The Premortem: Scenario Analysis vs. Scenario Development

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Abstract
Nothing ventured, with intelligence, nothing gained. Every human enterprise carries risk, some much more than others. Any chosen course of action may result in an adverse or undesirable outcome, notwithstanding the benefits it promises. As such, proper risk assessment and management are crucial to making plans successful. To offset risk, the steps recommended, more or less in the following order, are: (i) identify, characterize, and assess threats; (ii) assess vulnerabilities to specific threats; (iii) determine risks; (iv) make out ways to reduce critical risks; and (v) prioritize risk reduction measures based on a strategy.

Keywords
risk assessment, risk reduction, scenario analysis, scenario development

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THE PREMORTEM: SCENARIO ANALYSIS vs SCENARIO DEVELOPMENT
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Nothing ventured, with intelligence, nothing gained. Every human enterprise carries risk, some much more than others. Any chosen course of action may result in an adverse or undesirable outcome, notwithstanding the benefits it promises. As such, proper risk assessment and management are crucial to making plans successful. To offset risk, the steps recommended, more or less in the following order, are: (i) identify, characterize, and assess threats; (ii) assess vulnerabilities to specific threats; (iii) determine risks; (iv) make out ways to reduce critical risks; and (v) prioritize risk reduction measures based on a strategy.
I. DON'T HOLD YOUR PEACE
The following development may seem all too familiar. A plan is
drawn by a task force, endorsed by decision-makers, approved by
senior management, launched with fanfare, but leads nowhere.
There are two explanations for this unproductive path. In bureau-
cratic organizations, both during planning and in implementation,
staff are reluctant to express reservations about the workability of
a proposal. They keep mum because it can be dangerous to oppose
what bosses command. But in all sorts of organizations, cognitive
barriers play a clandestine role, too. Individuals and groups may
be biased. When they have worked hard on an idea, they can also
become psychologically committed to the idea of success, become
overconfident, and therefore, blind to at least some risks.

II. PLAY DEAD
It is nothing special to conduct the equivalent of a postmortem by
means of formal completion or evaluation reports, e.g., after-action
reviews, retrospectives, and learning histories—which remain rare.
The goal is to try to understand why an initiative did or did not suc-
cceed. In this exercise, lessons that have been or should be learned
eventuate mostly in the form of hindsight: since the postmortem is
done at the (wrong) end of a plan, they focus on accountability,
not learning. And yet, just-in-time opportunities to learn can
arise before implementation, not just during and after.

Forewarned is forearmed. Peer assists are a rare form of learning
before doing: they help people learn from the experiences of others
before embarking on an activity. Enter also, thanks to Gary Klein,
the Premortem technique. This technique is based on a process
known as reframing, which holds that insights can be gained sim-
ply by looking at a situation from a different perspective, or in a dif-
ferent context, from that which is typical. This risk-mitigation
planning tool also attempts to identify threats at the outset, that is,
before a plan is launched. The technique is reminiscent of disaster
charting, a method that, through repeated questioning, tries to map
what might have contributed to an accident. In contrast, however,
the Premortem technique helps challenge key assumptions, gener-
ate multiple hypotheses, discover unknown unknowns, track alter-
native future trajectories, and anticipate the unanticipated before
the event. Certainly, by testing, probing, and even attacking indi-
vidual and collective mindsets, greater rigor in critical thinking can
reduce the chance of (unpleasant) surprises.

A premortem is the imaginary converse of an autopsy, a special-
ized surgical procedure conducted by a pathologist to thoroughly
assess a corpse to determine or confirm the exact cause and cir-
cumstances of death or the character and extent of changes pro-
duced by disease. The hindsight this intelligence assessment offers
is prospective. In sum, asking a team to imagine that its plan has
already been implemented and failed miserably increases the abil-
ity of its members to correctly identify reasons for negative future
outcomes. This is because taking a team out of the context of de-
fending its plan and shielding it from flaws opens new perspectives
from which the team can actively search for faults.

By establishing the certainty that a fiasco has actually occurred—
thus preempting equivocations of likelihood—the Premortem tech-
nique decreases the predilection that individuals and groups have
for scenario development. Instead, it places the focus on scenario
analysis. As a result, despite its original high level of confidence, a
team can then candidly identify multiple explanations for failure,
possibilities that were not considered when the team initially
proposed and developed the plan. The expected outcomes of such
challenging and stress-testing are increased appreciation of the
uncertainties inherent in any projection of the future and identifi-
cation of markers that, if incorporated in the plan’s design and
subsequently tracked, would give early warning that progress is not
being achieved as expected.

The Premortem technique is low cost and high payoff. Its applica-
tion is straightforward and need not take more than two hours—
and possibly as little as 30 minutes, preferably with the help of a
facilitator. To conduct a premortem, the following steps are rec-
ommended:

1. Settle on a period, in months or years, after which it might be
   known whether a plan was well formulated. Imagine the
   period has expired: the plan is a fiasco and has spawned dire
   consequences. What could have caused this?
2. Request each team member to suggest 10 reasons for failure,
   particularly those he or she would never bring up for fear of
   being impolite—sensitive issues might be divulged
   anonymously. Reasons can also be found in the external
   environment, not just the organizational context, organiza-

THE NINE FACES OF BIAS
Bias is the inclination to present or hold a partial perspective at the expense of possibly equally valid alternatives. The proponents of a plan should check for self-interested biases; affect heuristic; groupthink; saliency bias; confirmation bias; availability bias; anchoring bias; halo effect; and sunk cost fallacy, or endowment effect. To redress each bias, the challenge questions they pose are, respectively:

1. Is there any reason to suspect that the team drawing the plan might be motivated by self-interest?
2. Has the team fallen in love with its proposal?
3. Were there dissenting opinions within the team? Were they expressed adequately?
4. Could the diagnosis be overly influenced by a comparison to a previous, memorized success?
5. Are credible alternatives included along with the recommendation?
6. If you had to make the decision again in a year’s time, what information would you want, and can you get more of it now?
7. Do you know where the numbers came from? Can there be unsubstantiated numbers, extrapolation from history, or an incentive to use a certain anchor?
8. Is the team assuming that a person, organization, or approach that is successful in one area will be just as successful in another?
9. Are the recommendations overly attached to a history of past decisions?

tional knowledge, and inter- and intra-organizational relationships to which priority attention is habitually given. Starting with the team leader, ask each team member to voice one reason from his or her list. Everyone should mention a reason in turn until all have been aired and recorded.

3. After the session is over, gather and prioritize the comprehensive list of reasons that grew out of collective knowledge.

4. Look for ways to strengthen the plan by avoiding or mitigating essential drivers of failure, beginning with the two or three items deemed of greatest concern.

Some will worry the Premortem technique could lead to situations in which opposition so forcefully threatens a plan that it must be abandoned. The rejoinder to this is that a plan should indeed be ditched if the objections to it are that strong. However, common sense suggests that a plan would be improved through ex-ante reverse engineering, not abandoned, in most instances.

That is all. With great simplicity, the Premortem technique induces much higher levels of mindfulness and candor. It accomplishes this in two quick steps: by reframing the question it compels people to think differently; by revealing unspoken reservations, it fortifies the decision-making process. “Of all acts of man repentance is the most divine. The greatest of all faults is to be conscious of none”, Thomas Carlyle said. A premortem may be the surest way to avoid an embarrassing postmortem. And so, lie down, repair your ways.

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