



Prospective Hindsight and the Pre-Mortem

PEOPLE, PERFORMANCE MANAGEMENT, LEADERSHIP, CONTINUOUS IMPROVEMENT, KPIS

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Business Strategy, Leadership, Collaboration, Ways Of Thinking & Working

"We don't rise to the level of our expectations, we fall to the level of our training." - Greek lyrical poet, Archilochus.
Or restated: 'you do not rise to the challenge, you fall to the level of preparedness'

"If you want a man to keep his head when a crisis comes you must give him training before it comes"

— Seneca

"Hope for the best, plan for the worst"

— Lee Childs (Character Jack Reacher)

In a nutshell, what is prospective hindsight?

It is the generation of an explanation, reason, narrative for a future event (as if it had already happened). As if one had taken a time machine forward and looked backwards.



A simple and effective example this shift in thinking is provided in the below 1989 study: “ consider predicting the winner of the first basketball game of a championship series. Before the game predicting the winner is based on general factors: match-ups between key players, team strengths and weaknesses, etc. Even past games are used to identify factors relevant to the imminent contest. After the game it's a different story. The defeat of one team is explained both by these general factors and by specific events like Player A's early foul trouble Player B's 'off night', too much inactivity since the team won its previous series, etc. Such events are too numerous to anticipate beforehand and to relevant to ignore afterward.”

Your executive and team makes sense of its environment by observing what happens and reasoning why these things have happened. Your CFO or COO may have a deeper understanding of business drivers and processes and possess greater explanatory skills whilst your new recruit may generate a new fresh insight with less knowledge of the context.

We usually explain the past (why did this occur) and predict the future (what if scenarios). We analyse the past often to draw meaning and insights to apply to forward thinking. Strategically, it would be very beneficial if we could improve how we anticipate future events and help us make more successful decisions and next steps.

Back to the Future: A Prospective Hindsight study, 1989

In 1989, Deborah Mitchell, Edward Russo and Nancy Pennington undertook a study: “Back to the Future: Temporal Perspective in the Explanation of Events”; on how people think and what role does certainty play in people generating reasons, explanations, narratives about an event? If people generate more explanations about past events, is this because the event had happened in the past? Or because of the certainty with which people think about things in the past? The experiment findings were;

- Certainty matters more than past or future in itself
- People who thought about a future event with certainty generated more reasons and explanations than those who considered a past event with uncertainty
- Adding certainty added 30% more reasons and twice as many action-based reasons than abstract reasons

“Winning Decisions, Getting it right the first time”, Russo & Shoemaker, 2002

An experiment found prospective hindsight generated 25% more reasons for the following questions;

“How likely is it a woman will be elected the leader of your country in the first election after the next one”
Think about all the reasons why this might happen . For specificity, provide a numerical probability.

&

“Imagine that the first election after the next one has occurred and a woman has been elected the leader of your country. Think about the reasons why this might have occurred. Then provide a numerical probability of this actually occurring”

Given the importance and value of improving the decision-making process, researchers, social scientists and psychologists set about leveraging the findings of prospective hindsight studies and try to identify a framework upfront to identify your decisions that might lead to poor outcomes and create a safe environment for dissent in views. In 1992, Gary Klein, a cognitive psychologist developed a pre-mortem risk assessment approach.

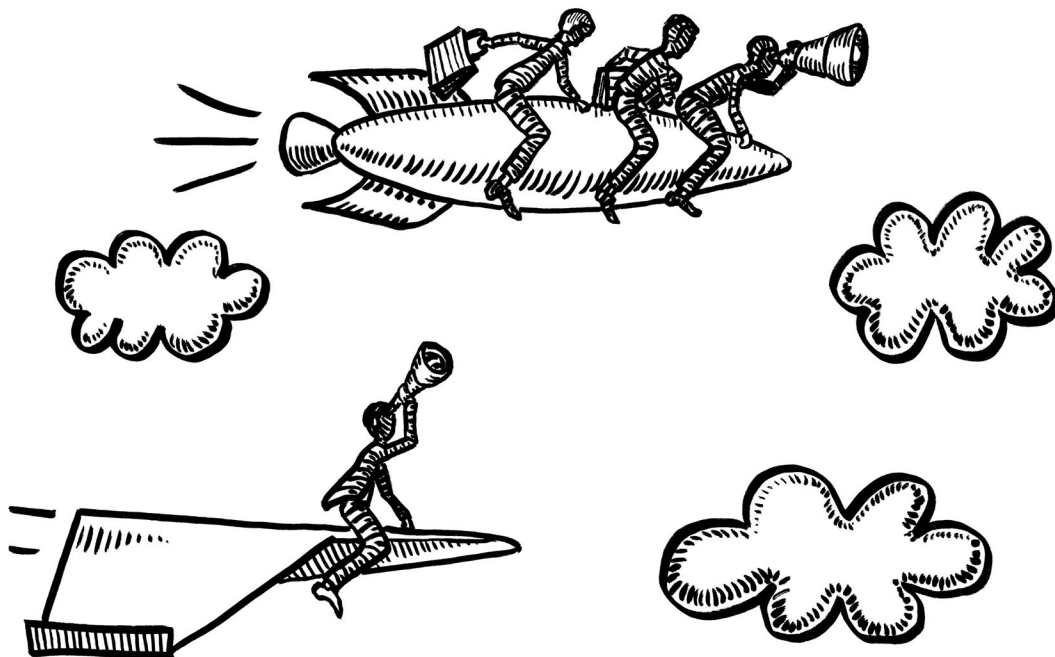
The Pre-Mortem

The pre-mortem framework and strategy;

- Considers the reasons around why something might fail, enhances collective intelligence of the group
- Encourages prospective thinking (rather than retrospective thinking) , leverages findings of studies in field
- Consider upfront future events before a decision is made (things within your control and outside your control)
- Considers factors that have resulted in the failure of a project or initiative, all voices are equal
- Creates a safe environment for participants to utilise expertise, experience and intuition to aid decision making

If you choose a multi-disciplinary and cross functional team of participants what will fall out of this process are valuable insights into weaknesses in current state business environment and processes, the new initiative and any integration concerns.

This exploration of the initiative, the pre-mortem findings, the countermeasures proposed will also likely reveal the positivity and attitude of participants to the project. The process liberates participants to speak up whereas in other situations they would feel they were not seen as team-players.



The basic steps

Gary Klein suggests some basic steps;

- Bring together a diverse and informed team familiar with decision or initiative
- Imagine a worst-case scenario (embarrassing & devastating), Imagine a crystal ball good enough to see failure but not the reasons
- Ask team members to spend some time independently and silently generating reasons for the failure
- Collate and consolidate a comprehensive list of concerns and issues

- With a prospective viewpoint, the team is now able to reconsider plan/initiative and countermeasures
- Keep revisiting the list, which keeps the possibility of failure alive and reduces overconfidence or group-think
- It is not the steps followed, the importance of pre-mortems is in the ability to switch thinking and the prospective hindsight viewpoint.

Daniel Kahneman (2002, Nobel prize winner and expert in judgement and decision making) describes a simpler version;

.... When the organisation has almost come to an important decision but has not formally committed itself, Klein proposes gathering a brief group of individuals who are knowledgeable about the decision. The premise of the session is a short speech:

"Imagine that we are a year into the future. We implemented the plan as it now exists. The outcome was a disaster. Please take 5 to 10 minutes to write a brief history of that disaster"

In which domains might pre-mortems be valuable?

Program and Project Management

- Ongoing risk analysis, risk mitigation measures, addressing weaknesses and integration issues
- Improving structural integrity of initiative and identify opportunities, quicker responses through project lifecycle
- Pre-emptively, in any domain that a "Post Implementation review" or "Post Mortem" is undertaken

Product Development and launch

- Workshop 6-month ahead scenarios ; "Product failed to launch", "Product failed to deliver"
- Flawed beliefs may emerge, may be an alternate way to deal with ambiguity, highlight potential failure points, enhances greater collective awareness
- With findings run mini experiments on pilot, devise risk mitigation and test app, take small bets, perhaps UX professionals can de-risk initiative

Investment Opportunities

- Mitigate group-think, ensure a sufficient range of alternative model input assumptions, approaches and viewpoints considered, enhance investment business case, mitigate downside risks, poor practices and avoid making material mistakes, record findings and revisit frequently

Strategy, Resilience and Risk Management

- Workshop "Kill the company" or "Kill the budget" or "Kill the forecast", "Risk Management: BCP, DR, Contingency Planning" identify ways in which these could fail, identify the challenges, points of failure, assumptions and develop mitigation plans
- Complement a HAZOP; Hazard and Operability Study to see how system and plant deviate from design intent and may create risks to manage
- Workshop new strategic partnership proposal covering pricing, inventory, distribution, commercial size and acumen of partner, mutual ways of working
- Strategic planning tool for innovation and risks for domains such as : environmental, social, ethical, economic or empowerment

So, is this pre-mortem just another to-do list or a glass half empty view of the world?

Certainly, throughout history success has derived through good mental models, pre-empting and avoiding mistakes, inverted and switch thinking and leveraging prospective hindsight;

"... prevention is worth a pound of cure"

— Benjamin Franklin

"The impediment to action advances action. What stands in the way becomes the way"

— Marcus Aurelius

"When I begin my work in the morning, I expect to have a successful and pleasant day of it, but at the same time I prepare myself to hear that one of our school buildings is on fire, or has burned, or that some disagreeable accident had occurred, or that someone has abused me in a public address or a printed article, for something that I have done or omitted to do, or something that he had heard that I had said—probably something I had never thought of saying."

— Booker T Washington

"Invert, always invert: Turn a situation or problem upside down. Look at it backward. What happens if all our plans go wrong? Where don't we want to go, and how do you get there? Instead of looking for success, make a list of how to fail instead—through sloth, envy, resentment, self-pity, entitlement, all the mental habits of self-defeat. Avoid these qualities and you will succeed. Tell me where I'm going to die so I don't go there."

— Charlie Munger (Berkshire Hathaway)

Pre-Mortems might be a useful tool business hack that could take as little as 30-90 minutes or multiple sessions, perhaps it might be your unfair advantage, your "low-cost and high-payoff kind of thing" (see below).

<https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/strategic-decisions-when-can-you-trust-your-gut>

Gary Klein:

"The premortem technique is a sneaky way to get people to do contrarian, devil's advocate thinking without encountering resistance. "

Daniel Kahneman:

"The premortem is a great idea... in general, doing a premortem on a plan that is about to be adopted won't cause it to be abandoned. But it will probably be tweaked in ways that everybody will recognize as beneficial. So, the premortem is a low-cost, high-payoff kind of thing.

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