

Mental Models

Think Clearly • Decide Wisely • Act Better • Live a Fuller Life

"A mental model is a simple representation of how the world works, helping you understand, predict, and navigate reality more effectively."
— Better Models. A Brighter You.



What is a Mental Model?

A mental model is a simplified framework in your mind that helps you understand how the world works, make sense of situations, predict outcomes, and decide what to do.

It's a lens, not the reality — but a useful one.

Why It Matters

- ✓ Simplifies complexity
- ✓ Improves decision-making
- ✓ Reduces cognitive load
- ✓ Helps you learn faster
- ✓ Leads to better outcomes at work and in life

How It Helps You

- ✓ See patterns others miss
- ✓ Make faster, better decisions
- ✓ Avoid common pitfalls and biases
- ✓ Communicate more clearly
- ✓ Adapt to change
- ✓ Solve problems creatively
- ✓ Build a more intentional and meaningful life

The Pillars of Mental Models

Observe
Notice what's happening.

Interpret
Make sense of it.

Generalize
Find patterns and principles.

Apply
Use it to take action.

Refine
Learn, adjust and improve.

← A continuous cycle for a sharper, wiser you. →

The Psychological Pillars

Built on how the human mind works.

Perception
We filter reality.

Cognition
We process information.

Memory
We store and retrieve.

Emotion
We feel and prioritize.

Motivation
We pursue what matters.

Belief
We hold truths (often unconsciously).

Social Influence
We're shaped by others.

← These pillars influence how you think, behave, and decide. →

How a Person Typically Thinks, Behaves, and Makes Decisions

Notices a situation

Uses past experiences

Applies mental models (conscious or not)

Evaluates options

Feels an emotional response

Makes a decision

Takes action

Learns from the outcome

← A continuous loop. Every experience updates your mental models. →

Awareness Memory Thinking Analysis Emotion Choice Behavior Feedback

Core Types of Mental Models

First Principles

Systems Thinking

Probabilistic Thinking

Inversion (Think Backward)

Second-Order Thinking

Opportunity Cost

Feedback Loops

Constraints

Cognitive Biases

Game Theory

Different models for different situations — a richer toolkit for a better you.

22 Mental Model Examples (With What They Mean)

Powerful models to see the world more clearly.

1 First Principles
Break problems to fundamental truths.

2 Second-Order Thinking
Consider long-term consequences.

3 Inversion
Think about what to avoid.

4 Opportunity Cost
What you give up when you choose something.

5 Compound Effect
Small consistent actions create big results.

6 Pareto Principle (80/20)
A few inputs create most of the outputs.

7 Systems Thinking
See the bigger picture and interconnections.

8 Feedback Loops
Actions create results that influence future actions.

9 Law of Diminishing Returns
More input yields smaller gains.

10 Constraints
Limits can drive creativity.

11 Probabilistic Thinking
Think in likelihoods, not certainties.

12 Bayesian Thinking
Update beliefs with new evidence.

13 Cognitive Biases
Be aware of systematic thinking errors.

14 Occam's Razor
Prefer the simplest explanation.

15 Hanlon's Razor
Assume good intent before bad.

16 Game Theory
Consider how others might act.

17 T-Shaped Thinking
Deep knowledge + broad awareness.

18 Second-Order Emotions
Be aware of how feelings influence decisions.

19 Mental Accounting
People treat money differently depending on the mental bucket.

20 Circle of Control
Focus on what you can control.

21 Growth Mindset
Abilities can be developed.

22 Keystone Habits
Small changes that trigger big improvements.

22 Real-Life Examples (How They Show Up)

Peverday situations where mental models guide your thinking, behavior, and decisions.

1 Choose a career based on long-term impact (Second-Order Thinking).

2 Avoid a bad investment by spotting red flags (Inversion).

3 Save money instead of buying a luxury item (Opportunity Cost).

4 Exercise regularly knowing small steps compound (Compound Effect).

5 Focus on high-impact tasks at work (Pareto Principle).

6 Consider how a decision affects the whole team (Systems Thinking).

7 Adjust your strategy after feedback (Feedback Loops).

8 Stop overworking when results plateau (Law of Diminishing Returns).

9 Use a limited budget to be more creative (Constraints).

10 Assess the likelihood of success before taking a risk (Probabilistic Thinking).

11 Update your opinion after new data (Bayesian Thinking).

12 Question your assumptions to avoid bias (Cognitive Biases).

13 Choose the simpler solution (Occam's Razor).

14 Give someone the benefit of the doubt (Hanlon's Razor).

15 Plan for competitive responses (Game Theory).

16 Learn deeply in one skill but stay broadly curious (T-Shaped Thinking).

17 Pause when angry before making a decision (Second-Order Emotions).

18 Don't mix personal and business finances (Mental Accounting).

19 Focus on what you can control, not what you can't (Circle of Control).

20 Keep learning after failure (Growth Mindset).

21 Build a morning routine to trigger a better day (Keystone Habits).

22 Reframe a challenge as an opportunity (First Principles).

22-Point Guidelines

Practical ways to use mental models every day.

1 Be curious and observe carefully.

2 Question your assumptions.

3 Look for first principles.

4 Consider second-order effects.

5 Use inversion to avoid pitfalls.

6 Think in systems, not silos.

7 Focus on what you can control.

7 Weigh the opportunity cost.

18 Embrace constraints.

19 Think probabilistically.

12 Update your beliefs with new evidence.

20 Be aware of cognitive biases.

12 Update beliefs with

13 Be aware of cognitive biases.

14 Choose the simpler explanation.

14 Assume good intent.

15 Consider others' perspectives.

16 Manage your emotions.

12 Separate your mental accounts.

17 Build small, consistent habits.

21 Keep a growth mindset.

22 Seek feedback and learn continuously.

22 Apply the right model for the situation.

22 Turn insights into action.

The Outcome

Better decisions. A better you.

Clarity

Better Choices

Less Regret

Greater Impact

A More Meaningful Life

“The quality of your life depends on the quality of your mental models.”
— Rigel G Arcayan

Start Small. Think Big.

Pick one model. Use it today. Build a better tomorrow.

Learn

Apply

Improve

Repeat