions - and keep moving. You don't have to solve everything to create opportunities for something good to happen.

- What little steps can you take to start your growth journey?
- Who can help you maintain momentum during times of change?
- What moves can you make that don't require big risks?

3. Show Some Attitude. A positive mindset will go a long way towards maintaining your confidence to deal with change. It also sends out ripples of optimism to the people and resources who can help you move forward in your journey. Don't argue; inspire!

- What positive ideas do you associate with taking smart risks?
- How does your attitude fuel your passion for growth and change?
- What can you say to others to help them get excited to grow, too?

4. Fight Confusion. Taking risks and pursuing change can cause uncertainties and confusion to increase temporarily. Get comfortable with seeking answers and disputing "doubts" with curiosity and fresh information. Turn your efforts into new instructions for staying on track.

- What sources of confusion do you need to pay attention to?
- How can dispute fear and doubt when you don't have the answers?
- Who can help you identify new information to reduce worries?

The Eight Ways

5. Look Around. Sometimes opportunity is hiding in plain sight. Look around and see what's calling out for you to learn more and explore. Notice the signs and signals for taking smart risks all around you.

- What's happening with people and trends in your life?
- What signals have you missed recently and how can you reconnect?
- Who can help you explore fresh ideas and opportunities next?

6. Change Your Step. Combine your current strengths with specific intentions to expand your future abilities. You can rely upon core talents at the same time you acquire new skills and information. A two-step approach to growth provides stability and momentum.

- What traits and skills have helped you reach your current success?
- What abilities will you need to be effective in the future?
- How can you combine your existing talents with future needs?

7. Learn from Resistance. Calculated risks will naturally cause some setbacks. Don't dismiss them - learn from them! Failure can be a powerful diagnostic tool for adjusting your plans and creating even better results. It's not an illusion when we say, *fail forward!*

- What is resistance trying to teach you today?
- How will you regularly examine your results for new insights?
- Who can help you translate push-back into fresh instructions?

8. Take Moonshots. Sometimes you'll only get one shot at something important. Your calculated risks are a good way to be in the right place at the right time. Have the courage to go for it when you see the goal within your reach.

- Which risks are positioning you for future greatness?
- How will you set aside caution and go all-in when the time is right?
- Who can you connect with in the same boat of growth and change?



Turning caution into calculated risk is what YOU do!

It takes values and attitude, hard work and commitment. It's not easy, trying new things and overcoming fears. But it's worth it. It has to be: **It's the most common part of living your life.**

Think of it like the winding road on the cover of this book. It's a long, curvy stretch through the desert. Lots of twists and turns without any signs, through a place called the *Valley of Fire*. Why would anyone bother putting a road through such a great, uncertain desert?

Because without it, you'd never get to the place you desire: A glittering oasis in the middle of the desert. Sure, it's a gamble to get there, but the **celebration for winners is amazing, once you arrive!**



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