

The Danger of Presumptive Assumptions

by Jon Craighead

In my previous article titled 'A Big Shift in the Practice of Strategy' I discussed the discredited idea of being able to create a continuous, 'sustainable' competitive advantage in the marketplace. Today, most advantages are short lived simply because your competitors can catch up quickly and either take your product or service to the next level using the techniques of disruptive innovation, a system of replacing established products with a much improved version, or deliver a totally new product or service that replaces yours. In this article I want to further this discussion by looking into the fallibility of presumptive thinking in strategy planning.

It is important to examine the dangers of planning a future that is based on presumed stabilities. First, presumptions assume that what once was so will continue to be. As I discussed in the earlier article, the speed and volume of today's changing environment debunks that possibility, and persisting in the face of the facts signals a denial of reality. Furthermore, being overly influenced by the past creates a system of inflexible habits and routines. This produces a deterioration of imagination, making the ability to navigate in uncertainty even more difficult. In taking such an approach you have unwittingly relinquished your chance to compete successfully before you've even started.

An antidote to this approach is to investigate the question, "What is it I don't know that I don't know?" Once you've asked this question, then begin to purposefully confront certain undeniable realities. We are all consciously and unconsciously driven by our past as we go about living our lives. This is even more prevalent as we begin constructing our organizational strategies. It is human to want to *know*, and laudably courageous to be able to hang out in the suspense of *not knowing*. Those who can master the art of not knowing will have a competitive edge over those who don't.

Of course there is value in learning from the past. What's effective is a joining together of our past lessons with a keen eye for future unknown developments. In order to be successful this requires a practiced skillful approach of looking for trends and counter trends that can shed light on potential developments that often appear unexpectedly. This may seem obvious; however, being alert is an overriding necessity in pulling this off. If you are not looking for new opportunities, you won't see them when they appear. Moreover, since these opportunities rarely emerge as anticipated, you have to train yourself to look in areas and at circumstances that are new and different.

As you become more successful in this practice it is also crucial to be willing to allow these new opportunities to fade away once their usefulness has diminished, while at the same time being open to the next opportunity. Be careful to not get too emotionally involved with your newly found discoveries, otherwise you'll miss the next option that may emerge. Be alert also to the 'sunk-cost' phenomenon, which is an unwillingness to move forward because of the money and time already invested. And finally, effective planning must include validation. It is important to verify and test results of both successes and failures to learn from each.

So given that we humans have a natural propensity to lean heavily on our past experiences, how do we neutralize this tendency? First, consciously acknowledging the phenomenon offers a cautionary reality. Additionally, we can create a system of checks and balances that minimize the risk of taking miscalculated presumptive actions. For example, working as a team with open and honest dialogue where points of view are welcomed, considered, and tested adds a critical level of versatility and reliability. Meanwhile, as in the disruptive innovation model, old concepts can be modified or adjusted for new applicability. Past ideas may still be applicable, just not in their original context. In other words, you don't always need to "throw the baby out with the bath water."

In essence what I'm suggesting is that bringing a high level of consciousness to the thinking process is an antidote to getting stuck in the trap of past-based thinking. Presumptive assumptions are no longer the hidden enemy when you are mindful of their power. So my advice is to go for it, and at the same time check, check, and recheck.