

Changing sides

Learning from players

In the movies, poker players are usually gamblers and tricksters. Enter Greg Dinkin, the successful professional US poker player, management consultant, and publisher who reveals how to succeed in gambling. He tells us why it's the same players who always win or lose. And, as he adds, there is one element in particular that has nothing to do with winning – the famous lady luck. Dinkins' realization: the best poker players in the world are known far more for their proactive, clever strategies that include both skill and their knowledge of human nature than for their ability to bluff.

So much for back rooms, cigarette smoke, and dim corners: the tournament is held in a huge room with more than 200 tables where lamps the size of buckets bathe the players in glaring light. The atmosphere is quiet and highly focused. All you hear is the clicking noise of the chips and a few garbled words here and there. The World Series of Poker in Las Vegas is synonymous with hard work. The currency here is real money, actually a great deal of money, at that.

Each year, Greg Dinkin attends the World Series of Poker held at the Rio, a large hotel fringed by palm trees and an annexed casino. Once there, he begins to play, day after day, night after night. Many of the players are old acquaintances of his. He calls them partners, rather than opponents. "Playing poker makes for a community," says the card player who holds an MBA in finance. "You always run into one another again." This applies to the business world as well.

But this is not the only parallel that Dinkin draws between poker players and managers. Dinkin, who now lives in California, is one of the few professionals to have created a successful career for himself aside from playing poker. And not just in one field but in multiple disciplines.

Dinkin made the rounds: he apprenticed in the hotel sector, studied finance and nutrition, worked in sales and as a consultant, wrote books and founded a publishing company. He contributes his success in so many different areas to the strict application of poker rules. "They are my key qualifications," says the 38-year-old American.

Making rational decisions

Managers like to justify questionable decisions with such statements as "risks are a necessity at times." True enough – but only after carefully weighing the opportunities and risks. All clichés aside, professional poker players are not gam-



Five easy rules for difficult times

It is not hard to win with a good hand. However, the best players and managers in the world are characterized by their skill in making the best out of a difficult situation.

1. Staying cool

An important customer threatens to go to the competition. An order that was as good as in the bag gets cancelled at the last minute. And on top of it all, the best employee has just handed in his resignation. A manager is familiar with such a chain of mishaps – coupled with misfortune and his own wrong decisions.

Poker players, who pick up one poor card after the next, do not fare any better. But whoever starts to panic now makes many expensive errors. "Emotions are the enemy of good decisions", says Dinkin. "Think about the options you have. Managers can be more creative than players, who have to adhere to strict rules."

blers. Before they enter into a bet, they consider mathematical probabilities, the personalities of the players, the amount of available cash – and the most likely way the next bidding round will unfold. “Poker is not a matter of luck but rather a competition in competency,” says Dinkin. “Success is waiting for those who can suppress spontaneous reactions and harness their decisions to logic and reason.”

Understanding people

The product presentation was a flop. A new employee turned out to be a failure. These hapless events are often rooted in a manager’s tendency to ignore the behavior of his people. In comparison, professional poker players closely study the reactions of the other players: does the corner of his mouth twitch? does he drum his fingers? do his eyes light up? These subconscious signs are known as “tells” in poker jargon, because they do just that.

The same holds true for business negotiations. The body language of the other player reveals how he feels, if there is still room for negotiation, or if he has reached his limit. In situations like these, skilled managers try to show as little emotion as possible – instead they wear the proverbial poker face.

To put up a good front

Novices in particular try to fake it and usually fail. When the “wannabe” bluffer smiles self-confidently after he picked up his cards, an experienced player knows that the bluffer will not stay long in the hand.

Business is not much different. It is ill-advised to combine weak facts with a domineering demeanor and provide optimistic forecasts despite poor results. Professionals look right through this facade. The phrase among poker players is

2. Retaining good people

Companies have to save money, especially in hard times. “But even then, you have to think long-term,” reminds Dinkin. “When you save excessively, your qualified employees will leave you tomorrow.” “When you win, you lose,” is an old poker adage.

Short-term successes are often followed by negative consequences in the long run. That holds true for poker, when the player with the biggest chip stack gets busted out of the tournament after a quick series of losses. This applies to the business world as well when top performers resign because radical cut-backs make for a highly unfavorable working environment.

3. Evaluating risks correctly

Career plans for managers frequently change in a crisis. Restructuring may lead to less than desirable task assignments – or to a severance package. “People feel like they are trapped,” says Dinkin. “Good risk analysis helps them decide what to do.” When you throw in the towel because you are frustrated or make requests that can’t be taken seriously, you’ll lose everything in the end. A good poker player is disciplined enough to fold when it is time.

4. Limiting losses

Humbly – that’s how a poker player reacts when he thinks that the other players have caught on to his bluff. His only goal then is to minimize his losses so he can make it to the next round. “Managers have to end costly losses as well,” explains Dinkin. “Otherwise it gets to be truly expensive.” When he can’t admit to his errors because he is afraid to lose his reputation, he will really lose it. Because in the end, only the results count.

5. Utilizing new opportunities

You start to notice an upward trend in your area of industry. It is now time to apply the opposite of your loss strategy – you have to maximize your profits. An experienced poker player knows when his hand is good and risks it all. But Dinkin warns players not to get carried away by their own enthusiasm and risk too much: “You have to analyze the situation first”; after all another player could have even better cards.



Chip stacks are a decisive factor for your strategy. And this does not only apply to your own cash situation. It is also important to know what the other players have at their disposal, because it makes it easier to interpret their actions.



“Weak is strong and strong is weak,” – meaning that when someone appears weak, the opposite is true and vice versa. This applies in particular to negotiations. “If somebody starts to scream and threaten you, it’s obvious that this person is in a desperate situation,” says Dinkin. “However, if the other party remains polite and cool, I have to worry about my own position a great deal more.”

Tricking, disguising, and bluffing

In poker, you are allowed to bluff; in the business world, this kind of behavior is also pretty common. But professionals like Dinkin use this method rather sparingly. Because if all you do is trick, disguise, and bluff, you’ll lose all trust – and soon enough the other players will shun you.

Besides, a truly good bluff is the one that remains undiscovered. “When I have a weak hand but I am certain that my opponent has an even weaker lead, I risk a bluff here and there,” continues Dinkin.

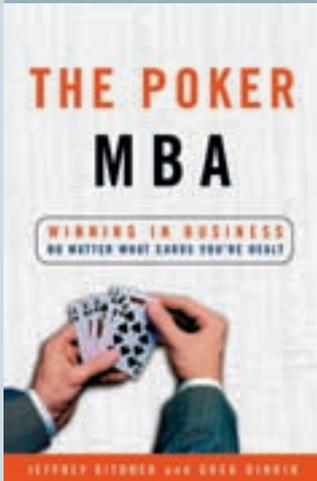
The same situations occur in the business world: a supplier who finds himself in deep water may be able to raise the price during negotiations – for example, when he knows that the only other competitor has difficulties delivering the product.

Very little opportunity for large egos

When you play poker and assume that all the others play like you, you are doomed to lose because every good player has his own style. That’s why you have to see your opponents as unique and collect information as well as ask and listen.

Dinkin likes to quote Abraham Lincoln, the 16th US president: “When I prepare myself for a discussion, I spend one-third of the time thinking about what I am going to say, and two-thirds of the time on how others will react to it.”

Recommended book: The Poker MBA



How to succeed in business, independent of the cards dealt to you, is described by Greg Dinkin and co-author Jeffrey Gitomer using many examples, quotes, and anecdotes.

The transfer of poker rules to business provides a surprising view of strategic thinking, decision management, and people smarts. Attached is a quiz and a short description of the game of poker.

266 pages, English, Crown Business Publisher, approx. 17 US dollars.

About Greg Dinkin

Greg Dinkin (38), was born in Washington D.C. He began playing poker in high school. He increased his knowledge of the game during college when he interned at the famous Mirage hotel casino in Las Vegas. Later on he worked as a paid player in the Bicycle Casino. In 2006 he won more than 100,000 dollars during the World Series of Poker in Las Vegas.

But Dinkin, who has an MBA in finance, always stressed the importance of a career away from the game. He worked as a management consultant for PricewaterhouseCoopers and the Intercontinental hotel chain. In 2000, he founded a publishing house and has published more than 130 books. Today Dinkin lives in Los Angeles and is working on a screen play.



Good players are sociable and communicative

Do you communicate sparingly, not trust anyone, and do everything yourself? That's how underperformers of a company usually behave. Professional poker players also know that supporting one another and networking are the best steps forward. Generous tips for casino employees may earn them the information regarding where the most knowledgeable players are seated. Whoever invites an experienced tournament player to dinner will come away knowing everything about the rules. "Most people love to talk a great deal when they realize that the listener respects them," adds Dinkin.

Of course, in the business world you have to be careful in passing on information to the competition. However, within your own organization, knowledge sharing is essential. "At least twice a week, each manager should go to lunch with colleagues."

Looking for win-win situations

When good managers negotiate honestly with one another, they share a common goal – a conclusion that benefits everyone. Impossible? Not in the least. Even poker players are united by a joint interest: everybody needs a partner.

However, each should know his own wishes and limits. If ideas clash, it is appropriate to try and make small concessions, and to insist that the other does the same. If this works, negotiations can continue. If the attempt fails, negotiations should be discontinued.

An absolute taboo is to let the business partner know that more was obtained than hoped for. Any kind of exultation leads to sustained defensive reactions.

It is far more productive to praise fair dealings and a pleasing atmosphere. "The other player should always be ready to play another game with me even though he literally lost his shirt the last time." ■