

## NANO TOOLS FOR LEADERS®

### TIMING IS POWER: WHEN TO LEAD AND WHEN TO HOLD BACK

**Nano Tools for Leaders®** are fast, effective leadership tools that you can learn and start using in less than 15 minutes—with the potential to significantly impact your success as a leader and the engagement and productivity of the people you lead.

#### GOAL

Learn when leading the charge gives you a competitive edge—and when it's better to wait.

#### NANO TOOL

In high-stakes business decisions—whether launching a product, negotiating a deal, or raising a critical point in a meeting—timing is everything. [Research](#) shows that going first can establish dominance, shape the playing field, and create a lasting advantage. For instance, making the first offer in a negotiation sets an anchor—a reference point that strongly influences how the rest of the conversation unfolds. But sometimes, the real power lies in going last: gathering intelligence; reading the room; and making the final, decisive move. [Studies](#) also show that when one side has more information about the context, options, or likely outcomes, holding back can lead to a better result.

Leaders often face the challenge of choosing between these two strategies without a clear roadmap. But it turns out that there is a simple solution to making the go-first-or-go-last decision that depends entirely on two factors. Leaders who understand the nature of the competition (factor one) and take into account the number of competitors involved (factor two) are [more likely to strike the right balance](#).

#### ACTION STEPS

When your goal is to influence the judgment of an external audience—such as investors, customers, or selection committees—your position in the line-up can make a difference. Going first or last can affect how your message is received, depending on the number of competitors and the structure of the competition. Understanding these *order effects*—how the timing of your presentation shapes perceptions—can help you choose the spot that offers the greatest advantage.

- 1. Assess the Nature of the Competition.** The best timing strategy depends on how the decision is made: being selected from a list (like an election ballot) or evaluated one at a time (such as an interview). If chosen from a list, aim for the top spot—most people see the first option as more credible. In sequential evaluations, it's better to go last, as recency effects and high standards for early competitors can lead to more favorable evaluations later.
- 2. How Many Candidates Are There?** With two options, the first usually wins—customers often pick the first salesperson or product they see. With many choices, recency bias favors later options, making it advantageous to go last.

If you have a say in how a selection process is structured, and you want to promote legitimacy and cooperation, consider how the two factors can be used differently.



- 3. Implement a Randomized, Rotational System:** To ensure fairness when selecting one option from a group of options, use a randomized, rotational system. For example, on a political ballot, the most equitable approach is to have each name appear equally in every position across different precincts. This method supports democratic principles and reduces the impact of political maneuvering and bias.
- 4. Use Randomization in Sequential Competitions:** When decisions are made after options are presented one by one, randomization is the fairest approach. While it doesn't completely eliminate order effects—those who go later will still have an advantage—it ensures that each participant has an equal chance of benefiting from the later position.
- 5. Enhance Fairness in Multi-Round Competitions:** In competitions with multiple rounds, fairness can be improved by randomizing the starting order in the first round and reversing the order in the second round. This method prevents the compounding advantage of going last in the first round and ensures a more balanced competition.

## HOW IT'S USED

**The Power of Going Last:** In venture capital pitch meetings, the last entrepreneur to present often has an edge. Research shows that when investors hear multiple pitches in sequence, they tend to compare each new one to those that came before. As a result, the final presenter can frame their idea as a response to earlier shortcomings—positioning themselves as the strongest contender. This “recency effect” helps them leave a lasting impression when it matters most: right before the decision is made.

**The Power of Going First:** In real estate negotiations, the initial listing price often serves as a powerful anchor, significantly influencing buyers' perceptions and subsequent offers. Studies have demonstrated that higher starting prices are associated with higher selling prices, as they set a reference point that shapes the negotiation process. For instance, [research published in the Journal of Economic Behavior & Organization](#) found that higher listing prices led to higher final sale prices, consistent with the anchoring effect. Understanding and strategically setting this initial anchor can provide a significant advantage in negotiations. Learn more about capturing first-mover advantages in [this Nano Tool](#).

**Fairness in Multi-round Competitions:** Many startup accelerators, such as Y Combinator and Techstars, use multi-stage evaluation processes to assess applicants. Rather than relying on a single pitch or meeting, these programs evaluate startups across several rounds—application reviews, interviews, and ongoing mentorship. This structure helps reduce bias by allowing evaluators to gather more data over time, spot consistent patterns of performance, and avoid overemphasizing a single strong (or weak) showing.

## CONTRIBUTORS TO THIS NANO TOOL

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## ABOUT NANO TOOLS

Nano Tools for Leaders® was conceived and developed by Deb Giffen, MCC, Director of Innovative Learning Solutions at Wharton Executive Education. It is jointly sponsored by Wharton Executive Education and Wharton's Center for Leadership and Change Management, Michael Useem, Director. Nano Tools Academic Director is Professor John Paul MacDuffie, Professor of Management at the Wharton School and Director of the Program on Vehicle and Mobility Innovation (PVMI) at Wharton's Mack Institute for Innovation Management.