Managing in Uncertain Times, Part II
By L. Douglas Mault

In this month’s article we take a look at some action items that can help you deal with uncertainty

**Brainstorm**

Develop a comprehensive and broad list of the ways the uncertainty you are facing will influence your industry and competition. Some points might include changes in supply/demand; competitors’ strategic actions; technology; regulations; and the development of substitute products. Consider the chronological order in which the uncertainties are likely to be resolved.

**Identify Possible Courses of Actions and Their Interrelationships**

Remember, in this and the above step, possible decisions and uncertainties should not be pre-judged when presented or offered. The point of identifying the possible action steps is to see how these interrelated processes might develop and how you might influence them, rather than trying to take each and every decision to its ultimate point. As part of this, identify which action steps put the company most at risk, those the company can most likely influence and, finally, new aspects or approaches that might minimize or mitigate the risks faced.

**New vs. Conventional**

Develop new visions and scenarios. This will help focus the analysis of the uncertainties onto the competitive environment, will take you beyond conventional forecasting and will enable you to develop reasonable yet alternative views of the future. Avoid the “best case—worst case” approach. This approach often causes one to focus on the “most likely” and, as a result, the resultant strategy really rests on the “most likely” and the delusion that the uncertainties have been addressed.

**How Can You Change The Future?**

Are there moves you can make or signals you can send that might bring about pivotal events you desire? Can you beat the competition to the punch? Can you have an impact on laws or regulations? Will you awaken a sleeping giant? Can you build an insurmountable lead by moving now!

**One Size Does Not Fit All**

There is likely not just one response to uncertainty for your entire company. Too often the approach to uncertainty is that there is only one possible choice. Different departments or units may be affected differently by the same uncertainty. Look at your company as a group of units each of which might, and possibly should, develop its own responses. You might tolerate a greater level of risk in one area to minimize the risk in another.

**Stop, Step Back, Take a Look**

If your company’s response is the same regardless of the various uncertainties, stop, step back and take a look. Either the uncertainty is not critical and the company should move on, or the uncertainty has been mischaracterized and needs more analysis.

Following these steps may take you out of your comfort zone, but they may guide you into making better assumptions and developing better responses and plans for the future.

(For more detailed reading on this topic, see “Strategic Response to Uncertainty,” Elizabeth O. Teisberg, Harvard Business School Publication 9-391-192.)

**About the Author**

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