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Black Swans Don't Read Your Risk Analysis

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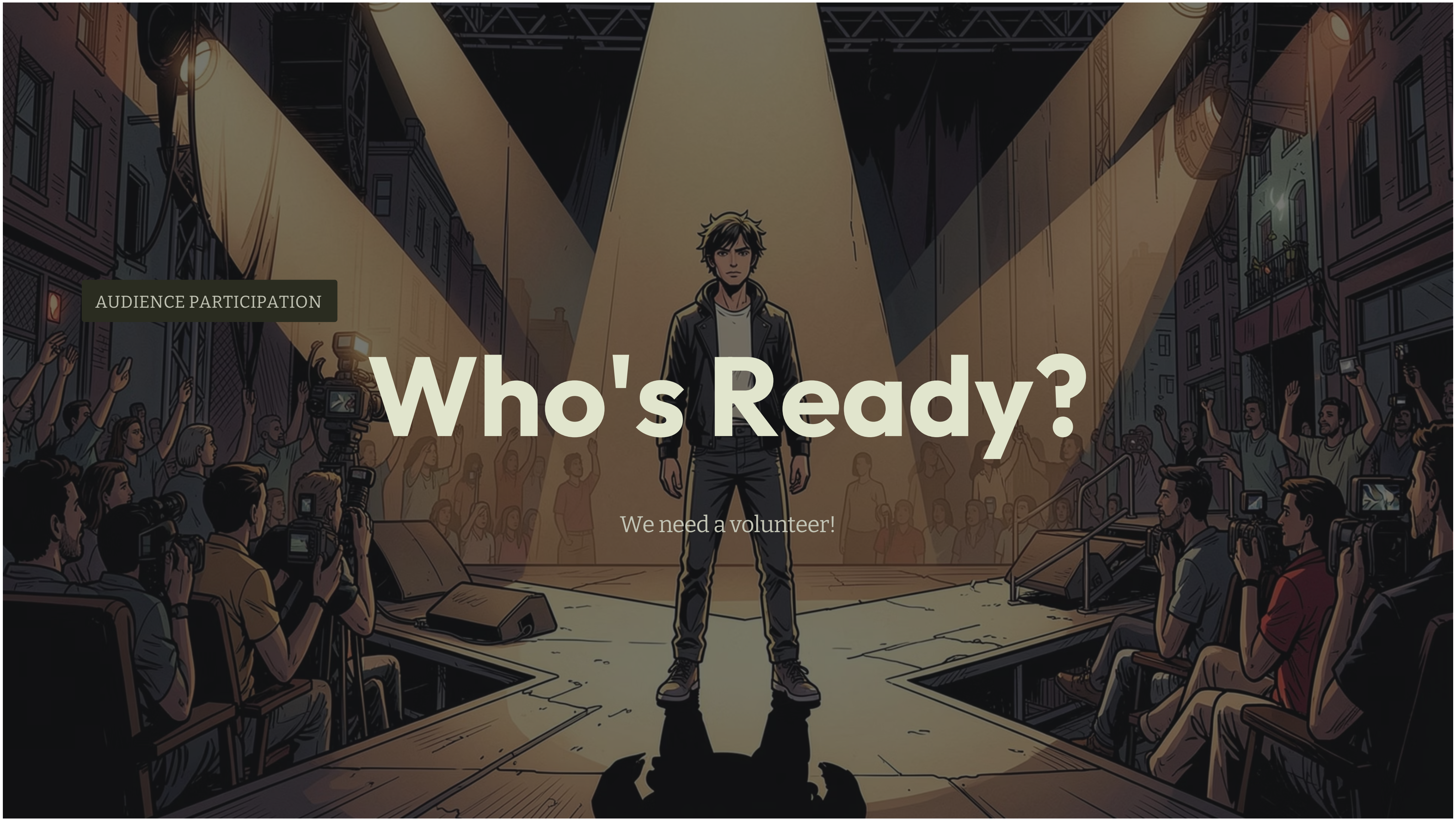
Black Swans:

an **unexpected**, **SHOCKING**, **high-impact event** that lies outside normal expectations but can ~~reshape~~ ***destroy*** markets, organizations, and strategy.


AUDIENCE PARTICIPATION
Who's Ready?
We need a volunteer!

Calculation
&
Quantification

Precedence
Trends
Assumptions

Trust

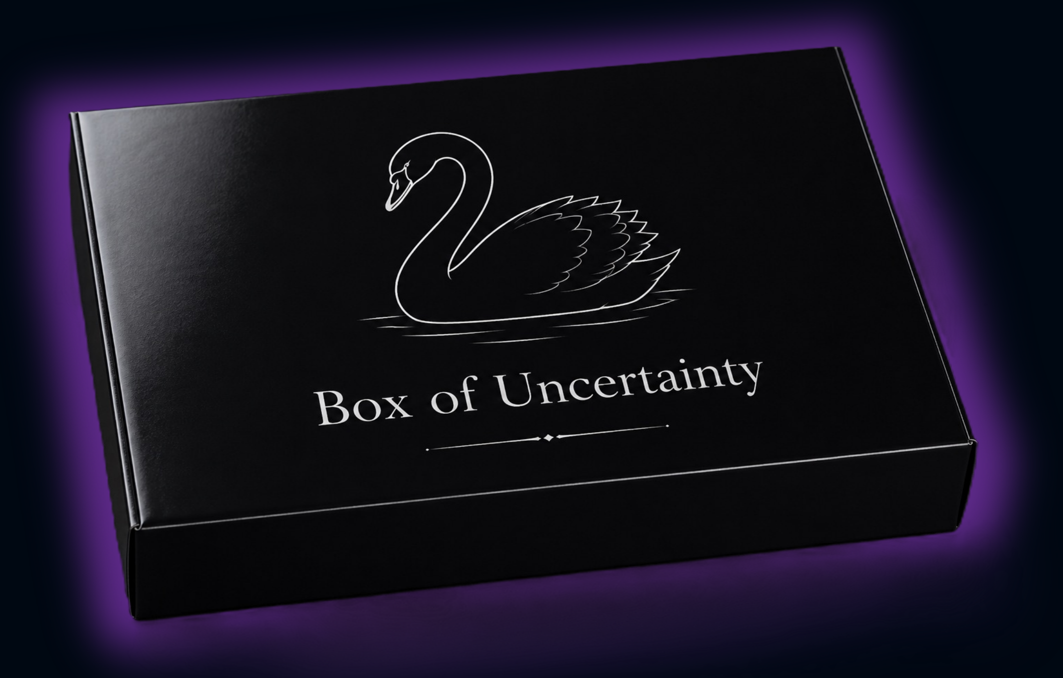
Uncertainty

Threats

Opportunities

Expectations

Hopes & Fears



The **Box of Uncertainty** delivers a small, harmless, but surprising electrical signal to the person holding it


Risk Management
Look Familiar?
1 IDENTIFICATION
"We know what to look for"
2 ANALYSIS
"We can estimate probability"
THE STANDARD RISK ASSESSMENT PROCESS
3 EVALUATION
"We know what matters most"
5 MONITORING
"We know which signals matter"
4 TREATMENT
"We understand cause and effect"
EVERY STEP WORKS... UNTIL ONE OF THOSE ASSUMPTIONS STOPS BEING TRUE.

Applying the Cycle: B2B Marketing Risk

Enterprise Risk Overview

Risk Heat Map

Our risk profile remains within appetite with continued monitoring and mitigation.

Top Strategic Risks

	RISK	LIKELIHOOD	IMPACT	SCORE
1	Cybersecurity	High	High	25
2	Regulatory Change	Medium	High	20
3	Supply Chain Disruption	Medium	High	16
4	Talent Acquisition & Retention	Medium	Medium	12
5	Economic Downturn	Low	High	9
6	Brand Reputation	Medium	Medium	6

Risk Heat Map

Risk Score Calculation

Likelihood (1-5) x Impact (1-5) = Risk Score (1-25)

Risk Score Rating

1-5 Low · 6-12 Moderate · 13-19 High · 20-25 Critical

Risk Appetite

We have a low appetite for risks scoring 20 or above.

Risk reduction / Threat reduction

🚨 Risks We Fear

- A flood destroying your home
- Losing your job
- A health diagnosis

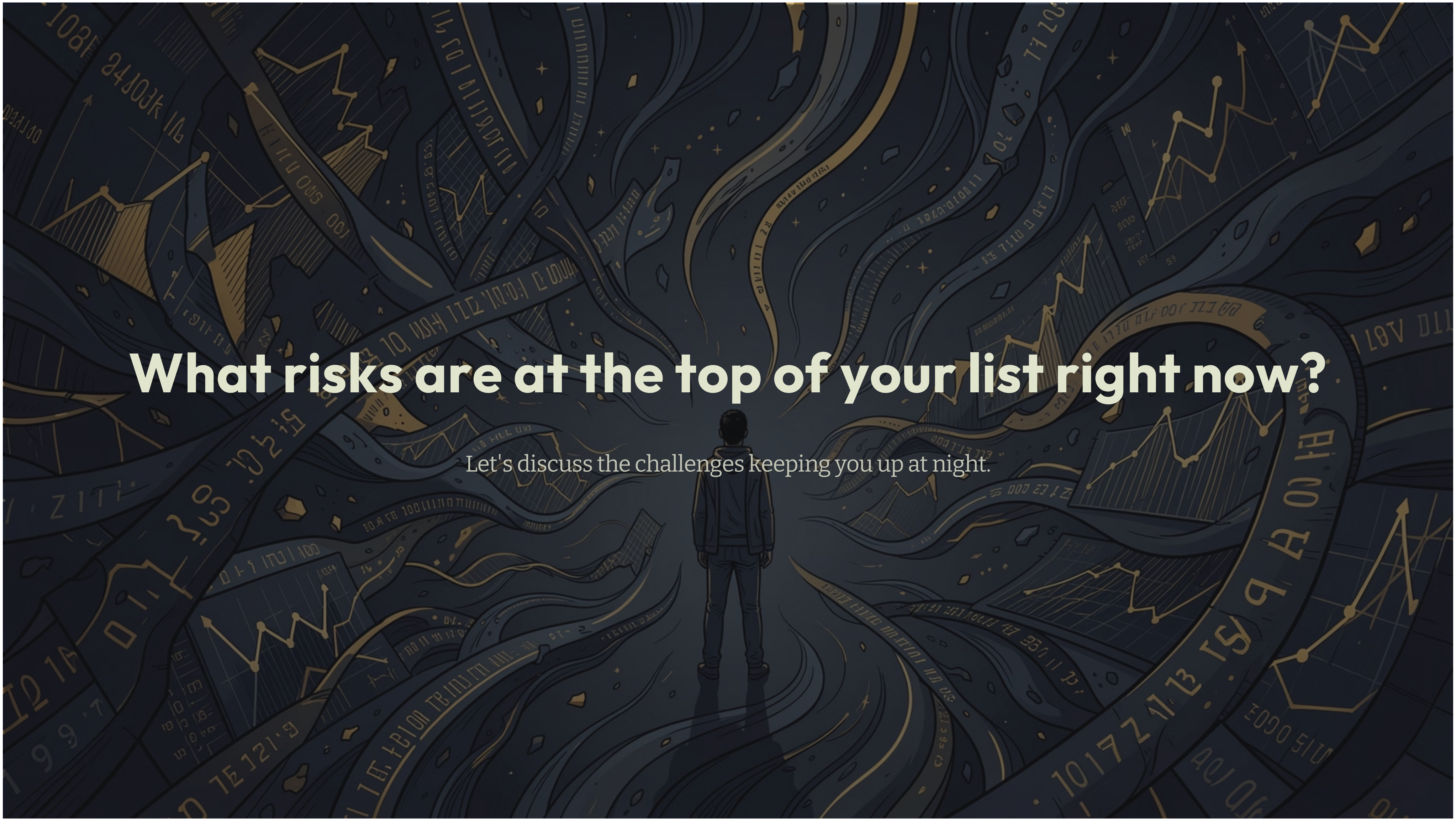
Risks We Choose

- Asking someone on a date
- Starting a business
- Moving to a new city

But What Do We Mean When We Say "Risk"?

Risk is a set of parameters we put around **uncertainty**.

We then use these parameters to gain insights into possible outcomes and make decisions.


What risks are at the top of your list right now?
Let's discuss the challenges keeping you up at night.

As complexity increases...

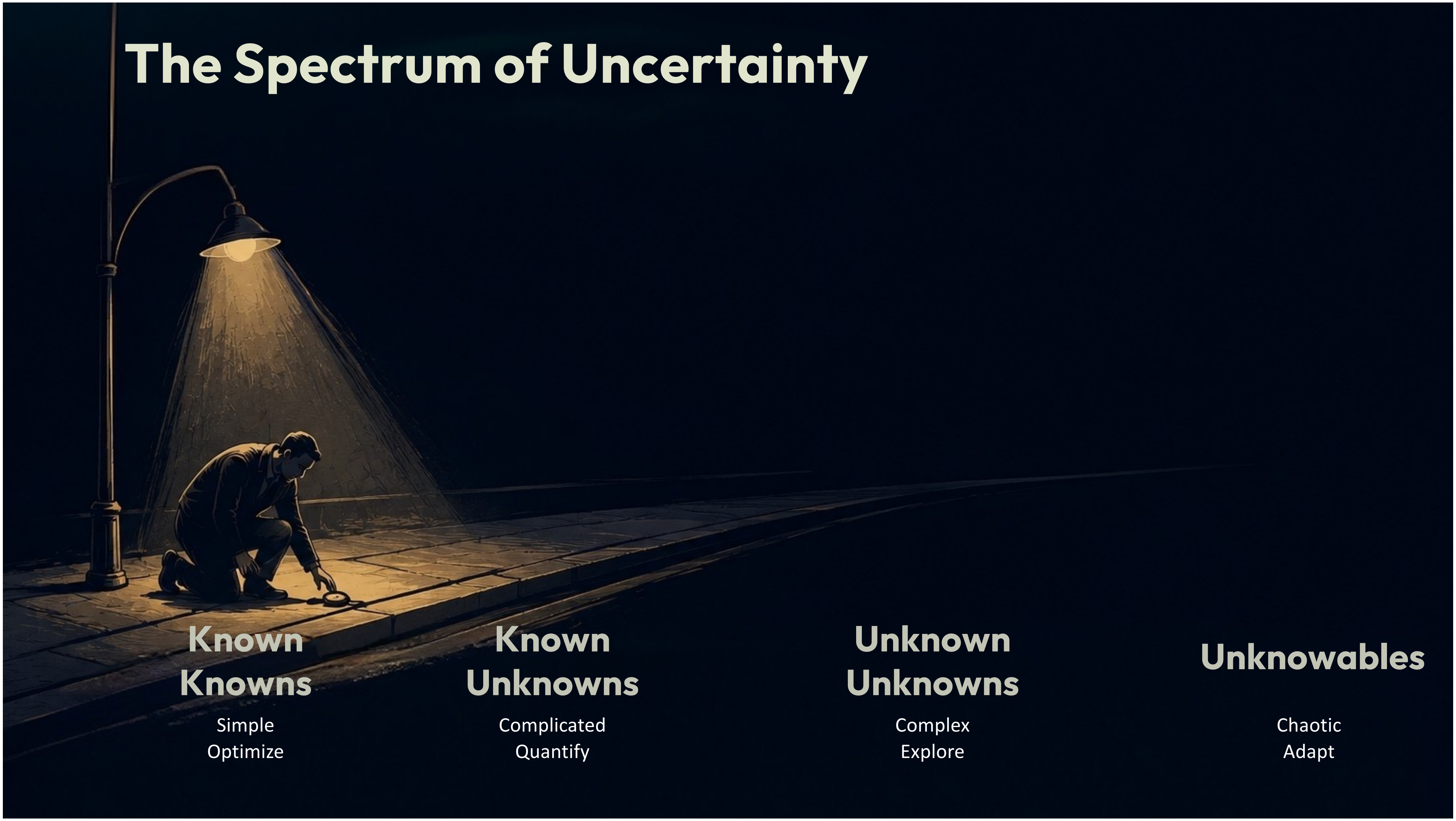
when we need to understand risk the most

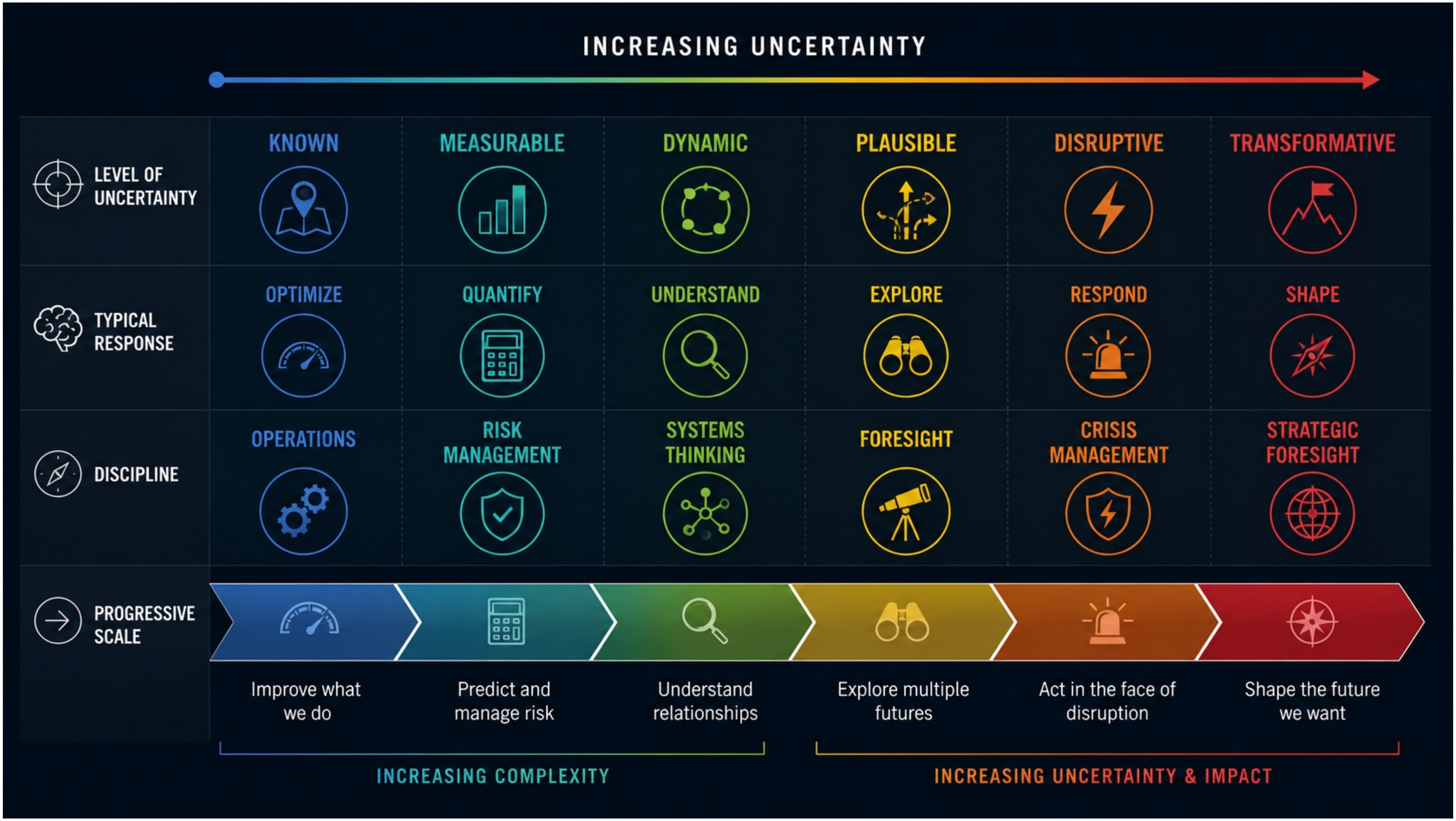
...traditional risk management falls short

Uncertainty in Rough Terrain

When the terrain is unstable, what helps you move forward: better **predictions**, or the ability to **adapt** as the ground changes?

BUT HOW DO YOU KNOW WHEN THE GROUND IS CHANGING?


The Spectrum of Uncertainty
Known Knowns
Simple
Optimize
Known Unknowns
Complicated
Quantify
Unknown Unknowns
Complex
Explore
Unknowables
Chaotic
Adapt


INCREASING UNCERTAINTY
LEVEL OF UNCERTAINTY
KNOWN
MEASURABLE
DYNAMIC
PLAUSIBLE
DISRUPTIVE
TRANSFORMATIVE
TYPICAL RESPONSE
OPTIMIZE
QUANTIFY
UNDERSTAND
EXPLORE
RESPOND
SHAPE
DISCIPLINE
OPERATIONS
RISK MANAGEMENT
SYSTEMS THINKING
FORESIGHT
CRISIS MANAGEMENT
STRATEGIC FORESIGHT
PROGRESSIVE SCALE
Improve what we do
Predict and manage risk
Understand relationships
Explore multiple futures
Act in the face of disruption
Shape the future we want
INCREASING COMPLEXITY
INCREASING UNCERTAINTY & IMPACT


What are you most uncertain about now?

"It's not as if we are unable to think about the long-term future…

the problem is just that **we don't do it all that well**."

– Roman Krnznaric

What we have here is a failure of imagination

"The Internet is a fad"

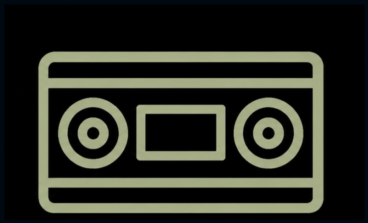
– CEO of Technology Solutions Company - 1999

Not about facts on what something *is*

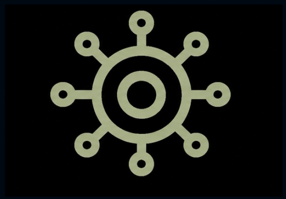
About imagining what it *could* be

It happens all the time

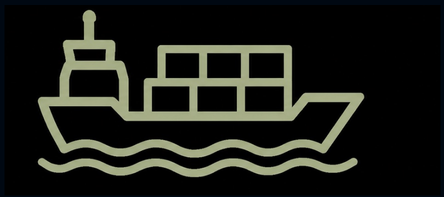
Kodak



Blockbuster



Pandemic



Suez Canal

Why our brains struggle with risk

Or Why Smart People Miss Big Changes

Human perception of risk is deeply irrational — it's just how we're wired. Understanding the biases helps us be more honest.

Availability Bias

Control Illusion

Temporal Discounting

Social Proof

Why our Hearts struggle with risk

We use feelings and intuition to process complex environments.

Hopes

EXPECTATIONS

Joy Disappointment Anger

Fears

UNCERTAINTY

Anxiety Fear

Risk is Built for Stability

Risk works beautifully... in a world where the rules don't change.

But We're Not in Kansas Anymore

The Future Is a Probability Space

The goal isn't to predict what will happen. It's to prepare for what could happen — and to recognize it when it arrives.

Stranger Than Fiction

Stranger Than Fiction

Which Headline is Fake?

True

Japan Coalition Selling World's 1st Toilet Paper Made from Used Diapers

False

AI Creates New Drug That Cures Common Allergies in a Single Dose

True

Mini 'artificial sun' sets new record — the closest Earth has come to achieving limitless clean

Stranger Than Fiction

Which Headline is Fake?

True	True	False
Dutch coffee brand recruits children to its board of directors	Elephants can't pursue release because they are not people, court finds	This Finnish City to Ban Smartphones to Encourage Face-to-Face Communication

Stranger Than Fiction

Which Headline is Fake?

False	True	True
Amazon Testing Delivery Drones That Predict What You’ll Buy Before You Order	Solar Eclipses ‘On Demand’ Mark New Era for Scientists Studying the Physics of Our Sun	Logging off Life but Living on: How AI Is Redefining Death, Memory, and Immortality

Stranger Than Fiction

Which Headline is Fake?

False	True	True
Major Fast-Food Chain Removes Meat from Menu to Fight Climate Change	AI hallucinations can’t be stopped — but these techniques can limit their damage	Elderly Women in Japan Are Choosing Prison Over Loneliness

To practice risk management and foresight is to believe that you have agency

Is risk management part of *foresight* or is foresight part of *risk management*?

Yes

Risk Management
Strategic Foresight
Quantified
Objective
Probability
Worst/Best Case
Knowns
Mitigation
Short/mid-term
Adjustments
Complicated
Qualified
Subjective
Possibility
Alternate futures
Unknowns
Anticipation
Mid/long-term
Transformations
COMPLEX RISK
Arises from the interplay of
the known and the unknown
BETTER TOGETHER
Two lenses. One purpose. Better decisions in uncertainty.


Making better decisions in an uncertain world
HORIZON SCANNING
ASSUMPTION TESTING
SYSTEMS THINKING
MULTIPLE FUTURES
WILDCARDS & BLACK SWANS
STRATEGIC OPTIONS
SIGNPOSTS & SIGNALS
IDENTIFICATION
ANALYSIS
EVALUATION
TREATMENT
MONITORING
MANAGING UNCERTAINTY
UNKNOWN UNKNOWNS

Use Risk to Focus on Foresight

How risk discipline helps inform foresight

→ **Focus**

→ **Quantify**

→ **Prioritize**

DO

Use Foresight to Enhance Risk Management

How foresight discipline helps inform risk

→ **Expand Alternatives**

→ **Avoid Surprise**

→ **Explore Implications**

IMAGINE

5 Things

Tips for B2B Leaders

In an uncertain world, leaders need to broaden their perspective on risk and future-proofing strategies. Here are key areas to focus on:

Map What You're NOT Measuring

Actively seek out and understand factors that currently sit outside your existing risk models and KPIs. These "unknown unknowns" often hide the biggest threats and opportunities.

Track Signals, Not Just KPIs

Look for early indicators and "weak signals" of change, even if they seem strange or insignificant at first. Prioritize early awareness over waiting for statistical certainty.

Stress-Test Strategy Across Different Futures

Don't just plan for best-case or worst-case scenarios. Explore a range of plausible "different worlds" and challenge core assumptions to build robust, adaptable strategies.

1: Think beyond what you see

We care about what we measure and we measure what we can quantifiably sense. That leaves most of the possibilities uncharted

Look for Signals

Search for signals, trends, and signposts of change. Collect these signals and review them on a regular basis.

Determine underlying drivers of change

Drivers are the most powerful futures insight tool – they help us understand the causes, not the symptoms.

Be inclusive

Exploring futures takes a breadth of experiences, visions, and values. Expand your stakeholders and include them in your work.

2: Map what you're NOT measuring

We care about what we measure and we measure what we can quantifiably sense.
That leaves most of the possibilities uncharted

Explore uncertainties

Look at what you are most uncertain about? Prioritize based on impact and preparedness.

Map possibilities

Create scenarios and pathways to see what futures are possible and how they might unfold.

Don't be afraid of "squishiness"

Go beyond quant and use foresight to embrace the wet sponge of uncertainty.

3: Use Futures Systems Thinking

Implications

Explore causal implications using tools like the Futures Wheel. Think if this/then that.

Levers of Change

Identify places to intervene in your systems and see which places you may have leverage. How does this change your risk assessment?

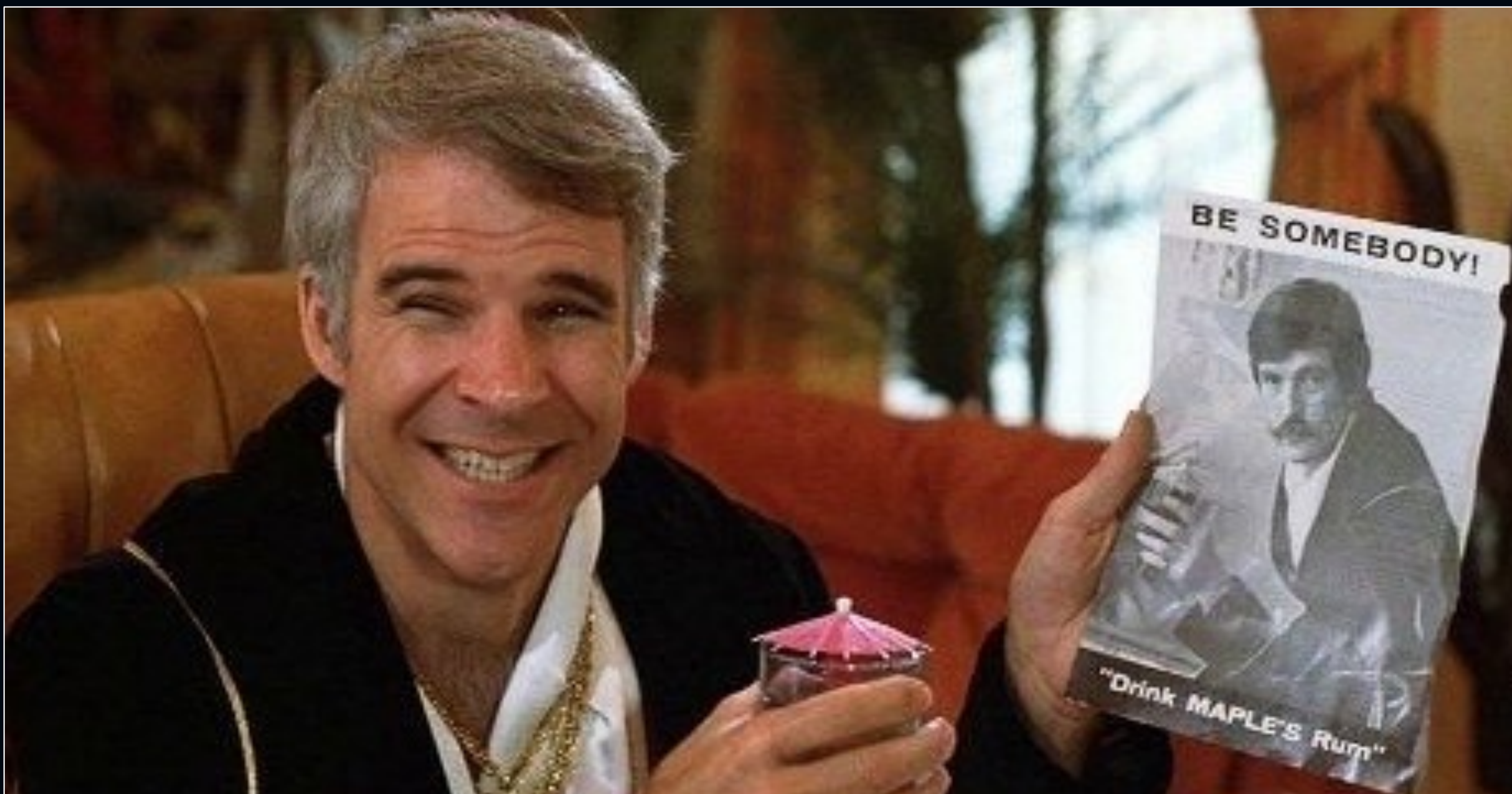
Use Archetypes

Fixes that fail, Success to the successful, Unintended consequences – these are just a few of the system archetypes to use in understanding possibilities of change.

4: Have a vision

Look at the pathways ahead and choose where you want to go or forge your own path

How does the risk impact your vision?


BE SOMEBODY!
"Drink MAPLE'S Rum"