

Welcome to Managing uncertainty

in partnership with the Chartered Quality Institute

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SAMI Consulting
robust decisions in uncertain times

Agenda

- Uncertainty - fear & denial
- 6 Domains of ignorance
- 3 types of uncertainty
- Reducing uncertainty - process
- Reducing uncertainty - purpose



Human nature



We create certainty because –

- ❖ **Hard-wired** – human desire for safety: measure, calculate, estimate, control
- ❖ **Destiny** – we like to create the illusion of control of our destiny
- ❖ **Confidence** – Display competence to auditors, regulators & investors
- ❖ **Trust** – People look for certainties in order to place trust in their leaders.

We shun uncertainty because –

- ❖ **Educational culture** – teachers reward knowledge and chastise ignorance
- ❖ **Career machismo** – ‘be confident in your assertions, even if you’re wrong’
- ❖ **Comparative failing** – admitting ignorance is seen as a commercial weakness
- ❖ **Action- heroes** – we like to be decisive, even without enough information

Domains of ignorance



1. **Known Unknowns:** All the things you know you don't know
2. **Unknown Unknowns:** All the things you don't know you don't know
3. **Errors:** All the things you think you know but don't
4. **Unknown Knowns:** All the things you don't know you know
5. **Taboos:** Dangerous, polluting or forbidden knowledge
6. **Denials:** All the things too painful to know, so you don't

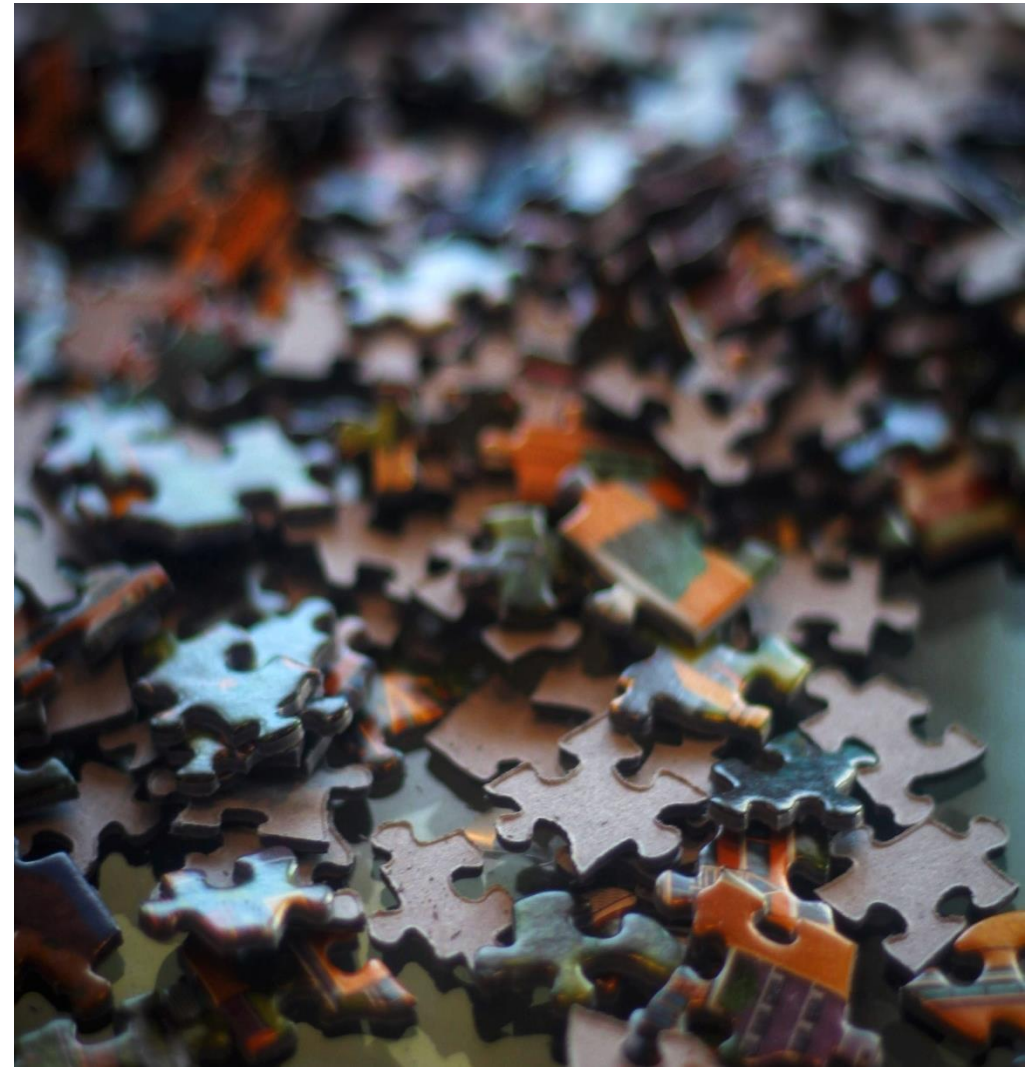


Types of uncertainty

	Known What you know	Unknown What you don't know
Un- knowable (currently)	Known-unknowns (JIGSAW) Information that is identified as relevant for intelligence but is not yet possessed.	Unknown-unknowns (RUMSFELD) Information that has not been seen as relevant intelligence and so not acquired
Know-able	Known-knowns Information that is known and can easily be translated into intelligence	Unknown-knowns (LIBRARY) Information that is known to exist but you haven't identified it yet.

Jigsaws & libraries

- Both types of uncertainty can be reduced:
- Only the resolution strategies differ -
- **Jigsaw** uncertainties need *new information to be created*
- **Library** uncertainties *need existing information to be found*
- Distinguish *solve-able* uncertainty from *unsolve-able* uncertainty



Reducing uncertainty

Process

1. Collect **information**
2. Translate into **knowledge**
3. Convert to **wisdom**
4. Make sound **judgement**



Reducing uncertainty

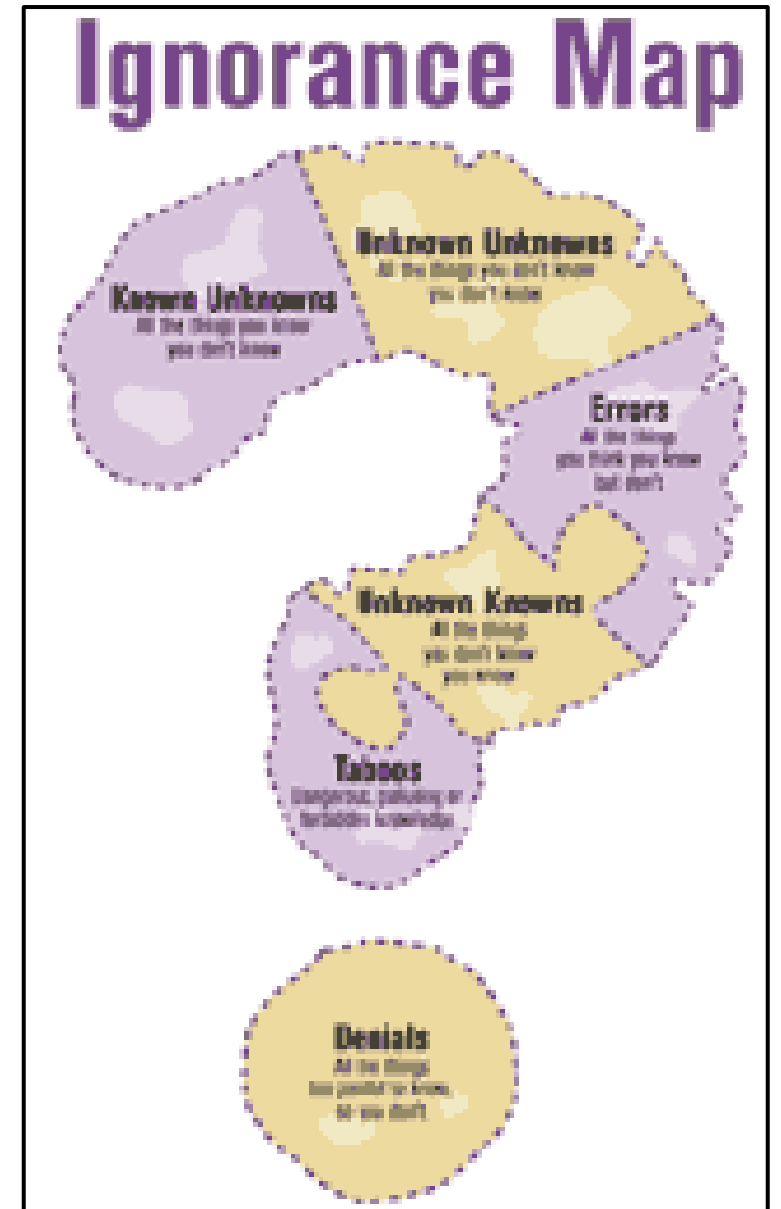
Purpose

1. Make better **decisions**
2. Recognise what is **enough**
3. Appreciate the benefit of **delay**
4. Define precisely what is still **missing**

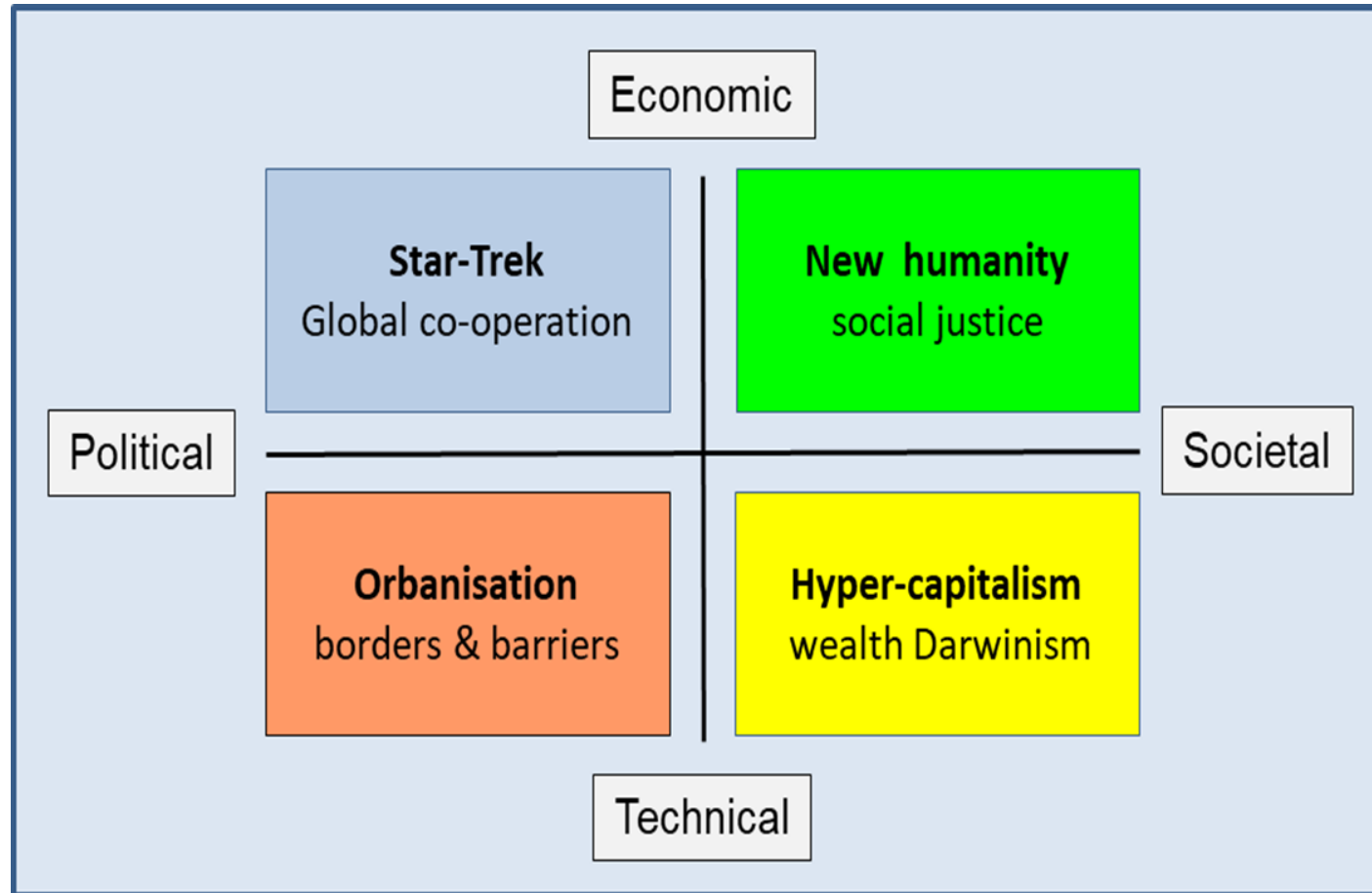


Living with uncertainty

- Accept that some degree of uncertainty is inevitable.
- How will we know when we have enough information for a decision?
- Examine whether a decision can be delayed, deferred or 'do-nothing'.
- What is the risk of making a hasty or ill-informed decision?
- Consider scenario planning to examine alternative futures....



Scenario planning



Summary

- Change is happening faster, and everywhere. After the “new normal” comes the “next normal” and the next...
- With our advice, you can manage risks and seize opportunities, whatever the future looks like
- We’re here to help – SAMI’s futures experts have years of experience supporting clients just like you.



Q&A: Managing uncertainty



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Thank you for attending Managing uncertainty

