our standard return on investment (ROI) is 40%

- *Net Benefit / Loss:* How did this investment do compare to my standard expected return? i.e. total return — opportunity loss.
- *Expected return:* the net benefit / loss * the probability of this occurring.

By summing the expected returns for each outcome, we can determine the value of each variant. The best expected return comes from building *"in-house"*. But wait, didn't we say this building in-house was the future legacy? Well, as I did point out, most financial models have a bias to the present and hence they discount the future. The problem is that by following this path we're are building up the legacy practice (and related inertia) and not positioning ourselves to build a future market. We might maximise our short term position but we end up in a dreadful long term one.

Can we somehow financially account for inertia and future position? Yes. The essential question between the variants is the following — are we prepared to gamble $435k of expected return to explore and potentially secure a more lucrative but undefined future position? To analyse this is very complex. So, what do we do? Well, at this point we depart paths. I will build monstrous complexities for navigation and do things to spreadsheets that shouldn't be done. You can SWOT it.

SWOT? But isn't SWOT the curse of simplistic management? Yes, but it also has its uses particularly if we understand the landscape. The