**Part One: The Basics**

***Introduction***

**“PLAN YOUR HAND”**

The key to success is to plan your finances well and consistently make good decisions.

* No-limit players tend to act aimlessly. They don’t think much about the “small decisions” when in fact thinking critically during “small” decisions sets you for situations where making the “big” decision becomes easier.
* Although the tactics you use and the decisions you make vary widely between game types, the **planning** and **decision-making** process is the same.

In theory, almost all statements about no-limit need qualification – but many of those qualifications rarely apply.

**Scenario** You have **A**♠**K**♠ and your opponent has **A**♥**K**♥ and the flop is **Q**♥**J**♥**T**♦. Although you should not let yourself get freerolled, there will be circumstances where you violate this statement.

If the pot has $100 and your opponents bets $2000, you should NOT contest this pot by calling.

However, if the pot has $2000 and your opponent bets $100, you most certainly contest the pot.

In fact, there is a break-even point between the size of the pot and the amount of the bet where the decision between folding and calling flips. **What is the break-even point in this scenario when there is $500 in the pot?**

***Odds and Outs***

**Pot Odds**

Poker is a much tougher game than something like Roulette. In Roulette you know two things with **absolute certainty** with every spin on the wheel – the amount of money you bet (risk) and the reward you if you win.

* In Poker you do not know the probability of winning nor the payout for winning with absolute certainty.
* Since there isn’t absolute certainty, you have to estimate based on **many different factors**.
* One of the most fundamental Poker skills is **accurately estimating your odds**.

**Pot Odds** = (Money in the Pot + Opponent’s Bet) / Opponent’s Bet

**Scenario** On the river there is $100 in the pot and your opponent bets $100. You are last to act and if you call your opponent’s bet, you close the action and so the only **relevant odds** are pot odds. In this scenario, you are getting 2-to-1 or 2:1 pot odds. To make the call profitable, you will need more than a 33⅓% of winning at showdown.

**TABLE 1 Common Pot Odds with $100 in the pot (when the only relevant odds are pot odds)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Opponent’s Bet | Pot Odds | Break-Even % | Opponent’s Bet | Pot Odds | Break-Even % |
| $25 | **5:1** | **17%** | **$150** | **1.67:1** | **38%** |
| $50 | **3:1** | **25%** | **$200** | **1.5:1** | **40%** |
| $66 | **2.5:1** | **40%** | **$500** | **1.2:1** | **45%** |
| $100 | **2:1** | **33%** | **$5,000** | **1:1** | **50%** |

**OBSERVATIONS**

* Break-Even % (BE%) elasticity is very high for smaller notional bet sizing. For example, BE% increases 8% when opponents bet increases $50 notionally from $50 to $100 but only increases by 2% when opponents bet increases $50 notionally from $150 to $200.
* BE% can never exceed the asymptotic limit of 50%. Also, you can never get worse than 1:1 pot odds.

**Outs**

An out is a card that will likely give you the best hand.

* When there are many opponents in a hand, you must make judgment calls on certain outs.
* To count discounted outs, you count the number of cards and multiply by your chances of winning.
* Use the Rule of 2 and Rule of 4 on the turn and river to estimate probability of making your outs.

**TABLE 2 Common Outs**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Hand | Outs | Rule of 2 | Rule of 4 | Ro2 Odds | Ro4 Odds |
| Four to a flush | **9** | **18** | **36** | **4.5:1** | **1.8:1** |
| Open ended straight or double belly buster straight | **8** | **16** | **32** | **5.3:1** | **2.1:1** |
| Gutshot straight | **4** | **8** | **16** | **11.5:1** | **5.3:1** |
| Flush plus gutshot straight | **12** | **24** | **48** | **3.2:1** | **1.1:1** |
| Flush plus open ended straight | **15** | **30** | **60** | **2.3:1** | **0.7:1** |
| One-pair drawing to two-pair or trips | **5** | **10** | **20** | **9:1** | **4:1** |
| Two-pair drawing to full house | **4** | **8** | **16** | **11.5:1** | **5.3:1** |

From the outs you can calculate your chance of winning. You convert to odds by turning the chance of winning (in percentage terms) into a fraction and then into odds.

Once you calculate your odds of winning, you compare those odds to your payoff odds to formulate your plan.

* If the payoff odds are pot odds, then if your odds of winning are better than you pot odds, you call, otherwise you fold.
* If the payoff odds are **implied odds**, then it depends.

**Implied Odds**

Implied odds are an estimate of what you are likely to win by the end of the hand versus your **immediate risk**.

If you ask the right questions – “Am I getting the best of it?” – and consistently make good estimates – “How many outs do I likely have? What are my implied odds likely to be?” – then you’ll win.

Your implied odds can also be weaker than your pot odds. Compared to the pot odds, your implied odds offer the same potential win (what’s in the pot), but more potential risk (loss of future bets). This situation carries with it **reverse implied odds** or **negative implied odds**.

* You can use pot odds as a reasonable proxy for implied odds when there isn’t much money left to bet (short effective stacks). When stacks are deep, you must consider implied odds.

***Bet Sizes***

**Absolute versus Relative Dollars**

You should think in relative dollars. Consider the size of bets and calls only in relation to the pot size, stack sizes, and implied odds, not whether the money would buy a loaf of bread or a sofa.

**Don’t think in terms of absolute dollar amounts. Instead, think in terms of value.**

**Betting the “Pot”**

**What Size is Best?**

**Final Thoughts**

***Stack Sizes***

**The Table Stakes Rule**

**Consequences of the Table Stakes Rule**

**No-Limit Should Be Called Stack-Limit**

**What Size is Best?**

**Final Thoughts**

Every poker hand **revolves around a pot** and so the pot should be the **center of your attention**.

In NLHE there are two kinds of risk and two kinds of reward – **immediate** and **potential**.

Playing NLHE well requires making good estimates of potential risk, potential reward, and your chances of winning that reward (equity).

**Immediate Risk** the bet you have to call.

**Immediate Reward** the current pot you win if you bet and everyone fold (does not including you bet)

**Potential Risk** the bets you may have to call - after calling the current bet - from players behind you on the current street and on future streets; your potential risk is never more than your current stack and it can be lower if your opponents have smaller stacks than your stack; as you play, **you should not only consider your immediate risk, but also your potential risk** by thinking about how the hand might proceed and consider your reaction to various possibilities

**Potential Reward** is the current pot plus the money your opponents are likely to risk by the end of the hand; think ahead to estimate your potential reward

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**Implied odds** are the ratio of potential reward to immediate risk.

**Win Money, Not Pots**

Sometimes trying to win a pot requires risking too much.

If you routinely risk more than the reward justifies, you will lose.

Focus on winning money, not pots.

**Big Pots versus Small Pots**

The bigger the pot, the bigger the reward. The smaller the remaining stack, the smaller the risk.

As pots get bigger, the reward gets bigger and your potential risk gets smaller.

In a big pot, the reward is too great relative to the risk for you to give up frequently. In big pots, however, frequent folding gets very expensive.

In a small pot, the reward is small relative to the remaining stacks, so you should be folding more often.

In NLHE, the size of the pot depends on the ratio of pot size to the remaining stack size (stack-to-pot ratio).

Folding in a big pot can be a terrible error as illustrated conceptually by the following sequence:

|  |  |  |
| --- | --- | --- |
| Player | Hole Card | Equity |
| Hero | Pocket Aces | 85% |
| Opp1 | Any two random cards | 15% |

Sequence 1: Opp1 is short stacked and decides to bluff and goes all-in with $100.

Hero calls $100 bet closing the preflop action.

**Hero has an expected value** of +$100 × 0.85 – $100 × 0.15 = $70

**Opp1 has an expected value** of –$100 × 0.85 + $100 × 0.15 = –$70

Sequence 2: Opp1 is short stacked and decides to bluff and goes all-in with $80.

Hero raises to $100 and puts Opp1 at risk for his whole stack.

Instead of calling Hero’s raise, Opp1 decides to fold and pick a better spot.

**Hero has an expected value** of +$80 × 1.00 – $0 × 0.00 = $80

**Opp1 has an expected value** of –$80 × 1.00 + $0 × 0.00 = –$80

**This example may seem overly contrived**, but after the flop people make these “kinds of errors” all the time!

**They create big pots without realizing it**, only to fold when the reward has become attractive relative to the risk.

**OBSERVATIONS**

* By creating a huge pot (relative to his effective stack after his bet), Opp1 has committed a mistake in Sequence 2 by folding as highlighted by the $10 of value destruction in versus Sequence 1.
* Although this specific set of sequences is unrealistic in almost all actual ring-games, the concept of value destruction resulting from incorrectly folding when a pot is huge can be generalized to any set of circumstances where a Hero’s hand is pitted against Opp1’s hand.
* This notion of incorrectly folding always applies in ring-games but is not universally applicable in certain tournaments scenarios.

**How to Play a Big Pot**

When the pot gets big, you shouldn’t be folding often.

Realize that although this is generally true, there are various key factors that may warrant judicious folds. **Think about these factors and discuss them here.**

**You shouldn’t build a big pot unless you are willing to go all-in**.

There are some exceptions that are discussed in “The Commitment Threshold”. For instance, if you are making a big bluff, you don’t have to be willing to go all-in.

You should always start from the idea that an all-in decision should come before a big pot.

**Final Thoughts**

* To estimate potential risk and reward well, you have to think through the hand and anticipate what might happen.
* Your goal is to win money, not pots. Sometimes the player who wins the most pots is the one who loses the most money.
* Pot size is determined by the ratio of the amount of money in the pot to the amount of money left in the stacks.

***Commitment***

Commitment means being willing to go all-in.

“Am I committed?” is the **first question** you should ask yourself on every street.

The commitment endpoints are when you have the nuts (not necessarily if you are getting freerolled, this exception is extremely important in Omaha) and when you have nothing.

Is there such a thing as being committed to bluffing?

When you are committed, you gain a substantial defensive advantage. **You cannot be bluffed**, and playing your hand gets a lot easier. Novice players handle these situations poorly. They build big pots, then decide whether they want to get all-in. **Make your all-in decision before you play a big pot**.

Commitment decisions can change during a hand in either direction.

Here’s an example of the super critical importance of position in a sequence where pot size becomes a central issue.

You are UTG with 99 in a 10-handed $1-$2 NLHE. You RFI with $5 and get four callers behind. Preflop is betting is closed by the BB so the pot is $25 preflop. Everyone in the hand started with an initial stack of $200.

The flop is 9d 6d 3c. You have flopped top set and after SB and BB check to you, you open with $25. Three players call increasing the pot to $125.

The turn is 7d. “Are you committed?” With three callers on the flop, someone has probably drawn out on you. You check and everyone except for the last player IP who is TAG shoves all-in for $170.

What do you do in this situation?

The Basics

Some Exceptions

Final Thoughts

**Position**

**Hand Reading**

**Fundamentals in Practice**

***References***

*Getting the Best of It* ***David Sklansky***