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## Countering Black Swans

There is little doubt that we now live in a world of Black Swans – unexpected events that can suddenly change everything. The term “Black Swan” was coined by Nassim Nicholas Taleb in his landmark book: [The Black Swan](#). Taleb argues that random unknown events now drive much of what happens in the world today and because of reckless thinking on the part of our institutions, coupled with global networks and complexity, we can all expect a lot more black swan events in the future. All you have to do is look back over the last ten or twenty years to see it – 9/11, Financial Crisis, and Turmoil in Egypt are all black swan events.

Because black swans are here to stay, the question now becomes: *How do I counter or mitigate against these black swans?* This article describes three potential strategies for countering the Black Swan.

First, try to counter complexity with some form of simplicity. If you take any complex system, you can better manage it by breaking it down into smaller more manageable components. Let's take the example of an airline. A passenger airliner is a very complex system and if one minor thing goes wrong, such as hydraulic line failure, the entire plane crashes. This represents a black swan event for any airline company.

By using something as simple as a Check List, airlines have dramatically reduced accidents, realizing an incredibly good safety record. And now hospitals are doing the same with Check Lists. Hospitals get hit with black swans by way of lawsuits when a patient checks in, but gets an infection while staying in the hospital. So hospitals across the world have taken a page from the airline industry and the results have been impressive – 50% reduction in deaths for hospitals across 18 countries by using Check Lists.

People are unsophisticated creatures and they don't like change or complexity. However, when you give them a simple solution (such as Check Lists), you have reduced complexity to a manageable level for everyone. This is part of how black swans work – all systems are constrained by some inability to change, but because all systems interact together, any change tends to be holistic across all systems.

*“In a complex environment, experts are up against two main difficulties. The first is the fallibility of human memory and attention, especially when it comes to mundane, routine matters that are easily overlooked under the strain of more pressing events. Faulty memory and distractions are a particular danger in what engineers call all-or-none processes: whether running to the store to buy ingredients for a cake, preparing an airplane for take-off, or evaluating a sick person in the hospital, if you miss just one key thing, you might as well not have made the effort at all.”*

[The Checklist Manifesto: How Things Get Done Right](#) by Atul Gawande

A second important lesson with Black Swans is the need to think holistically. Most of us cannot connect the dots and see the big picture. For example, over fifty years ago scientist were connecting the dots and predicting global climate change. These same scientist now talk about another ice age in Europe due to changes in the density of ocean water; i.e. more freshwater is poured into salt water from the melting of glaciers. The problem for the rest of us is that we cannot connect the dots and see this bigger picture. We operate in a very myopic and narrow space and to make matters worse, if someone who is a holistic thinker warns us about the next black swan (such as an ice age in Europe), we dismiss them as crazy.

So an obvious mitigation strategy to Black Swans is to think more holistically and to take those who think holistically more seriously. This will require getting outside your comfort zone. People who think holistically bounce all over the place, doing a wide variety of things. A doctor who studies ballet or a carpenter who plays jazz guitar. When we go way outside our normal comfort zones, we start to see things very differently and amazingly we do a much better job of connecting the dots. For example, you cannot separate politics from taxes from economics from the environment. You have to cross-over to other ways of thinking if you are going to connect the dots and see the big picture.

A third and final lesson for mitigating black swans is to embrace complexity and master it somehow. One of the enablers behind black swans is global connectivity. When something goes right or wrong, it is rapidly transmitted through large social networks.

Instead of running away from these technologies, why not join the revolution and be part of it! For many businesses this will require things such as facebook pages and crowdsourcing. This massive collaboration approach helps keep you ahead of, or at least within, the framework of black swan events.

Just to recap – everyone must recognize Black Swans and how they can profoundly change everything in a blink of an eye. You can counter black swans through the application of simple techniques for managing any complex system (a business, a process, a project, etc.). A good example is the use of the Check List. You must also get outside your traditional space so you begin to see things more holistically; otherwise you will continue to get blind-sided by events that holistic thinkers were able to see. And finally, don't run away from these black swans – join in the fact that they are here to stay. You can seize untold opportunities by adopting a strategy of creating your own black swans to change how the game is played. This will require aggressive global collaboration to foster the highest levels of innovation. As Keith Sawyer points out in this book [Group Genius](#), this will become the catalyst for those companies that grow the fastest.

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