



Unit 7 Structured Analytic Techniques

Contrarian Techniques

MASSIVE OPEN ONLINE COURSE (MOOC)

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ANALYST - A New Advanced Level for Your Specialised Training

Cristiano Fanelli, PhD













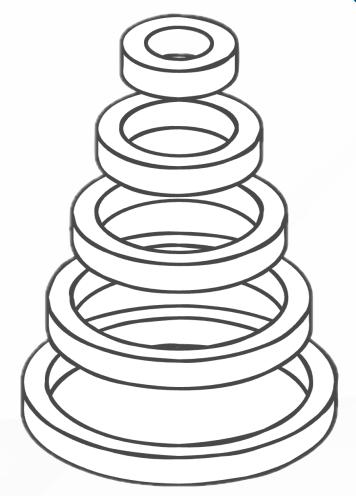






Learning objectives

- Understand the purpose of contrarian techniques in strengthening strategic analysis and preventing groupthink.
- Learn how to apply Devil's Advocacy to systematically challenge prevailing judgments.
- Use Red Teaming to uncover vulnerabilities by adopting an adversary's perspective.
- Run a Premortem Analysis to surface hidden risks before they materialize.
- Build Alternative Futures scenarios to test strategies against multiple, plausible outcomes.
- Integrate contrarian methods into review gates to make analysis more adaptive and resilient.
- Analyze real-world case studies to see how structured dissent improves strategic decision-making.
- Practice contrarian techniques in a hands-on exercise to challenge assumptions and design risk mitigations.





















Why contrarian?



Contrarian techniques are designed to deliberately disrupt comfortable agreement and challenge prevailing assumptions.

By introducing structured dissent into the analytical process, they help reveal hidden biases, overlooked risks, and blind spots that might otherwise go unnoticed.

These methods encourage analysts and decision-makers to critically re-examine their conclusions, question consensus views, and explore alternative possibilities.

By systematically opposing the dominant narrative, contrarian techniques not only guard against the dangers of groupthink but also strengthen the overall resilience, depth, and reliability of strategic judgments.

Dissent, when structured, is an asset, not an obstacle.



















Family view



Contrarian Technique Toolbox

Key methods used to introduce structured dissent include Devil's Advocacy, Red Teaming, Premortem Analysis, and Alternative Futures Analysis.

Each of these techniques compels analysts to step outside their own reasoning processes and critically reassess their assumptions.

By forcing a shift in perspective, they help stress-test conclusions under radically different viewpoints and scenarios.

This deliberate challenge to initial findings strengthens the robustness of the analysis, revealing potential weaknesses, alternative outcomes, and hidden vulnerabilities that might otherwise be missed.

Use the right contrarian tool for the bias you fear most.



















DA intro



Topic Devil's Advocacy

In Devil's Advocacy, a designated individual or small team is assigned the task of arguing against the prevailing view, even if they personally agree with it.

Their role is to systematically assemble evidence, construct arguments, and highlight weaknesses in the dominant analysis.

This deliberate opposition forces the original team to confront potential flaws, blind spots, and overconfidence in their reasoning.

As a result, the team is compelled either to strengthen its case with more robust evidence and clearer logic or to revise its conclusions based on the critique received.

A relentless skeptic is cheaper than a real-world failure.



















DA steps



Devil's Advocacy Process

- The Devil's Advocacy process follows a clear and structured sequence of steps.
- First, the current analytic judgment must be clearly stated and documented, ensuring that everyone understands the baseline conclusion.
- Second, a Devil's Advocate is formally assigned, with the responsibility of challenging the prevailing view.
- Third, the Devil's Advocate constructs an 'opposite case,' gathering credible evidence and arguments to undermine the original assessment.
- Fourth, the original analytic team must rebut the critique or, if necessary, revise their conclusions based on the new challenges.
 - Finally, any changes to the original judgment, as well as any remaining areas of uncertainty or disagreement, should be carefully documented to ensure transparency and learning.

Formal roles transform disagreement into learning.



















DA example



DA in Banking Risk

In one practical example, the analytic consensus was that an anticipated rate hike would significantly boost profit margins for a major bank.

However, the Devil's Advocate presented a different perspective, demonstrating with evidence that loan defaults typically rise faster than margins improve following such hikes.

This critical insight flipped the net impact analysis, showing a potential threat rather than an opportunity.

Acting on this challenge, the bank decided to hedge its exposure against rising defaults.

When defaults later spiked, the hedge proved crucial, ultimately saving the bank over €12 million.

One contrarian voice prevented a costly misread.



















RT intro

Red Teaming

In a Red Team exercise, a specially designated group adopts the mindset, tactics, and motivations of a potential adversary.

This adversary could be a competitor, a regulator, a hacker, or any other entity capable of challenging the organization's position.

The Red Team actively searches for flaws, gaps, and vulnerabilities in the organization's plans, strategies, or analysis.

Meanwhile, the Blue Team, representing the original planners or defenders, works to protect and justify their approach.

The dynamic interaction between the two teams generates a much deeper and more realistic understanding of potential weaknesses, allowing organizations to anticipate threats and strengthen their strategies before real challenges arise.

Walk in your rival's shoes before they walk over you.















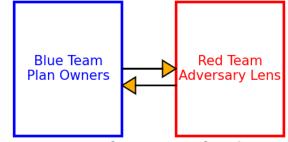




RT modes



X Red Team Variants



There are different types of Red Teams, each focused on a specific area of vulnerability.

A Strategic Red Team challenges long-range business or operational plans, exposing hidden risks and testing assumptions about future developments.

A Cyber Red Team simulates attacks on an organization's digital infrastructure to uncover security weaknesses before real hackers can exploit them. A Regulatory Red Team examines compliance structures, looking for gaps that regulators might target.

Despite their different focuses, all Red Teams share key features: they operate in isolation from the original planning teams, maintain full autonomy, and embrace the mandate to 'break things' in a controlled and constructive manner to strengthen overall resilience.

Tailor the Red Team to the threat landscape.



















RT example



✓ Red Team vs. M&A Hype

In a real-world acquisition scenario, a Red Team was tasked with stress-testing the assumptions behind a proposed deal.

They modeled potential competitor counter-offers that could drive up the acquisition price, as well as antitrust challenges that could delay or derail the transaction.

Their findings revealed significant vulnerabilities that the original team had underestimated. As a result, the projected net present value of the deal was downgraded by 30%.

Based on these insights, leadership decided to change strategy: instead of overpaying upfront, they structured the deal with earn-out clauses and integration safeguards, protecting the company's interests while still pursuing the acquisition.

Red teaming converts enthusiasm into disciplined optimism.



















Premortem intro



Premortem Analysis

In a Premortem Analysis, analysts are asked to imagine that it is one year after the launch of a project and that the project has failed spectacularly.

Instead of focusing on success, they actively explore all the plausible reasons why the failure could have occurred. Participants list as many specific causes as possible, from strategic errors to operational oversights or external shocks.

Then, working backward, they identify ways to mitigate or prevent these risks before they materialize.

This technique cleverly channels hindsight bias in a constructive way, using it in advance to uncover hidden threats and strengthen planning.

Fail on paper today to succeed in reality tomorrow.



















Premortem steps



Running a Premortem

The Premortem process follows a structured sequence to maximize its effectiveness. First, participants are asked to vividly so one visualize a scenario where the project has completely failed. Second, each individual independently writes down all the possible causes of this failure, without filtering or censoring of the possible causes.



Third, the group pools all the suggested causes and ranks them according to their likelihood and potential impact. Finally, the team designs specific mitigation strategies and develops early-warning indicators to detect if these risks are beginning to materialize. This proactive approach helps organizations anticipate and address vulnerabilities before they become critical.

Fear is productive when time-boxed and evidence-based.



















Futures intro



Alternative Futures Analysis

When key drivers of change are highly uncertain and major discontinuities are possible, Scenario Planning becomes a valuable tool.

Analysts begin by identifying two or three critical axes that will shape the future, for example, strict versus loose regulation, or fast versus slow technological adoption.

By crossing these variables, they create four distinct and plausible future scenarios.

Each scenario represents a different combination of how these uncertainties could unfold. Teams then test their strategies against all four futures, assessing how resilient and adaptable their plans would be under different conditions. This method prepares organizations for a range of possibilities rather than a single forecast.

Prepare for multiple tomorrows, not a single forecast.



















Case study



M&A Assumption Challenge

In a complex strategic exercise, an energy firm combined several contrarian techniques (Devil's Advocacy, Red Teaming, and Alternative Futures Analysis) to test a critical belief underpinning a potential acquisition: that expected synergies would justify paying a premium price.

Through structured dissent and scenario modeling, the contrarian teams uncovered a significant vulnerability. They showed that volatility in fuel prices could easily erase the anticipated gains in two of the four future scenarios.

As a result, the firm did not proceed blindly; instead, they restructured the deal terms to include specific contingencies, protecting their investment if market conditions turned unfavorable.

Contrarian synthesis converts caution into smarter deal design.



















Exercise



In this exercise, participants are asked to select a live, ongoing strategic judgment, a real decision or assumption currently guiding their organization's plans.

First, they quickly run a Premortem Analysis, imagining that the judgment has failed and listing potential causes.

Then, they immediately apply Devil's Advocacy, challenging the logic and evidence supporting the original judgment.

Building on this critical analysis, participants map at least two distinct future scenarios where the judgment could falter or collapse.

Finally, for each weak point identified, they must deliver at least two concrete risk mitigation strategies to their peers, promoting proactive thinking and immediate application.

Hands-on dissent cements the habit of critical challenge.



















Case results



Outcomes & Opportunities

In response to the diagnostic findings, the firm implemented several targeted actions. It began dual-sourcing critical components to reduce dependency on single suppliers, and rolled out realtime dashboards to improve visibility into tier-2 supply chain performance. Additionally, it renegotiated supplier contracts to include shared access to demand data, fostering better coordination and responsiveness.

These interventions delivered measurable results: a 25% reduction in back-orders within two quarters, improved inventory stability, and increased confidence across operations. Beyond efficiency gains, the company also repositioned its reliability as a market differentiator marketing its "resilient supply" as a value proposition to customers concerned with product availability and delivery assurance.

Diagnostics convert risk mitigation into competitive edge.



















Final Exercise



The Break Your Own Case

Select a live strategic judgment currently guiding your organization's plans.

First, conduct a quick Premortem Analysis: imagine it fails spectacularly, and list causes.

Second, apply Devil's Advocacy: challenge the original logic and evidence.

Finally, map at least two future scenarios where your judgment could falter, and propose two risk mitigations.

Proactively challenging your assumptions today builds stronger strategies for tomorrow.



















Exercise solution



Break Your Own Case – Example

Strategic judgment: "New market expansion will drive 15% revenue growth."

Premortem causes: regulatory barriers, cultural mismatch, underestimated competition.

Devil's Advocacy critique: growth assumptions overly optimistic; entry barriers misjudged.

Alternative futures:

- Market growth slows due to new local regulations.
- A local competitor aggressively defends its market share.
- Risk mitigations:
- Establish a regulatory monitoring unit.
- Build flexible entry models (partnerships, pilots before full-scale entry).

Forecast different outcomes, and plan to succeed across them all.



















Wrap-up



Contrarian techniques play a crucial role by institutionalizing healthy skepticism within the decision-making process.

Rather than waiting for external forces like the market, the media, or competitors to expose vulnerabilities, these methods help organizations surface weaknesses early and on their own terms.

By embedding contrarian exercises into key review gates (moments where strategies, projects, or analyses are formally reassessed) organizations create a systematic habit of challenging assumptions.

This keeps their analysis more adaptive, resilient, and better equipped to navigate uncertainty in a fast-changing environment.

When everyone nods, schedule a contrarian session.













